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Corporate Information

Corporate Information

Board of Directors

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

Chief Financial Officer

Mr. Kabeer Naqvi

Company Secretary

Ms. Sana Tariq

Human Resource Management & Planning Committee

Mr. Irfan Wahab Khan	
Acting 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
Ms. Tine Gottlob Wollebekk	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. Tine Gottlob Wollebekk	Member
Mr. Roar Bjaerum	Member

Auditors

KPMG Taseer Hadi & Co	Chartered Accountant
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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 is pleased to present the unaudited condensed interim financial information of the Bank for the quarter ended March 31, 2015.

<u>Financial Highlights</u>	Quarter ended March 31, 2015	Quarter ended March 31, 2014
	Rupees in 000's	
Profit before provisions and taxation	269,674	230,901
Provision against loans and advances	(14,330)	(5,061)
Bad debts written off directly - net of recoveries	(4,344)	(10,102)
	<u>(18,674)</u>	<u>(15,163)</u>
Profit before taxation	251,000	215,738
Taxation	(82,674)	(73,351)
Profit After Taxation	<u>168,326</u>	<u>142,387</u>
Earnings per share (FTQ)	1.25	1.06

During the quarter ended March 31, 2015, the Bank's profit before taxation stood at Rs.251 million as compared to Rs. 215.738 million for the previous comparable period, registering a sound increase of 16%. Net interest income of the bank increased by 18% to reach Rs. 582.767 million as compared to Rs. 495.147 million in corresponding period last year. Non markup income has registered an impressive growth of 11% to reach Rs.337.382 million.

Gross Advances increased by 8% to reach Rs. 9,399.074 million as at March 31, 2015. Whereas PAR>30 stand at 2.07% at the end of first quarter 2015.

In terms of funding, the deposit portfolio of the Bank expanded by 15% to reach Rs.12,987.736 million, backed by high CASA ratio of 64%. The deposits consist of Rs. 8,265.487 million CASA deposits which grew by 22% during the same comparable period.

We continue to strengthen our presence in the markets place. As of March 31, 2015 we operate through 157 touch points nationwide, and through more than 57,000 active Branchless Banking agents.

Credit Rating

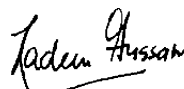
Based on the results for the year ended December 31, 2014, the credit rating company PACRA maintained the long-term entity rating of Tameer Microfinance Bank Limited (TMBL) to "A+" (Single A Plus) [Previous: "A"] while maintaining the short-term rating at "A1" (A One).

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 improving 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 the senior management, officer, and staff of the Bank at all levels.

On behalf of the Board



Nadeem Hussain
Chief Executive Officer
Date: 24th April 2015
Place: Karachi

INTERIM CONDENSED BALANCE SHEET (UN-AUDITED)

AS AT 31, MARCH 2015

	Note	31 March-15 (Un-Audited)	31-Dec-14 (Audited)
		----- (Rupees in '000) -----	
ASSETS			
Cash and balances with State Bank of Pakistan and National Bank of Pakistan	6	1,307,219	1,371,733
Balances with other banks	7	1,112,402	717,070
Lendings to financial institutions		-	-
Investments	8	4,268,794	3,775,640
Advances- net of provisions	9	9,356,855	8,941,759
Operating fixed assets		585,029	556,761
Other assets		1,161,936	1,030,330
Deferred tax assets - net		-	-
		17,792,235	16,393,293
LIABILITIES			
Deposits and other accounts	10	12,987,776	12,261,354
Borrowings		202,370	239,211
Subordinated debt		-	-
Other liabilities		1,589,752	1,044,847
Deferred tax liabilities - net		3,960	3,960
		14,783,858	13,549,372
NET ASSETS		<u>3,008,377</u>	<u>2,843,921</u>
REPRESENTED BY:			
Share capital		1,346,939	1,346,939
Reserves		872,751	828,142
Accumulated Profit		770,549	646,831
		2,990,238	2,821,912
Surplus on revaluation of assets - net of tax		153	(959)
Deferred Grants		17,986	22,968
		<u>3,008,377</u>	<u>2,843,921</u>

MEMORANDUM / OFF BALANCE SHEET ITEMS

The annexed notes 1 to 14 form an integral part of these interim condensed financial statements.



President &
Chief Executive Officer



Director

INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE THREE MONTHS ENDED 31, MARCH 2015

	Note	Year to date 31 March 2015	Quarter ended 31 March 2015	Year to date 31 March 2014	Quarter ended 31 March 2014
----- (Rupees in '000) -----					
Mark-up / return / interest earned	11	755,739	755,739	693,425	693,425
Mark-up / return / interest expensed		(172,972)	(172,972)	(198,278)	(198,278)
Net mark-up / return / interest income		<u>582,767</u>	<u>582,767</u>	<u>495,147</u>	<u>495,147</u>
Provision against non-performing loans and advances		(14,330)	(14,330)	(5,061)	(5,061)
Provision for diminution in the value of investments		-	-	-	-
Bad debts written off directly		(4,344)	(4,344)	(10,102)	(10,102)
		<u>(18,674)</u>	<u>(18,674)</u>	<u>(15,163)</u>	<u>(15,163)</u>
Net mark-up / return / interest income after provisions		<u>564,093</u>	<u>564,093</u>	<u>479,984</u>	<u>479,984</u>
NON MARK-UP / INTEREST INCOME					
Fee, commission and brokerage income		304,840	304,840	287,492	287,492
Dividend income		-	-	-	-
Other income		32,546	32,546	16,029	16,029
Total non mark-up / interest income		<u>337,386</u>	<u>337,386</u>	<u>303,521</u>	<u>303,521</u>
		<u>901,479</u>	<u>901,479</u>	<u>783,505</u>	<u>783,505</u>
NON MARK-UP / INTEREST EXPENSES					
Administrative expenses		(645,115)	(645,115)	(563,024)	(563,024)
Other provisions / write-offs		(299)	(299)	(340)	(340)
Other charges		(5,065)	(5,065)	(4,403)	(4,403)
Total non mark-up / interest expenses		<u>(650,479)</u>	<u>(650,479)</u>	<u>(567,767)</u>	<u>(567,767)</u>
Extraordinary / unusual items		251,000	251,000	215,738	215,738
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
PROFIT BEFORE TAXATION		<u>251,000</u>	<u>251,000</u>	<u>215,738</u>	<u>215,738</u>
Taxation - Current		(82,674)	(82,674)	(73,351)	(73,351)
- Prior years		-	-	-	-
- Deferred		-	-	-	-
		<u>(82,674)</u>	<u>(82,674)</u>	<u>(73,351)</u>	<u>(73,351)</u>
PROFIT AFTER TAXATION		<u>168,326</u>	<u>168,326</u>	<u>142,387</u>	<u>142,387</u>
Earnings per share		<u>1.25</u>	<u>1.25</u>	<u>1.06</u>	<u>1.06</u>

The annexed notes 1 to 14 form an integral part of these interim condensed financial statements.



President &
Chief Executive Officer



Director

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTHS ENDED 31, MARCH 2015

Year to date 31 March 2015	Quarter ended 31 March 2015	Year to date 31 March 2014	Quarter ended 31 March 2014
----- (Rupees in '000)-----			

Net profit for the period	168,326	168,326	142,387	142,387
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>168,326</u>	<u>168,326</u>	<u>142,387</u>	<u>142,387</u>

The annexed notes 1 to 14 form an integral part of these interim condensed financial statements.



President &
Chief Executive Officer



Director

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

FOR THE THREE MONTHS ENDED 31, MARCH 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	1,346,939	343,469	228,012	70,224	205,787	2,194,431
Net Profit / (loss) for the year	-	-	-	-	708,493	708,493
Other comprehensive income / (loss)	-	-	-	-	(29,559)	(29,559)
Total comprehensive income / (loss) for the year	-	-	-	-	678,934	678,934
Interim Cash Dividend - 31 March 2014 at the rate of Re.0.38 per share					(51,453)	(51,453)
Transfer to statutory reserve *			141,699		(141,699)	-
Contribution to Depositors' Protection Fund **				44,738	(44,738)	-
Balance as at 31 Dec 2014	1,346,939	343,469	369,711	114,962	646,831	2,821,912
Net Profit / (loss) for the period	-	-	-	-	168,326	168,326
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	168,326	168,326
Transfer to statutory reserve *	-	-	33,665	-	(33,665)	-
Contribution to Depositors' Protection Fund **	-	-	-	10,943	(10,943)	-
Balance as at 31 March 2015	1,346,939	343,469	403,376	125,905	770,549	2,990,238

* 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 14 form an integral part of these financial statements.



President &
Chief Executive Officer



Director

INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED)

FOR THE THREE MONTHS ENDED 31, MARCH 2015

31-March-15 31-March-14

(Un-Audited)

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

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	251,000	215,738
Adjustments:		
Depreciation and amortisation	42,049	35,565
Grant income	(4,982)	(3,211)
Provision against non-performing advances	18,674	5,463
Loss/Gain on sale of operating fixed asset	(2,775)	(440)
Amortisation of discount on investments	(71,607)	(52,962)
Finance charges on leased assets	308	459
Loss on derivative financial instruments	-	-
Provision for gratuity fund	10,307	8,138
Other provisions	299	10,040
	(7,727)	3,053
<i>(Increase) / decrease in operating assets</i>		
Advances	(422,029)	(347,267)
Other assets (excluding advance taxation)	(131,606)	(132,255)
	(553,635)	(479,522)
<i>Increase / (decrease) in operating liabilities</i>		
Deposits and other accounts	726,422	652,761
Other liabilities (excluding current taxation)	509,765	173,304
	1,236,187	826,065
Income tax paid Advance Tax	(40,173)	(7,658)
Payment to employee gratuity fund	(28,378)	(17,833)
Net cash flow from operating activities	<u>857,274</u>	<u>539,842</u>

CASH FLOW FROM INVESTING ACTIVITIES

Purchase of investments in available-for-sale securities	(6,819,761)	(5,099,695)
Investments in operating fixed assets	(74,094)	(76,233)
Sale proceed from disposal of available-for-sale securities	6,399,325	5,737,733
Sale proceed from disposal of operating fixed assets	7,586	2,397
Net cash flows (used in) / from investing activities	<u>(486,944)</u>	<u>564,202</u>

CASH FLOW FROM FINANCING ACTIVITIES

Payments of lease obligation	(2,671)	(3,762)
Borrowing from financial institution	(36,841)	(36,841)
Subordinated debt	-	(496,404)
Grant received	-	850
Net cash flows used in financing activities	<u>(39,512)</u>	<u>(536,156)</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>2,419,621</u>	<u>2,364,121</u>

CASH AND CASH EQUIVALENTS

Cash and balances with SBP and NBP	1,307,219	1,352,311
Balances with other Banks / NBFLs / MFBs	1,112,402	1,011,810
	<u>2,419,621</u>	<u>2,364,121</u>



President &
Chief Executive Officer



Director

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31, MARCH 2015

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 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 Interim Condensed financial statements have been prepared in compliance with the format as prescribed under the BSD Circular No. 11 dated 30 December 2003 issued by the SBP.

3. STATEMENT OF COMPLIANCE

These Interim Condensed financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Microfinance Institution Ordinance, 2001 and the regulations / directives issued by the SECP and SBP. Wherever the requirements of the Companies Ordinance, 1984, the Microfinance Institution Ordinance, 2001 or the regulations / directives issued by the SECP and SBP differ with the requirements of IFRSs, the requirements of the Companies Ordinance, 1984, the Microfinance Institution Ordinance, 2001 or the requirements of the said regulations / directives shall prevail.

4. BASIS OF MEASUREMENT

- 4.1 These Interim Condensed financial statements have been prepared under historical cost convention except for derivative financial instruments and available for sale investments which are measured at fair value.
- 4.2 These Interim Condensed financial statements have been presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

5. SIGNIFICANT ACCOUNTING POLICIES

- 5.1 The accounting policies and the method of computation adopted in preparation of this condensed interim financial report are the same as those applied in the preparation of the annual financial statements for the year ended 31 December 2014.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31, MARCH 2015

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

6 CASH AND BALANCE WITH SBP & NBP

Cash in Hand		493,374	558,280
Balance with State Bank of Pakistan	6.1	752,281	763,620
Balance with National Bank of Pakistan	6.1	61,564	49,833
		<u>1,307,219</u>	<u>1,371,733</u>

6.1 Represent current accounts maintained with SBP and NBP to meet the minimum balance requirement equivalent to 5% as cash reserve and 10% as liquidity reserve of the Bank's time and demand liabilities in accordance with the Prudential Regulations.

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

7 BALANCE WITH OTHER BANKS / NBFIs/MFBs

In Pakistan			
- Current accounts		7,942	7,953
- PLS deposit accounts		1,104,460	709,117
- Term deposit accounts		-	-
		<u>1,112,402</u>	<u>717,070</u>

8 INVESTMENTS

Federal Government Securities - available-for-sale			
Market Treasury Bills	8.1	4,269,113	3,777,071
Deficit on revaluation of assets		(319)	(1,431)
		<u>4,268,794</u>	<u>3,775,640</u>

8.1 These carry interest rates ranging between 9.69% to 10.17% (2014: 9.41% to 9.55%) per annum and will mature upto Sep 2015. These securities have an aggregate face value of Rs. 4,325 million (2014: Rs. 3,800 million).

	Note	31-March -15 (Un-Audited)		31-Dec-14 (Audited)	
		Number of loans	(Rupees in '000)	Number of loans	(Rupees in '000)

9 ADVANCES

Micro credit					
- Secured		90,087	5,749,454	98,158	6,430,685
- Unsecured		144,174	3,649,621	128,712	2,550,705
		<u>234,261</u>	<u>9,399,075</u>	<u>226,870</u>	<u>8,981,390</u>
Less: Provision held					
- Specific	9.1	1,891	(5,782)	625	(9,586)
- General	9.2	-	(36,438)	-	(30,045)
			<u>(42,220)</u>		<u>(39,631)</u>
			<u>9,356,855</u>		<u>8,941,759</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31, MARCH 2015

9.1 Advances include Rs. 194.504 million (31 December 2014: Rs. 74.381 million) which have been placed under non-performing status as detailed below:

	31-March-15			31-Dec-14		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	------(Rupees in '000)-----			------(Rupees in '000)-----		
OAEM	117,441	-	-	43,238	-	-
Substandard	47,195	1,528	1,528	5,967	-	590
Doubtful	27,456	3,415	3,415	17,065	-	2,639
Loss	2,412	839	839	8,111	-	6,357
	<u>194,504</u>	<u>5,782</u>	<u>5,782</u>	<u>74,381</u>	<u>9,586</u>	<u>9,586</u>

9.2 The Bank maintains a general provision equivalent to 1% of the net outstanding advances (advances net of specific provisions), excluding advances secured against collateral.

9.3 Particulars of write offs

Against provisions
Directly charged to profit and loss account

	31- March-15 (Un-Audited)	31-Dec-14 (Audited)
	------(Rupees in '000)-----	
	11,741	6,915
	4,344	89,462
	<u>16,085</u>	<u>96,377</u>

10 DEPOSITS AND OTHER ACCOUNTS

Current deposits
Fixed deposits
Saving deposits

	31- March-15 (Un-Audited)	31-Dec-14 (Audited)
	------(Rupees in '000)-----	
	7,401,041	6,757,528
	4,722,249	4,638,659
	864,486	865,167
	<u>12,987,776</u>	<u>12,261,354</u>

10.1 Particulars of deposits by ownership

Individual depositors
Institutional depositors
- Corporations / firms etc
- Banks / financial institutions

	10,926,752	10,630,350
	1,989,580	1,595,357
	71,444	35,647
	<u>12,987,776</u>	<u>12,261,354</u>

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED 31, MARCH 2015

Quarter ended	
31- March-15	31 March-14
(Un-Audited)	
----- (Rupees in '000) -----	

11 MARK-UP / RETURN / INTEREST EARNED

On loans and advances	656,504	609,179
On available for sale investments	71,607	52,962
On deposits with financial institutions	15,485	14,313
On call money lendings	12,143	16,970
	755,739	693,425

12. 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:

	31-March-2015				31-December-2014			
	Holding Company	Directors and key management personnel	Others	Total	Holding Company	Directors and key management personnel	Others	Total
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Advances								
At 01 January	-	33,526	-	33,526	-	31,614	-	31,614
Given during the period	-	9,431	-	9,431	-	25,062	-	25,062
Repaid during the period	-	(3,028)	-	(3,028)	-	(23,150)	-	(23,150)
At 31st Mar / 31st Dec	-	39,929	-	39,929	-	33,526	-	33,526
Deposits								
At 01 January	75,979	5,787	318,856	400,622	99,868	2,305	233,789	335,962
Received during the period	13,043,528	121,578	93,415	13,258,522	54,625,681	404,962	319,890	55,350,533
Withdrawn during the period	(11,990,364)	(115,203)	(49,591)	(12,155,158)	(54,649,570)	(401,480)	(234,823)	(55,285,873)
At 31st Mar / 31st Dec	1,129,143	12,162	362,680	1,503,986	75,979	5,787	318,856	400,622

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand rupees

14 DATE OF AUTHORISATION

These interim condensed financial statements were authorised for issue by the Board of Directors in their meeting held on 24th April 2015.



President &
Chief Executive Officer



Director