



**Un-Audited Condensed Interim
Financial Statement for the
Half Year Ended June 30, 2016**

Contents

Corporate Information	02
Director's Review	03
Independent Auditors' Report on Review of Condensed Interim Financial Information to the members	07
Condensed Interim Statement of Financial Position	08
Condensed Interim Profit And Loss Account	09
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement Of Comprehensive Income	12
Condensed Interim Statement of Changes in Equity	13
Notes To The Condensed Interim Financial Statements	14

Corporate Information

Board of Directors

Mr. Michael Patrick Foley	Chairman
Mr. Ali Riaz Chaudhry	Chief Executive Officer & President
Mr. Irfan Wahab Khan	Director
Mr. Roar Bjaerum	Director
Mr. Salim Raza	Independent Director
Mr. Aslam Hayat	Director
Mr. Henning Thronsen	Director

Company Secretary

Ms. Sana Tariq

Chief Financial Officer

Mr. Murtaza Ali

Human Resource Management Planning & Remuneration Committee (HRMPRC)

Mr. Irfan Wahab Khan	Chairman
Mr. Michael Patrick Foley	Member

Audit Sub-Committee

Mr. Salim Raza	Chairman
Mr. Roar Bjaerum	Member
Mr. Henning Thronsen	Member

Risk Management Sub-Committee

Mr. Salim Raza	Chairman
Mr. Roar Bjaerum	Member
Mr. Henning Thronsen	Member

Auditor

KPMG Taseer Hadi & Co., Chartered Accountants

Legal Advisor

Ali & Ali, Barristers & Corporate Consultants

Registered Head Office

Tameer Micro Finance 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 is pleased to present the unaudited condensed interim financial information of the Bank for the Half Year ended June 30, 2016.

Financial Highlights

	Half Year ended June 30, 2016	Half Year ended June 30, 2015
	----- (Rupees in 000's) -----	
Profit before provisions and taxation	792,561	641,387
Provision against loans and advances	(25,997)	(20,558)
Bad debts written off directly	(13,688)	(20,437)
	(39,685)	(23,761)
Profit before taxation	752,877	600,393
Taxation	(273,479)	(217,523)
Profit After Taxation	479,398	382,870
Earnings per share	3.56	2.84

During the half year ended June 30, 2016, the Bank's profit before taxation stood at Rs.752.877 Mn as compared to Rs. 600.393 Mn for the previous comparable period, registering a healthy increase of 25%. Net interest income of the bank increased by 32% to reach Rs. 1,676.190 Mn as compared to Rs. 1,273.252 Mn in corresponding period last year. Non markup income has registered a growth of 5% to reach Rs.807.329 Mn.

Gross Advances increased by 13% to reach Rs. 13,767.98 Mn as at June 30, 2016. Whereas PAR>30 stand at 1.17% at the end of June 30, 2016.

In terms of funding, the deposit portfolio of the Bank expanded by 45% to reach Rs.22,672 Mn, backed by high CASA ratio of 55%. The deposits consist of Rs.12,561.985 Mn CASA deposits which grew by 13% during the period.

We continue to strengthen our presence in the markets place. As of June 30, 2016 we operate through 179 touch points nationwide and continued to upgrade our touch point infrastructure to provide a better customer experience.

Change in Ownership

During the period, Telenor Group (Telenor Pakistan B.V a joint stock company based in Amsterdam) has acquired 49% shareholding of the bank from its minority shareholders. The Group eventually plan to transfer its existing shareholding (51%) from Telenor Pakistan (Private) Limited to Telenor Pakistan B.V., to make it 100% wholly owned subsidiary, subject to regulatory approvals.

Credit Rating

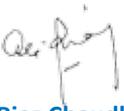
Based on the results for the year ended December 31, 2015, PACRA and JCR-VIS, credit rating companies maintained the long-term entity rating of Tameer Microfinance Bank Limited (TMBL) to "A+" (Single A Plus) while maintaining the short-term rating at "A1" (A One).

The ratings of TMBL reflect its strengthening position in the microfinance industry. The bank's key strengths include high quality loan book, healthy liquidity, increasing deposit base, and sustainable capitalization level. The ratings denote a low expectation of credit risk. The capacity for timely payments of financial commitments is considered strong.

Appreciation & Acknowledgment

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 employees of the Bank levels.

On behalf of the Board



Ali Riaz Chaudhry

President & Chief Executive Officer

Date: 19 August 2016

Place: Karachi

ہم مارکیٹ پلیس میں اپنی موجودگی کو مستقل مضبوط سے مضبوط تر کر رہے ہیں۔ 30 جون 2016ء تک ہم نے قومی سطح پر 179 ٹچ پوائنٹس کے ذریعے بیکاری کی اور ہم نے اپنے ٹچ پوائنٹ انفراسٹرکچر کو اپ گریڈ کرنے کا عمل جاری رکھا تاکہ صارفین کو مزید بہتر سہولیات فراہم کی جاسکیں۔

ملکیت میں تبدیلی

اس عرصے میں ٹیلی نار گروپ (ٹیلی نار پاکستان BV، ایک جوائنٹ اسٹاک کمپنی ہے جس کا ایسٹریڈم سے تعلق ہے) نے بینک کے اقلیتی حصص یافتگان سے بینک کے 49% حصص حاصل کر لیے ہیں۔ گروپ نے ارادہ کیا ہے کہ اپنی موجودہ شرہ برائے حصص (51%) ٹیلی نار پاکستان (پرائیویٹ) لمیٹڈ سے ٹیلی نار پاکستان BV کو دے دی جائے تاکہ انتظامیہ کی رضامندی سے اسے 100% ذاتی کمپنی بنا دیا جائے۔

کریڈٹ ریٹنگ

31 دسمبر 2015ء کے اختتام تک کے نتائج کی بنیاد پر PACRA اور JCR-VIS، کریڈٹ ریٹنگ کمپنیز نے تعمیر مائیکرو فنانانس بینک لمیٹڈ (TMBL) کی طویل المدت ریٹنگ کو "A+" اور مختصر المدت ریٹنگ کو "A-1" پر برقرار رکھا۔

تعمیر مائیکرو فنانانس بینک لمیٹڈ کی ریٹنگ، مائیکرو فنانانس صنعت میں مستحکم مقام کی عکاسی کرتی ہے۔ بینک کی مضبوط صلاحیتوں میں اعلیٰ معیار کے قرضے، مستحکم لیکوڈ بیٹی، بڑھتے ہوئے ڈپازٹس اور مستحکم سرمایہ کار شامل ہیں۔ یہ ریٹنگ خدشہ برائے وصولی قرض میں واضح کمی کو ظاہر کرتی ہے۔ علاوہ مالیاتی ازیں قرضوں کی وقت پر ادائیگی کی صلاحیت کافی مضبوط مانی جاتی ہے۔

قدرشناسی اور قبولیت

بورڈ اپنے گراں قدر صارفین کا شکریہ ادا کرتا ہے کہ بینک کو ان کی مستقل سرپرستی اور حمایت حاصل رہی۔ بورڈ، اسٹیٹ بینک آف پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر انتظامی حکام کا شکریہ ادا کرتا ہے کہ ان کی مستقل رہنمائی اور حمایت بینک کے شامل حال رہی اور ان کے ساتھ بہترین تعلقات سے ہم لطف اندوز ہوتے ہیں۔ بورڈ اپنے ملازمین کی ان تھک محنت، پیشہ وارانہ صلاحیتوں اور ان کی مخلصانہ کوششوں کو ملحوظ خاطر قدر کی نظروں سے دیکھتا ہے۔

منجانب بورڈ


علی ریاض چوہدری

صدر اور چیف ایگزیکٹو آفیسر

تاریخ: 19 اگست 2016ء

مقام: کراچی۔

ڈائریکٹرز کا تبصرہ

بورڈ آف ڈائریکٹرز کو بینک کی غیر آڈٹ شدہ، مختصر، ششماہی، مالیاتی گوشوارے پیش کرتے ہوئے انتہائی مسرت محسوس ہو رہی ہے۔

کارکردگی کی جھلکیاں

آدھے سال کا اختتام ہوا
30 جون 2015ء

آدھے سال کا اختتام ہوا
30 جون 2016ء

000 میں روپے

641,387	792,561
(20,558)	(25,997)
(20,437)	(13,688)
(23,761)	(39,685)
600,393	752,877
(217,523)	(273,479)
382,870	479,398
2.84	3.56

منافع قبل از تمویں اور ٹیکس

تمویں برائے قرضاجات
خسارہ برائے منسوخ شدہ قرضے

قبل از ٹیکس منافع

بعد از ٹیکس منافع

آمدنی فی حصص

نصف سال کے دوران جو کہ 30 جون 2016ء کو اختتام پذیر ہوا، بینک کا قبل از ٹیکس منافع 752,877 ملین (پاکستانی روپے) کی سطح پر رہا جبکہ گذشتہ سال 2015ء کی اسی مدت میں منافع 600,393 ملین (پاکستانی روپے) کی سطح پر رہا تھا۔ اس طرح 2016ء میں منافع میں 25% واضح اضافہ رونما ہوا۔ بینک کی مارک اپ خالص آمدنی میں 32% تک کا اضافہ ہوا اور یہ آمدنی 1,676.190 ملین (پاکستانی روپے) کی سطح تک پہنچی جبکہ گذشتہ سال 2015ء کی اسی مدت میں یہ آمدنی 1,273,252 ملین (پاکستانی روپے) تک پہنچ سکی تھی۔ نان مارک اپ آمدنی 5% بڑھ کر 80,329 ملین (پاکستانی روپے) کی سطح تک پہنچ چکی ہے۔

30 جون 2016ء پر کل قرضاجات 13% کے اضافے کے ساتھ 13,767.98 ملین (پاکستانی روپے) کی سطح تک پہنچے۔ جبکہ 30 جون 2016ء کو PAR > 30، 1.17% پر ہے۔

فنڈنگ کی مدد میں بینک کے ڈپازٹس 45% کے اضافے کیساتھ 22,672 ملین (پاکستانی روپے) کی سطح پر پہنچے اس اضافے کو 55% تناسب برائے CASA نے استحکام دیا۔ کل ڈپازٹس میں 12,561.985 ملین (پاکستانی روپے) CASA ڈپازٹس شامل ہیں جو اس عرصے میں 13% تک بڑھے۔

Independent auditors' review report to the members of Tameer Micro Finance Bank Limited

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Tameer Micro Finance Bank Limited** ("the Bank") as at 30 June 2016 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 (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this 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 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 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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures for the quarters ended 30 June 2016 and 30 June 2015 in the condensed interim profit and loss account and the condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

KPMG Taseer Hadi & Co.

Date: 18 August 2016

Karachi.

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

Condensed Interim Statement of Financial Position (Un-audited)

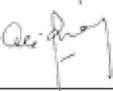
As at 30 June 2016

	Note	30 June 2016 (Un-Audited)	31 December 2015 (Audited)
----- (Rupees in '000) -----			
ASSETS			
Cash and balances with State Bank of Pakistan and National Bank of Pakistan		2,233,406	1,588,338
Balances with other banks	6	3,108,209	1,118,190
Lending to financial institutions	7	3,023,734	346,702
Investments	8	4,863,061	3,784,189
Advances- net of provisions	9	13,687,529	12,125,628
Operating fixed assets	10	702,462	645,474
Other assets	11	1,661,961	1,433,577
Deferred tax asset - net	14	-	16,025
		29,280,362	21,058,123
LIABILITIES			
Deposits and other accounts	12	22,672,448	15,678,541
Borrowings		33,509	85,474
Subordinated debt		-	-
Other liabilities	13	2,414,351	1,604,825
Deferred tax liability - net	14	1,486	-
		25,121,794	17,368,840
NET ASSETS		4,158,568	3,689,283
REPRESENTED BY:			
Share capital		1,346,939	1,346,939
Reserves		1,176,516	1,050,952
Unappropriated profit		1,622,774	1,260,896
		4,146,229	3,658,787
Deficit on revaluation of assets - net of deferred tax		(338)	(836)
Deferred grants		12,677	31,332
		4,158,568	3,689,283

MEMORANDUM / OFF BALANCE SHEET ITEMS

15

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

			
President & Chief Executive Officer	Chairmen	Director	Director

Condensed Interim Profit and Loss Account (Un-audited)

For the half year and quarter ended 30 June 2016

	Note	Half year ended		Quarter ended	
		30 June 2016	30 June 2015	30 June 2016	30 June 2015
		---- (Rupees in '000) ----		---- (Rupees in '000) ----	
Mark-up / return / interest earned	16	2,005,802	1,619,429	1,034,512	863,691
Mark-up / return / interest expensed	17	(329,612)	(346,177)	(194,223)	(173,205)
Net mark-up / return / interest income		1,676,190	1,273,252	840,289	690,486
Provision against non-performing loans and advances	9.2	(25,997)	(20,558)	(11,333)	(6,228)
Provision for diminution in the value of investments		-	-	-	-
Bad debts written off directly		(13,688)	(20,437)	(12,428)	(16,093)
		(39,685)	(40,995)	(23,761)	(22,321)
Net mark-up / return / interest income after provisions		1,636,505	1,232,257	816,528	668,165
NON MARK-UP / NON INTEREST INCOME					
Fee, commission and brokerage income	18	738,285	697,768	375,461	392,928
Dividend income		-	-	-	-
Other income		69,044	74,584	37,808	42,038
Total non-mark-up / non-interest income		807,329	772,352	413,269	434,966
		2,443,834	2,004,609	1,229,797	1,103,131
NON MARK-UP / NON INTEREST EXPENSES					
Administrative expenses		(1,675,592)	(1,390,670)	(881,824)	(745,556)
Other provisions / write-offs		-	(624)	-	(325)
Other charges		(15,365)	(12,922)	(6,962)	(7,857)
Total non-mark-up / non-interest expenses		(1,690,957)	(1,404,216)	(888,786)	(753,738)
		752,877	600,393	341,011	349,393
Extraordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		752,877	600,393	341,011	349,393
Taxation - Current		(220,834)	(195,370)	(89,080)	(112,696)
- Prior years		(38,813)	(28,920)	(38,813)	(28,920)
- Deferred		(13,832)	6,767	(13,832)	6,767
		(273,479)	(217,523)	(141,725)	(134,849)
PROFIT AFTER TAXATION		479,398	382,870	199,286	214,544
Basic and diluted earnings per share - Rupees		3.56	2.84	1.48	1.59

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.


 President &
 Chief Executive Officer


 Chairmen

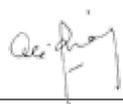

 Director


 Director

Condensed Interim Cash Flow Statement (Un-audited)

For the half year and quarter ended 30 June 2016

	30 June 2016	30 June 2015
----- (Rupees in '000) -----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	752,877	600,393
Adjustments:		
Depreciation and amortisation	99,445	82,940
Finance charges on leased assets	452	587
Provision against non-performing advances - net	39,685	40,995
Provision for Gratuity	3,943	20,617
Other provisions	-	624
Amortisation of discount on investments	(87,066)	(162,982)
Grant income	(18,654)	(9,161)
Gain on sale of operating fixed assets	(3,064)	(2,833)
	34,741	(29,213)
(Increase) / decrease in operating assets		
Lending to financial institutions	(2,677,032)	-
Advances	(1,595,583)	(1,388,513)
Other assets (excluding advance taxation)	(209,982)	(316,956)
	(4,482,597)	(1,705,469)
Increase / (decrease) in operating liabilities		
Deposits and other accounts	6,993,907	3,318,796
Other liabilities (excluding current taxation)	800,552	1,086,777
	7,794,459	4,405,573
Income tax paid	(225,358)	(92,199)
Payment to employee gratuity fund	(36,169)	(38,846)
Net cash generated from operating activities	3,837,953	3,140,239
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments in available-for-sale securities	(10,401,647)	(17,031,074)
Investments in operating fixed assets	(162,193)	(146,598)
Sale proceeds from disposal of available-for-sale securities	9,403,695	15,612,796
Sale proceeds from disposal of operating fixed assets	9,244	8,867
Net cash used in investing activities	(1,150,901)	(1,556,009)



President &
Chief Executive Officer



Chairmen



Director



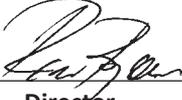
Director

Condensed Interim Cash Flow Statement (*Un-audited*)

For the half year and quarter ended 30 June 2016

	30 June 2016	30 June 2015
----- (Rupees in '000) -----		
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligation	-	(4,179)
Repayment of borrowing from financial institutions	(51,965)	(81,039)
Grant received	-	39,601
<i>Net cash used in financing activities</i>	(51,965)	(45,617)
Increase in cash and cash equivalents during the period	2,635,087	1,538,613
Cash and cash equivalents at beginning of the period	2,706,528	2,088,803
Cash and cash equivalents at end of the period	5,341,615	3,627,416

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.

			
_____ President & Chief Executive Officer	_____ Chairmen	_____ Director	_____ Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year and quarter ended 30 June 2016

	Half year ended		Quarter ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	---- (Rupees in '000) ----		---- (Rupees in '000) ----	
Profit after taxation for the period	479,398	382,870	199,286	214,544
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	11,491	(4,619)	11,491	(4,619)
Related tax impact	(3,447)	1,432	(3,447)	1,432
	8,044	(3,187)	8,044	(3,187)
Comprehensive income for the period transferred to equity	487,442	379,683	207,330	211,357
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'	729	1,462	304	350
Related tax impact	(231)	(453)	(230)	(109)
	498	1,009	74	241
Total comprehensive income for the period - net of tax	487,940	380,692	207,404	211,598

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



**President &
Chief Executive Officer**



Chairmen



Director



Director

Condensed Interim Statement of Changes In Equity (Un-audited)

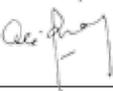
For the half year and quarter ended 30 June 2016

	Share capital	Capital reserves			Un-appropriated profit	Total
		Share premium	Statutory reserve	Depositors' protection fund		
----- (Rupees in '000) -----						
Balance as at 01 January 2015 (Audited)	1,346,939	343,469	369,711	114,962	646,831	2,821,912
Transactions with owners for the period						
Total comprehensive income for the period						
Profit after taxation for the period	-	-	-	-	382,870	382,870
Other comprehensive income - net of tax	-	-	-	-	(3,187)	(3,187)
Total comprehensive income for the period	-	-	-	-	379,683	379,683
Transfer to statutory reserve *	-	-	76,574	-	(76,574)	-
Contribution to depositors' protection fund **	-	-	-	23,855	(23,855)	-
Balance as at 30 June 2015 (Un-Audited)	1,346,939	343,469	446,285	138,817	926,085	3,201,595
Total comprehensive income for the period						
Profit after taxation for the period	-	-	-	-	468,870	468,870
Other comprehensive income - net of tax	-	-	-	-	(11,678)	(11,678)
Total comprehensive income for the period	-	-	-	-	457,192	457,192
Transfer to statutory reserve *	-	-	93,774	-	(93,774)	-
Contribution to depositors' protection fund **	-	-	-	28,607	(28,607)	-
Balance as at 31 December 2015 (Audited)	1,346,939	343,469	540,059	167,424	1,260,896	3,658,787
Profit after taxation for the period	-	-	-	-	479,398	479,398
Other comprehensive income - net of tax	-	-	-	-	8,044	8,044
Total comprehensive income for the period	-	-	-	-	487,442	487,442
Transfer to statutory reserve *	-	-	95,880	-	(95,880)	-
Contribution to depositors' protection fund **	-	-	-	29,684	(29,684)	-
Balance as at 30 June 2016 (Un-Audited)	1,346,939	343,469	635,939	197,108	1,622,774	4,146,229

* 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 21 form an integral part of these condensed interim financial statements.



President &
Chief Executive Officer



Chairmen



Director



Director

Notes To The Condensed Interim Financial Statements (Un-audited)

For the half year and quarter ended 30 June 2016

1. STATUS AND NATURE OF BUSINESS

- 1.1** 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 undeserved 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.
- 1.2** During the period, Telenor Group (Telenor Pakistan B.V. a joint stock company based in Amsterdam) has acquired 49% shareholding of the Bank from its minority shareholders. The Group eventually plan to transfer its existing shareholding (51%) from Telenor Pakistan (Private) Limited to Telenor Pakistan B.V.), to make it 100% wholly owned subsidiary, subject to regulatory approvals.

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.

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 annual financial statements for the year ended 31 December 2015.

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 2015.
- 5.2 The financial risk management objectives and policies adopted by the bank are consistent with those disclosed in the annual financial statements of the bank for the year ended 31 December 2015.

Note	30 June 2016 (Un-Audited)	31 December 2015 (Audited)
----- (Rupees in '000) -----		

6. BALANCES WITH OTHER BANKS

In Pakistan

- Current accounts		11,339	14,926
- PLS deposit accounts	6.1	1,896,870	903,264
- Term deposit accounts	6.2	1,200,000	200,000
		3,108,209	1,118,190

- 6.1 This represents demand deposits with commercial banks carrying mark-up at rates ranging from 4.00% to 6.10% (31 December 2015: 4.00% to 5.30%) per annum.

- 6.2 This represents term deposits with commercial banks carrying mark-up at a rate ranging from 6.35% to 7.00% (31 December 2015: 7.50%) per annum and will mature by August 2016.

Note	30 June 2016 (Un-Audited)	31 December 2015 (Audited)
------	---------------------------------	----------------------------------

----- (Rupees in '000) -----

7. LENDING TO FINANCIAL INSTITUTIONS

Call money lending	7.1	800,000	-
Repurchase agreement lendings (reverse repo)	7.2	2,223,734	346,702
		3,023,734	346,702

- 7.1 This represents unsecured lending carrying mark-up at a rate ranging from 5.75% to 5.85% per annum and will mature by July 2016.

- 7.2 This carries mark-up at a rate ranging from 5.95% to 6.25% (31 December 2015: 6.10%) per annum and will mature by July 2016. As at 30 June 2016, the Bank held market treasury bills amounting to Rs. 2,265 million as collateral against these reverse repo transactions.

30 June 2016 (Un-Audited)	31 December 2015 (Audited)
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----- (Rupees in '000) -----

8. INVESTMENTS

Federal Government Securities - available-for-sale			
Market Treasury Bills		4,863,544	3,785,401
Deficit on revaluation of assets		(483)	(1,212)
		4,863,061	3,784,189

- 8.1 These carry interest rates ranging between 5.86% to 6.22% (31 December 2015: 6.25% to 6.95%) per annum and have maturity upto September 2016. These securities have an aggregate face value of Rs. 4,900 million (31 December 2015: Rs. 3,813 million).

Note	30 June 2016 (Un-Audited)	31 December 2015 (Audited)
------	---------------------------------	----------------------------------

----- (Rupees in '000) -----

9. ADVANCES - NET OF PROVISIONS

Advances - gross	9.1	13,767,985	12,186,090
Provision against non-performing loans and advances			
- Specific provision	9.1	(6,275)	(2,619)
- General provision	9.2	(74,181)	(57,843)
		(80,456)	(60,462)
Advances - net of provisions		13,687,529	12,125,628

9.1 Advances include Rs. 161.411 million (31 December 2015: Rs. 56.788 million) which have been placed under non-performing status as detailed below:

	30 June 2016			31 December 2015		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
OAEM	83,748	-	-	32,964	-	-
Substandard	52,740	560	560	18,397	178	178
Doubtful	22,784	3,699	3,699	4,278	1,536	1,536
Loss	2,139	2,016	2,016	1,149	905	905
	161,411	6,275	6,275	56,788	2,619	2,619

9.2 Particulars of provision against non-performing advances

	30 June 2016			31 December 2015		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----			----- (Rupees in '000) -----		
Opening balance	2,619	57,843	60,462	9,586	30,045	39,631
Charge for the year	20,623	16,338	36,961	35,074	27,798	62,872
Reversals	(10,964)	-	(10,964)	(19,610)	-	(19,610)
	9,659	16,338	25,997	15,464	27,798	43,262
Amount written off	(6,003)	-	(6,003)	(22,431)	-	(22,431)
Closing balance	6275	74,181	80,456	2,619	57,843	60,462

10. OPERATING FIXED ASSETS

	30 June 2016 (Un-Audited)	31 December 2015 (Audited)
	----- (Rupees in '000) -----	
10.1 Property and equipment	625,713	565,060
Intangible assets	37,655	28,048
Capital work-in-progress - advance against purchase of fixed assets	39,094	52,366
	702,462	645,474

30 June 2016 (Un-Audited)	30 June 2015 (Un-audited)
---------------------------------	---------------------------------

----- (Rupees in '000) -----

10.2 Additions during the period - at cost

Improvements to leasehold buildings	22,371	20,616
Furniture and Fixtures	13,755	19,119
Electrical, office and computer equipments	61,356	60,449
Vehicles-owned	54,919	24,626
Intangible assets	23,064	4,484
	175,465	129,294

10.3 Disposals during the period - at cost

Electrical, office and computer equipments	508	20
Vehicles-owned	36,016	10,383
Vehicles-leased	1,422	3,693
	37,946	14,096

Note	30 June 2016 (Un-Audited)	31 December 2015 (Audited)
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----- (Rupees in '000) -----

11. OTHER ASSETS

Mark-up / return / interest accrued		815,856	726,150
Loans to employees	11.1	153,308	171,054
Security deposits		25,017	10,713
Prepayments - rent		70,407	64,768
- others		51,067	17,406
Receivable from defined benefit plan		28,225	-
Branchless banking transaction fee receivable		275,985	263,482
Taxation - net		-	9,823
Others		242,096	170,181
		1,661,961	1,433,577

11.1 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.

12. DEPOSITS AND OTHER ACCOUNTS

Fixed deposits	10,110,463	4,602,374
Savings deposits	2,068,282	1,546,250
Current accounts	10,493,703	9,529,917
	22,672,448	15,678,541

30 June 2016 (Un-Audited)	31 December 2015 (Audited)
---------------------------------	----------------------------------

----- (Rupees in '000) -----

12.1 Particulars of deposits by ownership

Individual depositors	14,918,965	12,004,424
Institutional depositors		
- Corporations / firms etc	5,681,919	3,610,325
- Banks / financial institutions	2,071,564	63,792
	22,672,448	15,678,541

13. OTHER LIABILITIES

Mark-up / return / interest payable	124,724	105,190
Payable against branchless banking transactions	1,666,842	916,546
Accrued expenses	311,941	283,995
Provision for staff bonus	78,500	125,000
Withholding tax payable	43,258	29,591
Liabilities against assets subject to finance lease	298	298
Payable to defined contribution plan	9,422	6,319
Payable to defined benefit plan	-	15,492
Payable to Workers' Welfare Fund	75,073	59,708
Taxation - net	24,466	-
Others	79,827	62,686
	2,414,351	1,604,825

14. DEFERRED TAX LIABILITY / (ASSET) - NET

Deductible temporary differences arising in respect of:

Provision against non-performing loans and advances	(24,137)	(18,743)
Deficit on revaluation of investments	(145)	(376)
Remeasurement of defined benefit plan	(12,576)	(16,024)
	(36,858)	(35,143)

Taxable temporary differences arising in respect of:

Accelerated depreciation allowance	38,344	19,118
	1,486	(16,025)

15. MEMORANDUM / OFF BALANCE SHEET ITEMS

There are no memorandum / off balance sheet items as at the end of 30 June 2016.

16. MARK-UP / RETURN / INTEREST EARNED

	Half Year ended		Quarter ended	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	(Un-Audited)		(Un-Audited)	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
On loans and advances	1,849,624	1,386,675	949,088	730,171
On available for sale investments	87,066	162,982	43,803	91,375
On deposits with financial institutions	36,945	33,274	21,539	17,789
On call money lendings	13,082	19,023	8,936	11,812
On Repurchase agreement lendings	19,085	17,475	11,145	12,544
	2,005,802	1,619,429	1,034,511	863,691
17. MARK-UP / RETURN / INTEREST EXPENSED				
On deposits	325,692	334,055	192,968	167,845
On borrowings	3,920	12,122	1,254	5,360
	329,612	346,177	194,222	173,205
18. FEE, COMMISSION AND BROKERAGE INCOME				
Loan processing fee	183,286	173,546	96,232	91,571
Income from branchless banking	546,579	515,894	274,727	296,631
Others	8,420	8,328	4,502	4,726
	738,285	697,768	375,461	392,928

18.1 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% (2015: 14% and 86%) respectively.

19. 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 2016				31 December 2015			
	Holding company	Directors and key management personnel	Others	Total	Holding company	Directors and key management personnel	Others	Total
	(Un-Audited)				(Audited)			
----- (Rupees in '000) -----				----- (Rupees in '000) -----				
Advances								
Opening balance	-	47,787	-	47,787	-	33,526	-	33,526
Addition during the period / year	-	7,257	-	7,257	-	33,300	-	33,300
Repaid during the period / year	-	(37,476)	-	(37,476)	-	(19,039)	-	(19,039)
Closing balance	-	17,568	-	17,568	-	47,787	-	47,787
Deposits								
Opening balance	282,853	10,614	407,440	700,907	75,979	5,787	318,856	400,622
Received during the period / year	29,459,483	112,472	519,442	30,091,397	59,094,533	285,583	588,271	59,968,387
Withdrawn during the period / year	(29,684,489)	(101,564)	(476,545)	(30,262,598)	(58,887,659)	(280,756)	(499,687)	(59,668,102)
Closing balance	57,847	21,522	450,337	529,706	282,853	10,614	407,440	700,907
Other Liabilities								
Payable against branchless banking transactions	256,508	-	-	256,508	195,692	-	-	195,692
Mark-up payable	-	25	25,310	25,335	-	-	33,120	33,120
Accrued Expenses	59,658	-	-	59,658	83,224	-	-	83,224
Payable to defined contribution plan	-	-	9,422	9,422	-	-	6,319	6,319
Payable to defined benefit plan	-	-	-	-	-	-	15,492	15,492
Closing balance	316,166	25	34,732	350,923	278,916	-	54,931	333,847
Other Assets								
Other receivable	78,574	-	-	78,574	51,591	-	11	51,602
Receivable from defined benefit plan	-	-	28,225	28,225	-	-	-	-
Closing balance	78,574	-	28,225	106,799	51,591	-	11	51,602
30 June 2016 (Un-Audited)				30 June 2015 (Un-Audited)				
----- (Rupees in '000) -----				----- (Rupees in '000) -----				
Expenses								
Mark-up expense	-	173	27,077	27,250	-	27	22,763	22,790
Communication expenses	360	-	-	360	2,270	-	-	2,270
Deposit Mobilization Commission	58,561	-	-	58,561	73,877	-	-	73,877
Contribution to defined contribution plan	-	-	23,748	23,748	-	-	19,183	19,183
Charge for defined benefit plan	-	-	3,943	3,943	-	-	20,617	20,617
Closing balance	58,921	173	54,768	113,862	76,147	27	62,563	138,737

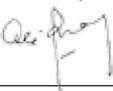
20. GENERAL

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

20.2 Figures of the profit and loss account for the quarters ended 30 June 2016 and 30 June 2015 have not been subjected to limited scope review by the auditors.

21. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on 19 August 2016.

			
_____ President & Chief Executive Officer	_____ Chairmen	_____ Director	_____ Director

To “improve lives in every home”

Tameer Micro Finance Bank Limited

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