

Tameer Bank

Micro Finance



تعمير بينك
مائڪرو فنانس

Un-Audited Interim Condensed
Financial Statement for the Half Year
Ended June 30th, 2014




easypaisa
بدلے زندگی آسائے سے




24/7
Branch Banking Services




Bank on Wheels
Community Service at Door Steps




Micro Health Insurance



The Largest Micro Finance Bank in Pakistan

Empowering for Change

Most of Tameer's loan customers have acquired opportunities to transform their quality of life by ensuring access to health care and education for their children.

Extensive financial education within the communities has set the pace for socio-economic empowerment with a long term impact on the lives of marginalized and disadvantaged people. That is the social premium on Tameer's commercial business.

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Tameer Microfinance Bank Limited Director's Review

The Board of Director's are pleased to present the Un-audited Condensed Interim Financial Statements of the Bank for the Half Year Ended June 30, 2014.

Half Year ended June 30, 2014	Half Year ended June 30, 2013
----- (Rupees in '000) -----	
----- Un-Audited -----	

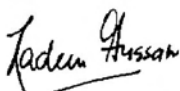
Profit Before Provisions and Taxations	514,937	235,388
Provision against loans and advances	8,842	4,105
Bad Debts written off directly-net of recoveries	28,444	13,155
Profit Before Taxation	477,651	218,128
Taxation	(167,278)	(80,343)
Profit After Taxation	310,373	137,785
Earnings per Share	2.30	1.02

During the half-year ended June 30, 2014, the Bank's profit before taxation stood at **Rs.477.651Mn** from the previous comparable period.

We continue to strengthen our presence in the markets place as of June 30,2014 we operate through 56 Branches and 84 Services center nationwide.

PACRA, a premier rating agency of the country, has rated the Bank 'A+' Long - Term and 'A' 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 continues 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.



Nadeem Hussain
Chief Executive Officer
Date : 13th August , 2014
Place: Karachi.

Corporate Information

Corporate Information

Board of Directors

Ms. Tine Gottlob Wollebekk	Chairwoman
Mr. Nadeem Hussain	Chief Executive Officer & President
Mr. Lars Christian Iuel	Director
Mr. Irfan Wahab Khan	Director
Mr. Roar Bjaerum	Director
Mr. Salim Raza	Director
Mr. Nizar Noor Muhammad	Director

Chief Financial Officer & Company Secretary

Mr. Kabeer Naqvi

Human Resource Management & Planning Committee

Mr. Lars Christian Iuel	Chairman
Mr. Irfan Wahab Khan	Member
Mr. Nizar Noor Muhammad	Member

Branchless Banking Steering Committee

Mr. Irfan Khan	Chairman
Mr. Nadeem Hussain	Member
Mr. Roar Bjaerum	Member
Ms. Tine Gottlob Wollebekk	Member
Mr. Lars Christian Iuel	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. Tine Gottlob Wollebekk	Member
Mr. Roar Bjaerum	Member

Auditors

Ernst & Young Ford Rhodes SidatHyder& Co	Chartered Accountants
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Legal Advisors

EbrahimHossain

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>
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Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying interim condensed balance sheet of **Tameer Micro Finance Bank Limited** (the Bank) as at 30 June 2014, the related interim condensed profit and loss account, interim condensed statement of comprehensive income, interim condensed cash flow statement, interim condensed 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.

Chartered Accountants

Audit Engagement Partner: Shabbir Yunus

Date: 13th August, 2014

Karachi

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2014

Note	30 June 2014 (Un-Audited)	31 December 2013 (Audited)
	------(Rupees in '000)-----	

ASSETS

Cash and balances with State Bank of Pakistan and National Bank of Pakistan		1,190,119	1,225,227
Balances with other banks		1,420,297	571,006
Lendings to financial institutions		-	-
Investments	5	3,445,616	3,471,857
Advances- net of provisions	6	8,936,061	8,311,128
Operating fixed assets	7	545,998	480,237
Other assets		1,228,071	1,131,244
Deferred tax assets - net		-	-
		16,766,162	15,190,699

LIABILITIES

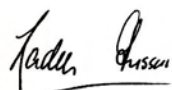
Deposits and other accounts	8	12,241,368	10,627,546
Borrowings	9	370,241	501,280
Subordinated debt	10	494,781	989,757
Other liabilities		1,180,646	854,124
Deferred tax liabilities	11	18,124	8,567
		14,305,160	12,981,274
NET ASSETS		<u>2,461,002</u>	<u>2,209,425</u>

REPRESENTED BY:

Share capital		1,346,939	1,346,939
Reserves		723,495	641,705
Unappropriated profit		380,703	205,787
		2,451,137	2,194,431
Deficit on revaluation of assets - net of tax		(686)	(1,388)
Deferred grants		10,551	16,382
		<u>2,461,002</u>	<u>2,209,425</u>

MEMORANDUM / OFF BALANCE SHEET ITEMS

The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.



President & Chief
Executive Officer



Chairman



Director



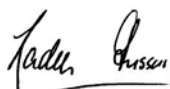
Director

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2014

Note	Half Year ended		Quarter ended		
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	
----- (Rupees in '000) -----					
Mark-up / return / interest earned	12	1,411,232	1,171,877	717,807	595,860
Mark-up / return / interest expensed	13	(384,825)	(546,099)	(186,547)	(270,532)
Net mark-up / return / interest income		1,026,407	625,778	531,260	325,328
Provision against non-performing loans and advances		(8,842)	(4,105)	(6,401)	(2,354)
Provision for diminution in the value of investments		-	-	-	-
Bad debts written off directly		(28,444)	(13,155)	(16,331)	(9,476)
		(37,286)	(17,260)	(22,732)	(11,830)
Net mark-up / return / interest income after provisions		989,121	608,518	508,528	313,498
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income	14	579,853	406,266	292,361	214,944
Dividend income		-	-	-	-
Other income		35,846	36,147	19,817	22,543
Total non mark-up / interest income		615,699	442,413	312,178	237,487
		1,604,820	1,050,931	820,706	550,985
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses		(1,115,196)	(826,209)	(552,380)	(434,107)
Other provisions / write-offs		(2,012)	(2,042)	(1,063)	(1,378)
Other charges		(9,961)	(4,552)	(5,350)	(2,310)
Total non mark-up / interest expenses		(1,127,169)	(832,803)	(558,793)	(437,795)
		477,651	218,128	261,913	113,190
Extraordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		477,651	218,128	261,913	113,190
Taxation - Current		(157,434)	(16,143)	(84,083)	20,585
- Prior years		-	-	-	-
- Deferred	11	(9,844)	(64,200)	(9,844)	(64,200)
		(167,278)	(80,343)	(93,927)	(43,615)
PROFIT AFTER TAXATION		310,373	137,785	167,986	69,575
Basic and diluted earnings per share - Rupees		2.30	1.02	1.25	0.52

The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.




President & Chief
Executive Officer



Chairman



Director



Director

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

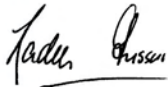
FOR THE HALF YEAR ENDED JUNE 30, 2014

Half Year ended		Quarter ended	
30 June 2014	30 June 2013	30 June 2014	30 June 2013

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

Net profit for the period	310,373	137,785	167,986	69,575
Other comprehensive income not to be reclassified to profit and loss account in subsequent periods				
Actuarial loss on defined benefit plan	(2,897)	-	-	-
Effect of taxation	683	-	-	-
	(2,214)	-	-	-
Total comprehensive income for the period	308,159	137,785	167,986	69,575

The annexed notes 1 to 17 form an integral part of these interim condensed financial statements.



President & Chief Executive Officer



Chairman



Director



Director

INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2014

30 June 2014 30 June 2013

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

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	477,651	218,128
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	73,133	53,952
Finance charges on leased assets	878	987
Provision against non-performing advances	37,286	17,260
Provision for gratuity	14,965	13,158
Other provisions	2,012	2,042
Amortisation of discount on investments	(99,205)	(168,940)
Loss on derivative financial instruments	-	-
Grant income	(7,497)	(3,146)
Gain on sale of operating fixed assets	(1,474)	(1,222)
	20,098	(85,909)
Increase in operating assets		
Advances	(664,231)	(743,510)
Other assets (excluding advance taxation)	(96,827)	(98,748)
	(761,058)	(842,258)
Increase in operating liabilities		
Deposits and other accounts	1,613,822	2,227,605
Other liabilities (excluding current taxation)	200,482	501,723
	1,814,304	2,729,328
Income tax paid	(19,993)	(15,653)
Gratuity paid	(27,402)	(11,358)
Net cash flows from operating activities	<u>1,503,600</u>	<u>1,992,278</u>

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of investments in available-for-sale securities	(12,472,504)	(21,924,779)
Investments in operating fixed assets	(143,739)	(128,028)
Sale proceeds from disposal of available-for-sale securities	12,599,048	22,042,900
Sale proceeds from disposal of operating fixed assets	6,321	3,967
Net cash flows used in investing activities	<u>(10,874)</u>	<u>(5,940)</u>

CASH FLOW FROM FINANCING ACTIVITIES

Payments of lease obligation	(5,260)	(2,856)
Borrowings	(131,039)	(742,281)
Subordinated debt	(494,976)	8,852
Cash dividend paid to shareholders	(48,934)	-
Grant received	1,666	2,234
Net cash flows used in financing activities	<u>(678,543)</u>	<u>(734,051)</u>

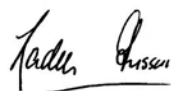
Net increase in cash and cash equivalents

	814,183	1,252,287
Cash and cash equivalents at 01 January	1,796,233	1,657,642
Cash and cash equivalents at 30 June	<u>2,610,416</u>	<u>2,909,929</u>


CASH AND CASH EQUIVALENTS

Cash and balances with SBP and NBP	1,190,119	1,821,275
Balances with other banks	1,420,297	1,088,654
Lendings to financial institutions	-	-
	<u>2,610,416</u>	<u>2,909,929</u>

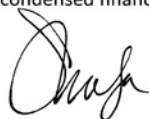
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President & Chief
Executive Officer



Chairman



Director



Director

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

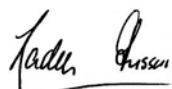
FOR THE HALF YEAR ENDED JUNE 30, 2014

	Share capital	Capital reserves			(Accumulated loss)/ Unappropriated Profit	Total
		Share premium	Statutory reserve	Depositors' Protection Fund		
(Rupees in '000)						
Balance as at 01 January 2013	1,346,939	343,469	151,590	45,552	(61,041)	1,826,509
Net profit for the period	-	-	-	-	137,785	137,785
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	137,785	137,785
Transfer to statutory reserve *	-	-	27,628	-	(27,628)	-
Contribution to Depositors' Protection Fund **	-	-	-	9,349	(9,349)	-
Balance as at 30 June 2013	1,346,939	343,469	179,218	54,901	39,767	1,964,294
Net profit for the period	-	-	-	-	243,970	243,970
Other comprehensive income	-	-	-	-	(13,833)	(13,833)
Total comprehensive income for the period	-	-	-	-	230,137	230,137
Transfer to statutory reserve *	-	-	48,794	-	(48,794)	-
Contribution to Depositors' Protection Fund **	-	-	-	15,323	(15,323)	-
Balance as at 31 December 2013	1,346,939	343,469	228,012	70,224	205,787	2,194,431
Net profit for the period	-	-	-	-	310,373	310,373
Other comprehensive income	-	-	-	-	(2,214)	(2,214)
Total comprehensive income for the period	-	-	-	-	308,159	308,159
Interim Cash Dividend - 31 March 2014 at the rate of Re.0.38 per share	-	-	-	-	(51,453)	(51,453)
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

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



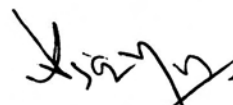
President & Chief
Executive Officer



Chairman



Director



Director

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED JUNE 30, 2013

1. STATUS AND NATURE OF BUSINESS

- 1.1 Tameer Microfinance 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, Central Commercial Area, K.C.H.S. Union, Karachi. The Bank's principal business is to provide microfinance 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. STATEMENT OF COMPLIANCE

These interim condensed 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 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 and the said directives have been followed.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Bank as at 31 December 2013.

3. BASIS OF MEASUREMENT

- 3.1 These interim condensed financial statements have been prepared under historical cost convention except for available for sale investments which are measured at fair value.
- 3.2 These interim condensed financial statements have been presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

- 4.1 The accounting policies adopted for the preparation of these interim condensed financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2013, except as follows:

New, Amended And Revised Standards And Interpretations of IFRSs

The Bank has adopted the following revised standards, amendments and interpretation of IFRSs which became effective during the period:

IAS 32 – Financial Instruments : Presentation – (Amendment)

IAS 36 – Impairment of Assets – (Amendment)

IFRIC 21 – Levies

IFAS 3 – Profit and Loss Sharing on Deposits

The adoption of the above standards / amendments did not have any effect on the interim condensed financial statements.

- 4.2 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 2013.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED JUNE 30, 2014

Note	30 June 2014 (Un-Audited)	31 December 2013 (Audited)
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------(Rupees in '000)-----

5. INVESTMENTS

Federal Government Securities - available-for-sale

Market Treasury Bills	5.1	3,446,655	3,473,994
Deficit on revaluation of assets		(1,039)	(2,137)
		<u>3,445,616</u>	<u>3,471,857</u>

- 5.1 These carry interest rates ranging between 9.65% to 9.96% (31 December 2013: 9.75% to 10.30%) per annum and will mature in September 2014. These securities have an aggregate face value of Rs.3,480 million (31 December 2013: Rs.3,500 million).

6. ADVANCES - net of provisions

Advances - gross		8,962,519	8,331,554
Provision against non-performing loans and advances			
- Specific provision	6.1	(1,682)	(1,533)
- General provision	6.2	(24,776)	(18,893)
		(26,458)	(20,426)
Advances - net of provisions		<u>8,936,061</u>	<u>8,311,128</u>

- 6.1 Advances include Rs.178.715 million (31 December 2013: Rs.49.489 million) which have been placed under non-performing status as detailed below:

	30 June 2014 (Un-Audited)			31 December 2013 (Audited)		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Other Assets Especially Mentioned (OAEM)	137,887	-	-	41,685	-	-
Substandard	27,556	129	129	4,202	58	58
Doubtful	12,207	782	782	2,340	477	477
Loss	1,065	771	771	1,262	998	998
	<u>178,715</u>	<u>1,682</u>	<u>1,682</u>	<u>49,489</u>	<u>1,533</u>	<u>1,533</u>

- 6.2 Particulars of provision against non-performing advances

	30 June 2014 (Un-Audited)			31 Dec 2013 (Audited)		
	Specific	General	Total	Specific	General	Total
	------(Rupees in '000)-----			------(Rupees in '000)-----		
Opening balance	1,533	18,893	20,426	1,466	10,899	12,365
Charge for the year	3,126	5,883	9,009	8,783	7,994	16,777
Reversals	(167)	-	(167)	(5,387)	-	(5,387)
	2,959	5,883	8,842	3,396	7,994	11,390
Amount written off	(2,810)	-	(2,810)	(3,329)	-	(3,329)
Closing balance	<u>1,682</u>	<u>24,776</u>	<u>26,458</u>	<u>1,533</u>	<u>18,893</u>	<u>20,426</u>

President & Chief
Executive Officer

Chairman

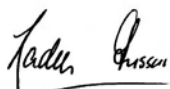
Director

Director

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED JUNE 30, 2014

	30-June-14 (Un-Audited)	31-Dec-13 (Audited)
	------(Rupees in '000)-----	
7. OPERATING FIXED ASSETS		
7.1 Property and equipment	464,051	406,055
Intangible assets	35,949	32,407
Capital work-in-progress - advance against purchase of fixed assets	45,998	41,775
	<u>545,998</u>	<u>480,237</u>
	30-June-14 (Un-Audited)	30-June-13 (Un-Audited)
	------(Rupees in '000)-----	
7.2 Additions during the period - at cost		
Improvements to leasehold buildings	20,973	11,454
Furniture and Fixtures	19,515	13,922
Electrical, office and computer equipment	70,289	50,168
Vehicles-owned	15,161	30,332
Intangible assets	13,578	1,905
	<u>139,516</u>	<u>107,781</u>
7.3 Deletions during the period - at cost		
Furniture and fixtures	291	-
Electrical, office and computer equipment	103	5,807
Vehicles-owned	7,929	4,362
	<u>8,323</u>	<u>10,169</u>
	30-June-14 (Un-Audited)	31-Dec-13 (Audited)
	------(Rupees in '000)-----	
8. DEPOSITS AND OTHER ACCOUNTS		
Fixed deposits	4,474,239	4,966,394
Savings deposits	1,138,893	837,432
Current accounts	6,628,236	4,823,720
	<u>12,241,368</u>	<u>10,627,546</u>
8.1 Particulars of deposits by ownership		
Individual depositors	9,618,879	9,141,036
Institutional depositors:		
- Corporations / firms etc.	2,579,924	1,352,630
- Banks / financial institutions	42,565	133,880
	<u>12,241,368</u>	<u>10,627,546</u>




President & Chief
Executive Officer



Chairman



Director



Director

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED JUNE 30, 2014

Note	30 June 2014 (Un-Audited)	31 December 2013 (Audited)
	------(Rupees in '000)-----	

9. BORROWINGS

Banks / financial Institutions inside Pakistan	<u>370,241</u>	<u>501,280</u>
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Detail of borrowings - unsecured

From commercial banks

Microfinance Credit Guarantee Facility (MCGF)	9.1	<u>372,222</u>	503,750
Unamortised transaction cost		<u>(1,981)</u>	<u>(2,470)</u>
		<u>370,241</u>	<u>501,280</u>

9.1 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% (2013: 6 months' KIBOR plus 2%) and are repayable in fixed installments over a period of 3-5 years.

10. SUBORDINATED DEBT

Term Finance Certificate (TFCs) - I	-	498,800
Unamortised transaction cost	-	(987)
	-	<u>497,813</u>

Term Finance Certificate (TFCs) - II	498,200	498,800
Unamortised transaction cost	(3,419)	(6,856)
	<u>494,781</u>	<u>491,944</u>
	<u>494,781</u>	<u>989,757</u>

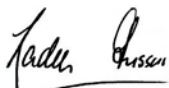
11. DEFERRED TAX LIABILITIES - net

Taxable temporary differences arising in respect of:

Accelerated depreciation allowance	40,491	29,975
Unamortised transaction cost	1,836	2,745
	<u>42,327</u>	<u>32,720</u>

Less: Deductible temporary differences arising in respect of:

Provision against non-performing loans and advances	8,995	7,086
Deferred grant	3,587	5,734
Deficit on revaluation of investments	353	748
Actuarial effect on defined benefit plan	11,268	10,585
	<u>24,203</u>	<u>24,153</u>
	<u>18,124</u>	<u>8,567</u>



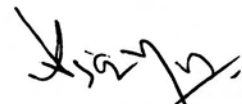
President & Chief
Executive Officer



Chairman



Director



Director

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED JUNE 30, 2014

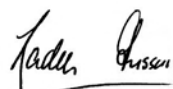
Note	Half year ended		Quarter ended	
	30 June	30 June	30 June	30 June
	2014	2013	2014	2013
	(Un-Audited)		(Un-Audited)	
	(Rupees in '000)		(Rupees in '000)	
12. MARK-UP / RETURN / INTEREST EARNED				
On loans and advances	1,239,456	952,070	630,277	492,590
On available for sale investments	99,205	168,940	46,243	78,450
On deposits with financial institutions	32,540	24,278	18,227	9,440
On call money lendings	14,892	14,491	5,997	7,935
On repurchase agreement lendings	25,139	12,098	17,063	7,445
	<u>1,411,232</u>	<u>1,171,877</u>	<u>717,807</u>	<u>595,860</u>
13. MARK-UP / RETURN / INTEREST EXPENSED				
On Deposits	316,464	408,868	155,295	212,302
On Borrowings	28,613	66,128	14,163	22,325
On Subordinated Debt	39,748	71,103	17,089	35,905
	<u>384,825</u>	<u>546,099</u>	<u>186,547</u>	<u>270,532</u>
14. FEE, COMMISSION AND BROKERAGE INCOME				
Loan processing fee	140,500	90,379	74,124	48,848
Income from branchless banking	14.1 432,478	307,683	216,311	160,592
Others	6,875	8,204	1,926	5,504
	<u>579,853</u>	<u>406,266</u>	<u>292,361</u>	<u>214,944</u>

14.1 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% (2013: 13% and 87%) respectively.


15. 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 interim condensed financial statements, are summarised as follows:



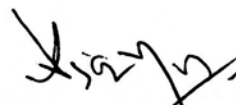
President & Chief
Executive Officer



Chairman



Director



Director

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED JUNE 30, 2014

	30-June-2014 (Un-Audited)				31-Dec-2013 (Audited)			
	Holding Company	Directors and key management personnel	Others	Total	Holding Company	Directors and key management personnel	Others	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Other Assets								
At 01 January	-	31,614	-	31,614	-	22,469	-	22,469
Given during the year	-	16,149	-	16,149	-	16,568	-	16,568
Repaid during the year	-	(14,123)	-	(14,123)	-	(7,423)	-	(7,423)
At 30 June / 31 December	-	33,640	-	33,640	-	31,614	-	31,614

	30-June-2014 (Un-Audited)				31-Dec-2013 (Audited)			
	Holding Company	Directors and key management personnel	Others	Total	Holding Company	Directors and key management personnel	Others	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Deposits								
At 01 January	99,868	2,305	233,789	335,962	200,972	6,586	17,498	225,056
Received during the year	21,217,585	104,671	302,473	21,624,729	25,220,894	7,450	233,506	25,461,850
Withdrawn during the year	(20,990,458)	(98,795)	(261,320)	(21,350,573)	(25,321,998)	(11,731)	(17,215)	(25,350,944)
At 30 June / 31 December	326,995	8,181	274,942	610,118	99,868	2,305	233,789	335,962

	30-June-2014 (Un-Audited)				31-Dec-2013 (Audited)			
	Holding Company	Directors and key management personnel	Others	Total	Holding Company	Directors and key management personnel	Others	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Other Liabilities								
Payable against branchless banking transactions	155,050	-	-	155,050	147,070	-	-	147,070
Mark-up payable	693	-	16,032	16,725	417	-	11,273	11,690
Accrued Expenses	10,731	-	-	10,731	13,550	-	-	13,550
At 30 June / 31 December	166,474	-	16,032	182,506	161,037	-	11,273	172,310

	30 June 2014 (Un-Audited)				30 June 2013 (Un-Audited)			
	Holding Company	Directors and key management personnel	Others	Total	Holding Company	Directors and key management personnel	Others	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Expenses								
Rent and taxes	5,100	-	-	5,100	5,100	-	-	5,100
Mark-up expense	3,456	59	16,835	20,350	5,625	145	11,400	17,170
Communication expenses	2,949	-	-	2,949	1,682	-	-	1,682
Deposit Mobilization Commission	35,240	-	-	35,240	18,988	-	-	18,988
Contribution to defined contribution plan	-	-	15,748	15,748	-	-	12,901	12,901
Charge for defined benefit plan	-	-	14,965	14,965	-	-	13,158	13,158
Period ended 30 June	46,745	59	47,548	94,352	31,395	145	37,459	68,999

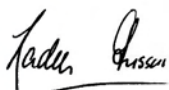
16. GENERAL

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

16.2 Figures of the profit and loss account for the quarters ended 30 June 2014 and 30 June 2013 have not been subjected to limited scope review by the auditors.

17. DATE OF AUTHORISATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors in their meeting held on 13th August 2014.



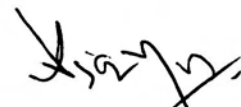
President & Chief Executive Officer



Chairman



Director



Director

empowering the unbanked

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