

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Telenor Microfinance Bank Limited

Report on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Telenor Microfinance Bank Limited** (the Bank) as at **30 June 2021**, 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 financial statements 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 30 June 2021 and 30 June 2020 have not been subject to limited scope review by us as we are only required to review the cumulative figures for the six-months period ended 30 June 2021.

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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

As more fully explained in note 1.5 to the financial statements, during the period the Bank has incurred a loss of Rs. 4,968 million and its accumulated loss as of 30 June 2021 amounted to Rs. 32,187 million. The said note also describe the management's future plans and key risks and uncertainties in relation thereto. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Bank's ability to continue as a going concern. In order to support the operations of the Bank, the sponsor shareholders have made equity injection of Rs. 6,559 million (USD 41 million) during the period. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is Arslan Khalid.



Chartered Accountants

Date: 10 September 2021

Karachi

TELENOR MICROFINANCE BANK LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT JUNE 30, 2021

June 30, 2021 (Un-audited) (USD in '000)	December 31, 2020 (Audited)		Note	June 30, 2021 (Un-audited) (Rupees in '000)	December 31, 2020 (Audited)
ASSETS					
		Cash and balances with State Bank of Pakistan			
21,850	18,292	and National Bank of Pakistan	6	3,442,348	2,881,781
66,989	40,325	Balances with other banks	7	10,553,742	6,352,885
24,611	44,253	Lendings to financial institutions	8	3,877,269	6,971,827
78,568	75,249	Investments	9	12,377,833	11,855,007
66,784	70,399	Advances - net of provisions	10	10,521,375	11,090,960
52,923	54,908	Operating fixed assets	11	8,337,634	8,650,391
25,867	28,324	Other assets	12	4,075,118	4,462,097
-	-	Deferred tax asset - net	15	-	-
337,592	331,750	Total assets		53,185,319	52,264,948
LIABILITIES					
230,720	234,626	Deposits and other accounts	13	36,348,444	36,963,810
-	-	Borrowings		-	-
-	-	Subordinated debt		-	-
64,075	64,341	Other liabilities	14	10,094,564	10,136,501
-	-	Deferred tax liability - net	15	-	-
294,795	298,967	Total liabilities		46,443,008	47,100,311
42,797	32,783	NET ASSETS		6,742,311	5,164,637
REPRESENTED BY:					
32,847	27,152	Share capital	16	5,174,840	4,277,589
-	47,242	Advance against future issue of right shares		-	7,442,699
214,127	130,864	Reserves		33,734,414	20,616,746
(204,302)	(172,685)	Accumulated loss		(32,186,553)	(27,205,476)
42,672	32,573			6,722,701	5,131,558
20	100	Surplus on revaluation of assets - net of tax		3,074	15,809
105	110	Deferred grants		16,536	17,270
42,797	32,783			6,742,311	5,164,637
MEMORANDUM / OFF BALANCE SHEET ITEMS					
			17		

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

President and
Chief Executive Officer

Chairman

Director

Director

TELENOR MICROFINANCE BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021

Six months ended		Quarter ended			Six months ended		Quarter ended		
June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	
(USD in '000)					(Rupees in '000)				
10,879	20,532	6,625	6,158	Mark-up / return / interest earned	18	1,713,984	3,234,705	1,043,734	970,189
(6,275)	(10,299)	(3,100)	(4,223)	Mark-up / return / interest expensed	19	(988,535)	(1,622,535)	(488,429)	(665,300)
4,604	10,233	3,525	1,935	Net mark-up / return / interest income		725,449	1,612,170	555,305	304,889
(8,048)	(7,176)	(4,337)	(7,108)	Provision against non-performing loans and advances	10.3	(1,267,893)	(1,130,518)	(683,195)	(1,119,748)
-	-	-	-	Provision for diminution in the value of investments		-	-	-	-
(186)	(237)	(69)	(183)	Bad debts written off directly	10.4	(29,282)	(37,309)	(10,845)	(28,902)
(8,234)	(7,413)	(4,406)	(7,291)	Net mark-up / return / interest (expense) / income after provisions		(1,297,175)	(1,167,827)	(694,040)	(1,148,650)
(3,630)	2,820	(881)	(5,356)			(571,726)	444,343	(138,735)	(843,761)
NON MARK-UP / NON INTEREST INCOME									
20,805	21,088	9,527	8,678	Fee, commission and brokerage income	20	3,277,725	3,322,260	1,500,902	1,367,159
4,271	2,704	2,683	2,125	Other income		672,824	425,978	422,743	334,821
25,076	23,792	12,210	10,803	Total non-mark-up / non-interest income		3,950,549	3,748,238	1,923,645	1,701,980
21,446	26,612	11,329	5,447			3,378,823	4,192,581	1,784,910	858,219
NON MARK-UP / NON INTEREST EXPENSES									
(51,981)	(57,224)	(24,855)	(26,466)	Administrative expenses	21	(8,189,205)	(9,015,322)	(3,915,800)	(4,169,589)
(5)	1,097	3	1,110	Other provisions / write-offs / (reversals)		(743)	172,896	457	174,896
(7)	(1)	(1)	-	Other charges		(1,100)	(210)	(140)	-
(51,993)	(56,128)	(24,853)	(25,356)	Total non-mark-up / non-interest expenses		(8,191,048)	(8,842,636)	(3,915,483)	(3,994,693)
(30,547)	(29,516)	(13,524)	(19,909)			(4,812,225)	(4,650,055)	(2,130,573)	(3,136,474)
-	-	-	-	Extraordinary / unusual items		-	-	-	-
(30,547)	(29,516)	(13,524)	(19,909)	LOSS BEFORE TAXATION		(4,812,225)	(4,650,055)	(2,130,573)	(3,136,474)
(851)	(892)	(473)	(368)	Taxation - Current		(134,020)	(140,605)	(74,520)	(57,954)
(107)	15	(107)	16	- Prior		(16,800)	2,367	(16,800)	2,526
(33)	214	(33)	(11)	- Deferred		(5,201)	33,731	(5,201)	(1,746)
(991)	(663)	(613)	(363)			(156,021)	(104,507)	(96,521)	(57,174)
(31,538)	(30,179)	(14,137)	(20,272)	LOSS AFTER TAXATION		(4,968,246)	(4,754,562)	(2,227,094)	(3,193,648)
(USD)		(USD)			(Rupees)		(Rupees)		
(0.07)	(0.07)	(0.05)	(0.06)	Basic and diluted loss per share		(11.20)	(11.12)	(7.56)	(9.00)

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Ech

President and
Chief Executive Officer

Chairman

Director

Director

TELENOR MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021

Six months ended		Quarter ended			Six months ended		Quarter ended	
June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(USD in '000)					(Rupees in '000)			
(31,536)	(30,179)	(14,137)	(20,272)	Loss after taxation for the period	(4,968,246)	(4,754,562)	(2,227,094)	(3,193,648)
Other comprehensive income								
<i>Item not to be reclassified to statement of profit or loss in subsequent periods</i>								
-	-	-	-	Remeasurement loss on defined benefit obligation	-	-	-	-
-	-	-	-	Related tax impact	-	-	-	-
-	-	-	-		-	-	-	-
(31,536)	(30,179)	(14,137)	(20,272)	Comprehensive loss for the period transferred to equity	(4,968,246)	(4,754,562)	(2,227,094)	(3,193,648)
Component of comprehensive income for the period not transferred to equity								
<i>Item to be reclassified to statement of profit or loss subsequently on sale</i>								
(114)	738	(430)	422	Surplus on revaluation of 'available for sale' investments	(17,936)	116,314	(67,717)	66,533
33	(214)	(125)	122	Related tax impact	5,201	(33,731)	(19,638)	19,295
(81)	524	(555)	544		(12,735)	82,583	(87,355)	85,828
(31,617)	(29,655)	(14,692)	(19,728)	Total comprehensive loss for the period	(4,980,981)	(4,671,979)	(2,314,449)	(3,107,820)

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

President and
Chief Executive Officer

Chairman

Director

Director

TELENOR MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021

Six months ended		Six months ended	
June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(USD in '000)		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
(30,547)	(29,516)	(4,812,225)	(4,650,055)
Loss before taxation			
Adjustments for non cash and other items:			
3,326	4,320	523,987	680,568
1,003	1,159	157,977	182,663
Depreciation and amortisation			
Depreciation on right-of-use assets			
Mark-up / Return / Interest expense on			
1,029	1,069	162,164	168,435
Lease liability against right-of-use assets			
8,234	7,413	1,297,175	1,167,827
Provision against non-performing loans and advances - net			
56	-	8,898	-
Write-offs against operating fixed assets			
Grant Income			
450	644	(734)	-
Provision for gratuity			
(72)	(1,097)	70,818	101,527
Other provisions / write-offs			
(4,549)	(5,194)	(11,356)	(172,896)
Amortisation of discount on available-for-sale securities			
9	33	(716,736)	(818,257)
(Gain) / loss on sale of operating fixed assets			
9,486	8,347	1,465	5,244
		1,493,658	1,315,111
Decrease / (increase) in operating assets			
19,643	25,707	3,094,558	4,050,000
Lending to financial institutions			
(4,618)	30,054	(727,591)	4,734,814
Advances			
Other assets (excluding advance taxation and defined benefit plan)			
3,394	(1,824)	534,644	(287,401)
18,419	53,937	2,901,611	8,497,413
(Decrease) / increase in operating liabilities			
(3,906)	(40,706)	(615,366)	(6,412,987)
Deposits and other accounts			
(30)	(4,803)	(4,721)	(756,704)
Other liabilities (excluding lease liability against right-of-use assets)			
(3,936)	(45,509)	(620,087)	(7,169,691)
(1,701)	(999)	(268,054)	(157,452)
Income tax paid			
(571)	(570)	(89,893)	(89,848)
Contribution to defined benefit plan			
(8,850)	(14,310)	(1,394,990)	(2,254,522)
Net cash used in operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
1,117	12,340	175,977	1,944,025
Net Investment in available for sale securities			
(2,422)	(3,233)	(381,552)	(509,356)
Investments in operating fixed assets			
13	20	1,981	3,207
Proceeds from disposal of operating fixed assets			
(1,292)	9,127	(203,594)	1,437,876
Net cash (used in) / generated from investing activities			
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital			
Proceeds against future issue of right shares			
(1,266)	(968)	897,252	-
Payment of lease liability against right-of-use assets			
(1,266)	(968)	5,662,138	-
Net cash generated from / (used in) financing activities			
(11,408)	(6,151)	(199,380)	(152,439)
Net increase / (decrease) in cash and cash equivalents			
58,617	69,011	6,360,009	(152,439)
Cash and cash equivalents at beginning of the period			
47,209	62,860	4,761,425	(969,085)
Cash and cash equivalents at end of the period			
9,234,666	10,872,290	13,996,090	9,903,205

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements^{ts}

President and

Chairman

Director

Director

TELENOR MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021

	Share capital	Advance against future issue of right shares	Capital reserves			Total capital reserve	Accumulated losses	Total
			Share premium	Statutory reserve	Depositors' protection fund			
----- (Rupees in '000) -----								
Balance as at January 01, 2020	4,277,589	-	19,471,229	802,481	311,299	20,585,009	(16,556,869)	8,305,729
Total comprehensive income for the period								
Loss after tax for the period	-	-	-	-	-	-	(4,754,562)	(4,754,562)
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(4,754,562)	(4,754,562)
Transfer to statutory reserve *	-	-	-	-	-	-	-	-
Transfer to Depositors' Protection Fund ** - return on investments	-	-	-	-	18,704	18,704	(18,704)	-
Balance as at June 30, 2020 (Un-audited)	4,277,589	-	19,471,229	802,481	330,003	20,603,713	(21,330,135)	3,551,167
Total comprehensive income for the period								
Loss after tax for the period	-	-	-	-	-	-	(5,949,389)	(5,949,389)
Other comprehensive income - net of tax	-	-	-	-	-	-	87,081	87,081
	-	-	-	-	-	-	(5,862,308)	(5,862,308)
Transfer to statutory reserve *	-	-	-	-	-	-	-	-
Advance against future issue of right shares	-	7,442,699	-	-	-	-	-	7,442,699
Transfer to Depositors' Protection Fund ** - return on investments	-	-	-	-	13,033	13,033	(13,033)	-
Balance as at December 31, 2020 (Audited)	4,277,589	7,442,699	19,471,229	802,481	343,036	20,616,746	(27,205,476)	5,131,558
Total comprehensive loss for the period								
Loss after tax for the period	-	-	-	-	-	-	(4,968,246)	(4,968,246)
Other comprehensive income - net of tax	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(4,968,246)	(4,968,246)
Advance against future issue of right shares	-	6,559,389	-	-	-	-	-	6,559,389
Issue of share capital	897,251	(14,002,088)	13,104,837	-	-	-	-	-
Transfer to statutory reserve *	-	-	-	-	-	-	-	-
Transfer to Depositors' Protection Fund ** - return on investments	-	-	-	-	12,831	12,831	(12,831)	-
Balance as at June 30, 2021 (Un-audited)	5,174,840	-	32,576,066	802,481	355,867	20,629,577	(32,186,553)	6,722,701

* In accordance with the requirements of the Microfinance Institutions Ordinance, 2001 and the Prudential Regulations for Microfinance Banks issued by the SBP (Prudential Regulations), the Bank is required to transfer an amount equivalent to 20% of profit after tax to the statutory reserve. No amount has been allocated to this reserve in the current period as there is a loss after tax for the period.

** In accordance with the requirements of the Microfinance Institutions Ordinance, 2001 and the Prudential Regulations, the Bank is required to transfer an amount equivalent to 5% of profit after tax for the period to the Depositors' Protection Fund, plus the return earned on such funds. Although there is a loss after tax for the period, an amount equal to the profit earned on the investments of the fund has been credited to this fund during the period.

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

 President and
 Chief Executive Officer

 Chairman

 Director

 Director

TELENOR MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2021

1. STATUS AND NATURE OF BUSINESS

1.1 Telenor Microfinance Bank Limited (the Bank) was incorporated in Pakistan on 01 August 2005 as a public limited company under the Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on 30 May 2017). The Bank obtained microfinance banking license from the State Bank of Pakistan (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.

1.2 The Bank's principal business is to provide Microfinance banking and related services to the poor and under-served segment of the society with a view to alleviate poverty under the Microfinance Institutions Ordinance, 2001. In 2009, the Bank also started Branchless Banking services under the Branchless Banking license from the SBP.

The Bank's registered office is situated at 19-C, Main Khayaban-e-Nishat, Phase VI, DHA, Karachi.

1.3 The Bank is jointly held by Telenor Pakistan B.V, a joint stock company based in Amsterdam with 55% shareholding (December 31, 2020: 55%) and Alipay (Hong Kong) Holding Limited with 45% (December 31, 2020: 45%) shareholding.

The holding company of Telenor Pakistan B.V. is Telenor ASA, Norway, while the holding company of Alipay (Hong Kong) Holding Limited is Ant Group Co. Ltd. China (Formerly Ant Small and Micro Financial Services Group Company Limited).

1.4 The credit rating of the Bank as of April 30, 2021 is as follows:

Credit rating company	Long term	Short term
PACRA	A+	A1
JCR-VIS	A	A1

1.5 Going concern basis of accounting

1.5.1 During the period ended 30 June 2021, the Bank has incurred a net loss after tax of Rs. 4,968 million and due to continuing losses its accumulated losses amount to Rs. 32,187 million as at 30 June 2021. In order to mitigate the impact of losses, the shareholders have injected equity amounting to Rs. 14,002 million (USD 86 million) during the years 2020 and 2021 and a further capitalization plan has also been approved by the Board of Directors based on the future business financial projections and business plan of the Bank keeping in view the capital adequacy requirements of the State Bank of Pakistan.

These factors indicates the existence of the material uncertainties regarding sustainability of future operations of the Bank, however, these condensed interim financial statements have been prepared on going concern basis as the Directors have reasonable expectation that the Bank will have the resources to continue its business and comply with regulatory capital requirements based on the following factors:

- Board of Directors of the Bank had approved the business plan of the Bank in April 2020 which envisaged injections in the Bank's equity over the period of three years aggregating to USD 95 million. The sponsors of the Bank have made aggregate equity injections of USD 86 million as of 30 June 2021 as per the plan. Subsequent to 30 Jun 2021, the Bank has revised its business plan, which also envisages additional sponsor capital injection to absorb the adverse effects of COVID-19 situation on its business operations and future strategic expansion of its business.
- Capital Adequacy Ratio (CAR) of the Bank was 26.33% at 30 June 2021 and was compliant with the regulatory requirements.
- The Bank is regulated by the State Bank of Pakistan (SBP) and both the sponsors of the Bank remain committed to the regulatory framework under the terms of the approval of SBP regarding their acquisition of the shares of the Bank. Accordingly, they remain committed to financially support the Bank in complying with the Minimum Capital Requirement and CAR as prescribed by SBP from time to time.
- The Bank has continued to maintain an acceptable liquidity position and the deposit base as expected in line with the business plan.
- In terms of the business plan and strategy approved by the Board the Bank intends to expand its digital platforms to grow the business and rationalize cost structure to achieve profitability going forward.

The key risks and uncertainties associated with the above referred matters includes the ability of the Bank to achieve the results set out as per the revised business plan. In this respect particular challenges include, (but not limited to) Bank's ability to maintain and improve the level of asset quality, ensure capital inflows as per the approved business plan and execution of cost optimization initiatives envisaged under the aforementioned plan.

The assessment of the appropriateness of using the going concern basis of accounting has been subject to a due governance process involving the Audit Committee and Board of Directors of the Bank. In making such assessments, the Board has taken into account all facts and circumstances as referred to in above paragraphs and have concluded that the current situation along with the risk and uncertainties set out above and their consequential effects, represents a material uncertainty which may cast significant doubt upon the Bank's ability to continue as a going concern. In case, the Bank is unable to continue as a going concern, the Bank may not be able to realize its assets and discharge its liabilities in the normal course of business. Nevertheless, after considering the financial projections, in particular, those for the period up to 30 June 2022, the Directors have reasonable expectations that the Bank will have adequate resources to continue its business over this period. For these reasons, the Board of Directors and the management of the Bank continued to adopt the going concern basis in preparing these condensed interim financial statements.

ECM

2. BASIS OF PRESENTATION

- 2.1 These condensed interim financial statements have been prepared in compliance with the format as prescribed under the Banking Surveillance Department (BSD) Circular No. 11 dated December 30, 2003 issued by the SBP.

3. STATEMENT OF COMPLIANCE

- 3.1 The condensed interim financial statements of the Bank have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under Microfinance Institutions Ordinance, 2001 (the MFI Ordinance) and the Companies Act, 2017; and
- Directives issued by the SBP (including Prudential Regulations for Microfinance Banks) and Securities and Exchange Commission of Pakistan (SECP).

Wherever the provisions of and directives issued under the Companies Act, 2017, Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks and directives issued by SBP and the SECP differ with the requirements of the IFRS, the provisions of and directives issued under the Companies Act, 2017, Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks and directives issued by SBP and SECP shall prevail.

- 3.2 The SBP vide BSD circular No. 10, dated 26 August 2002 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) vide its SRO 633(1) / 2014 dated July 14, 2014 has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments : Disclosures'. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of Prudential Regulation for Microfinance Banks or directives issued by SBP.
- 3.3 The disclosures made in these condensed interim financial statements have been limited based on IAS 34. Accordingly, these condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements for the year ended December 31, 2020.

4. BASIS OF MEASUREMENT

4.1 Accounting convention

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 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

As an additional information, the US Dollar amounts reported in the condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement are stated as additional information, solely for the convenience of the users of financial statements. For the purpose of translation to US Dollar, spot rate of Rs. 157.5437 per US Dollar has been used for June 30, 2021 and December 31, 2020 as it was the prevalent rate on the reporting date.

4.3 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current period

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or do not have any significant effect on the Bank's operations and therefore are not detailed in these condensed interim financial statements.

Edu

4.4 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period.

As referred to in note 4.4 to the 2020 annual financial statements of the Bank, there are certain amendments to the financial reporting standards which would become effective from the future financial years, however such amendments are not expected to have a material effect on the Bank's financial statements of the period of initial application.

IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. SBP vide its BPRD Circular Letter No. 24 of 2021 dated July 05, 2021 has extended the implementation date of IFRS 9 to January 01, 2022 from earlier effective date of January 01, 2021. However, SBP has directed the banks in Pakistan to submit IFRS 9 parallel run and proforma financial statements on periodic basis and the Bank is currently in process of complying with these requirements

5. SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

5.1 The significant accounting policies and method of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Bank for the year ended December 31, 2020.

5.2 COVID-19 Implications

During the period, another wave of COVID-19 caused disruptions in the socio-economic environment in Pakistan which also resulted in increased delinquency rates for the Bank. Particularly, the higher credit loss was also observed for loans that were allowed to rescheduled under the State Bank of Pakistan relief measures last year. The Bank's management and Board is fully cognizant of these challenges posed by the COVID-19 outbreak and lock down, if any, imposed by the Government of Pakistan. The Bank continues its operations to serve customers through its branch network across Pakistan and the digital channels by observing the Government instructions and adopting precautionary measures. Further a significant number of the Bank's staff was working from home through using technology infrastructure during the period ended 30 June 2021 which potentially exposes the Bank to greater challenge of managing cyber security risks.

5.3 Critical accounting estimates and judgements

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as that applied in the preparation of the annual financial statements for the year ended December 31, 2020.

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 December 31, 2020.

	Note	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
6. CASH AND BALANCES WITH STATE BANK OF PAKISTAN AND NATIONAL BANK OF PAKISTAN			
Cash in hand - local currency		633,839	716,452
Balance with State Bank of Pakistan - current account		2,775,452	2,099,426
Balance with National Bank of Pakistan - current account		33,057	65,903
	6.1	2,808,509	2,165,329
		3,442,348	2,881,781

6.1 This represents current accounts maintained with State Bank of Pakistan (SBP) and National Bank of Pakistan (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.

ECU

	Note	June 30, 2021 (Un-audited) (Rupees in '000)	December 31, 2020 (Audited)
7. BALANCES WITH OTHER BANKS			
In Pakistan			
- Current accounts		332,811	250,799
- PLS deposit accounts	7.1 & 7.2	4,220,931	4,102,086
- Fixed term deposits	7.3	6,000,000	2,000,000
		<u>10,553,742</u>	<u>6,352,885</u>

7.1 This represents demand deposits with various financial institutions carrying markup at rates ranging between 5.5% to 8% per annum (December 31, 2020: 5.5% to 8.00% per annum).

7.2 This include certain guarantees of Rs. 107.5 million (December 31, 2020: Rs. 7.5 million) which have been given on behalf of the Bank by other financial institution for the Bank's branchless banking customers/ service providers. These guarantees are secured against the profit and loss sharing deposits maintained with the same financial institution.

7.3 This represents fixed term deposit with a commercial bank carrying mark-up at rate of 7.80% to 9.00% per annum (December 31, 2020: 7.45% to 7.5% per annum) and having maturity in July 2021 (December 31, 2020: January 2021).

	Note	June 30, 2021 (Un-audited) (Rupees in '000)	December 31, 2020 (Audited)
8. LENDINGS TO FINANCIAL INSTITUTIONS			
Call money lendings - unsecured	8.1	1,500,000	4,300,000
Repurchase agreement lendings (reverse repo)	8.2	2,377,269	2,671,827
		<u>3,877,269</u>	<u>6,971,827</u>

8.1 This represent call money lending to a financial institution carrying mark-up at rates ranging between 7.05% to 7.50% (December 31, 2020: 6.05% to 7.05%) per annum and having maturity in July 2021 (December 31, 2020: January 2021).

8.2 Securities held as collateral against lending to financial institutions (Reverse repo)

	2021			2020		
	Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
	----- (Rupees in '000) -----					
Market treasury bills (face value)	2,500,000	-	2,500,000	2,700,000	-	2,700,000
	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>	<u>2,700,000</u>	<u>-</u>	<u>2,700,000</u>

	Note	June 30, 2021 (Un-audited) (Rupees in '000)	December 31, 2020 (Audited)
9. INVESTMENTS			
Federal Government Securities - available for sale			
Market Treasury Bills	9.1	12,373,503	11,832,741
Surplus / (deficit) on revaluation of investment		4,330	22,266
		<u>12,377,833</u>	<u>11,855,007</u>

9.1 These carry mark-up at rates ranging between 7.23% to 7.78% (December 31, 2020: 6.86% to 9.4%) per annum, having maturities up to October 2021 (December 31, 2020: May 2021). These securities have an aggregate face value of Rs. 12,500 million (December 31, 2020: Rs. 12,000 million).

ECB

10. ADVANCES - net of provisions	Note	June 30, 2021 (Un-audited)		December 31, 2020 (Audited)	
		Number of loans outstanding	(Rupees in '000)	Number of loans outstanding	(Rupees in '000)
Advances - gross					
- Secured		50,600	4,522,298	57,254	4,862,413
- Unsecured	10.1	195,999	7,421,389	248,365	7,864,081
		<u>246,599</u>	<u>11,943,687</u>	<u>305,619</u>	<u>12,726,494</u>
Less: Provision held					
- Specific	10.1	77,773	(1,361,715)	56,537	(1,572,518)
- General	10.2		(60,597)		(63,016)
			<u>(1,422,312)</u>		<u>(1,635,534)</u>
Advances - net of provisions			<u>10,521,375</u>		<u>11,090,960</u>

10.1 Advances include Rs. 2,578.937 million (December 31, 2020: Rs. 2,103.905 million) which have been placed under non-performing status as detailed below:

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	----- (Rupees in '000) -----					
Other Assets Especially Mentioned (OAEM)	355,410	-	-	143,647	-	-
Substandard	252,435	58,327	58,327	104,564	19,282	19,282
Doubtful	1,318,646	652,611	652,611	580,144	279,515	279,515
Loss	652,447	650,777	650,777	1,275,550	1,273,721	1,273,721
	<u>2,578,938</u>	<u>1,361,715</u>	<u>1,361,715</u>	<u>2,103,905</u>	<u>1,572,518</u>	<u>1,572,518</u>

10.2 This includes general provision of Rs. 60.597 million (December 31, 2020: Rs. 63.016 million) equivalent to 1% of the net outstanding unsecured advances (advances net of specific provision) held in accordance with the requirements of the Prudential Regulations for Microfinance Banks.

10.3 Particulars of provision against non-performing advances

	June 30, 2021 (Un-audited)			December 31, 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	1,572,518	63,016	1,635,534	3,993,209	3,468,417	7,461,626
Charge for the period / year	1,375,638	27,710	1,403,348	5,555,338	12,076	5,567,414
Reversals	(105,326)	(30,129)	(135,455)	(220,244)	(3,417,477)	(3,637,721)
	<u>1,270,312</u>	<u>(2,419)</u>	<u>1,267,893</u>	<u>5,335,094</u>	<u>(3,405,401)</u>	<u>1,929,693</u>
Amount written off	(1,481,116)	-	(1,481,116)	(7,755,785)	-	(7,755,785)
Closing balance	<u>1,361,714</u>	<u>60,597</u>	<u>1,422,311</u>	<u>1,572,518</u>	<u>63,016</u>	<u>1,635,534</u>

10.4 Particulars of write offs

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	(Rupees in '000)	
Against provisions	1,481,116	7,755,785
Directly charged to the profit and loss account	29,282	85,021
	<u>1,510,398</u>	<u>7,840,806</u>

ECB

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		(Rupees in '000)	
11. OPERATING FIXED ASSETS	Note		
Property and equipment		2,920,171	3,107,338
Intangible assets		569,879	593,011
Capital work-in-progress		2,781,226	2,784,232
Right-of-use assets		2,066,358	2,165,810
		<u>8,337,634</u>	<u>8,650,391</u>
11.1 Additions during the period - at cost			
Improvements to leasehold buildings		32,496	42,107
Furniture and fixtures		936	85,994
Office equipments		2,330	109,270
Computer equipments		178,543	493,987
Intangible assets		111,729	58,569
		<u>326,034</u>	<u>789,927</u>
11.2 Disposals during the period - at cost			
Furniture and fixtures		8,689	51,189
Office equipments		838	70,345
Vehicles		1,890	19,784
		<u>11,417</u>	<u>141,318</u>
12. OTHER ASSETS			
Mark-up / return / interest accrued		1,780,205	2,351,893
Service fee receivable on digital loans		27,987	32,307
Receivable from branchless banking agents	12.1	518,591	537,202
Loans to employees	12.2	246,109	266,210
Security deposits		192,384	118,215
Prepayments - others		167,822	93,874
Receivable from defined benefit plan		119,193	100,118
Branchless banking transaction fee receivable		657,803	733,281
Advance tax - net		132,464	15,230
Receivable from SBP against international remittances		-	6,376
Advance sales tax		240,814	196,107
Others		124,644	155,538
		<u>4,208,016</u>	<u>4,606,351</u>
Less: Provision held against other assets		<u>(132,898)</u>	<u>(144,254)</u>
		<u>4,075,118</u>	<u>4,462,097</u>

12.1 This represents amount receivable from branchless banking agents against e-cash credited into their M-wallet accounts for providing un-interrupted services to the customers.

12.2 These represent advance against salaries to staff and executives of the Bank for a maximum period of 60 months. These are partially secured against the retirement benefits of employees.

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		(Rupees in '000)	
13. DEPOSITS AND OTHER ACCOUNTS			
Current deposits		22,643,365	21,539,432
Saving deposits		3,234,709	3,570,771
Fixed deposits		10,470,370	11,853,607
		<u>36,348,444</u>	<u>36,963,810</u>
13.1 Particulars of deposits by ownership			
Individual depositors		34,690,774	35,430,364
Institutional depositors			
- Corporations / firms etc		1,045,391	1,432,642
- Banks / financial institutions		612,279	100,804
		<u>36,348,444</u>	<u>36,963,810</u>

Ech

14. OTHER LIABILITIES	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	(Rupees in '000)	
Mark-up / return / interest payable	70,332	82,095
Accrued expenses	2,096,825	2,159,426
Payable to related parties	1,882,008	2,125,255
Commission payable - branchless banking	95,306	137,878
Provision for staff bonus	112,500	250,000
Withholding tax payable	127,053	155,101
Payable to defined contribution plan	3,987	3,987
Payable to Worker's Welfare Fund	102,453	102,453
Lease liability against right-of-use assets	2,277,443	2,314,659
Bills payable	225,209	176,366
Switch settlement liability	502,476	501,979
Payable against branchless banking transactions	2,442,162	1,906,427
Others	156,810	220,875
	<u>10,094,564</u>	<u>10,136,501</u>

15. DEFERRED TAX LIABILITY - NET

Deferred tax asset comprises of deductible / (taxable) timing differences in respect of the following:

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	(Rupees in '000)	
Deductible temporary differences		
- Un-absorbed tax depreciation	<u>267,999</u>	<u>294,180</u>
	267,999	294,180
Taxable temporary differences		
- Accelerated tax depreciation allowance	(231,175)	(252,155)
- Remeasurement gain/(loss) on defined benefit obligation	(35,568)	(35,568)
- Surplus on revaluation of assets (Investments)	(1,256)	(6,457)
	<u>(267,999)</u>	<u>(294,180)</u>
	-	-

- 15.2 As of June 30, 2021, the carry forward tax loss and other deductible temporary difference amount to Rs. 29,937 million (December 31, 2020: Rs. 25,529 million) and Rs. 1,569 million (December 31, 2020: Rs. 1,780 million) respectively. Unrecognized deferred tax asset due to carry forward tax losses and other deductible timing differences calculated at the current rate of taxation amounts to Rs. 9,137 million (December 31, 2020: Rs. 7,920 million). Such deferred tax asset has not been recognized in these financial statements due to uncertainty of realizability of the amount.

16. SHARE CAPITAL

16.1 Authorised capital

June 30, 2021 (Un-audited)	December 31, 2020 (Audited)		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
(Number of shares in '000)			(Rupees in '000)	
<u>2,200,000</u>	<u>450,000</u>	Ordinary shares of Rs.10 each	<u>22,000,000</u>	<u>4,500,000</u>

16.2 Issued, subscribed and paid-up capital

June 30, 2021 (Un-audited)	December 31, 2020 (Audited)		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
(Number of shares in '000)			(Rupees in '000)	
<u>517,484</u>	<u>354,727</u>	Ordinary shares of Rs.10 each fully paid in cash	<u>5,174,840</u>	<u>4,277,589</u>

EW

	Note	June 30, 2021	December 31, 2020
16.3 Reconciliation of number of shares outstanding		(Number of shares in '000)	
Number of shares outstanding at the beginning of the period/ year		427,759	427,759
Issuance of right shares	16.3.1	<u>89,725</u>	<u>-</u>
Number of shares outstanding at the ending of the period/ year	16.3.2	<u><u>517,484</u></u>	<u><u>427,759</u></u>

16.3.1 These right shares have been issued to the shareholders as per their respective shareholding.

16.3.2 As at June 30, 2021, Telenor Pakistan B.V. and Ali pay (Hong Kong) Holding Limited held 55% and 45% respectively stake in the Bank.

17. MEMORANDUM / OFF BALANCE SHEET ITEMS

	Note	June 30, 2021	December 31, 2020
		(Un-audited) (Audited)	
		(Rupees in '000)	
Contingent liabilities	17.1	252,660	285,830
Commitments in respect of fixed assets		<u>784,141</u>	<u>505,400</u>
		<u><u>1,036,801</u></u>	<u><u>791,230</u></u>

17.1 Contingencies

The status of all the contingencies is same as disclosed under note 20.1 of the annual financial statements for the year ended 31 December 2020 except as follows:

The Bank was served with an order from Khyber Pakhtunkhwa Revenue Authority (KPRA) creating a demand aggregating to Rs. 13.59 million against input tax disallowances and sales tax withholding in relation to certain tax periods from September 2016 to January 2018. The Bank filed an appeal with Collector (Appeals) which was disposed against the Bank on September 25, 2019. Although, during February 2021. Appellate Tribunal, KPK has remanded the case back to KPRA for fresh adjudication, the afore-said decision of KPRA Tribunal has been challenged by the Bank before Peshawar High Court and Bank expects a favorable outcome in the case. Accordingly, no provision has been made in the books.

During the period, FBR has initiated Bank's audit of affairs of Sales tax and Federal Excise Duty during the periods from January 2016 to December 2016 and the proceedings are underway.

	Half year ended		Quarter ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Un-audited)		(Un-audited)	
	(Rupees in '000)		(Rupees in '000)	
18. MARK-UP / RETURN / INTEREST EARNED				
On:				
Advances	656,772	1,897,056	523,602	470,875
Available-for-sale investments in Government Securities	716,736	818,257	361,821	332,516
Deposits with financial institutions / Banks	142,267	222,272	83,683	78,471
Call money lendings	127,283	223,145	45,789	70,292
Repurchase agreement lendings	<u>70,926</u>	<u>73,975</u>	<u>28,839</u>	<u>18,035</u>
	<u><u>1,713,984</u></u>	<u><u>3,234,705</u></u>	<u><u>1,043,734</u></u>	<u><u>970,189</u></u>
19. MARK-UP / RETURN / INTEREST EXPENSED				
On:				
Deposits	826,371	1,453,570	407,045	577,256
Borrowings	-	530	-	-
Lease liabilities against right-of-use assets	<u>162,164</u>	<u>168,435</u>	<u>81,384</u>	<u>88,044</u>
	<u><u>988,535</u></u>	<u><u>1,622,535</u></u>	<u><u>488,429</u></u>	<u><u>665,300</u></u>
20. FEE, COMMISSION AND BROKERAGE INCOME				
Loan processing fee	267,810	300,134	134,298	102,348
Income from branchless banking	2,992,998	3,015,682	1,349,687	1,260,376
Others	<u>16,917</u>	<u>6,444</u>	<u>16,917</u>	<u>4,435</u>
	<u><u>3,277,725</u></u>	<u><u>3,322,260</u></u>	<u><u>1,500,902</u></u>	<u><u>1,367,159</u></u>

Ed

21. ADMINISTRATIVE EXPENSES	Half year ended	
	June 30, 2021	June 30, 2020
	(Un-audited)	
	(Rupees in '000)	
Salaries and other allowances	1,786,553	2,041,865
Charge for defined benefit plan	70,818	101,527
Contribution to defined contribution plan	67,022	81,997
Staff welfare	36,215	30,994
Training and capacity building	48,981	23,887
Non-executive directors' fees, allowances and other expenses	2,000	3,105
Commission - Branchless Banking	2,056,869	2,205,092
Customer Incentives	403,029	1,171,215
Advertisement	471,626	407,621
Professional consultancy charges	247,234	279,722
Customer verification charges	170,288	191,715
Legal and professional charges	149,410	22,643
Depreciation	388,796	551,009
Depreciation on right-of-use assets	157,977	182,663
Amortisation	135,191	129,559
Repairs and maintenance - IT	897,670	547,391
Insurance	167,147	212,638
Repairs and maintenance - General	124,340	151,582
Security services	115,924	166,021
Travelling and conveyance	36,875	56,228
Communication	263,899	179,518
Bank charges	144,253	101,218
Utilities	72,257	76,072
Printing and stationery	121,272	59,430
Donations	-	3,531
Auditors' remuneration	1,975	1,250
Other expenses	51,584	35,829
	8,189,205	9,015,322

22. EARNINGS PER SHARE	Half year ended	
	June 30, 2021	June 30, 2020
	(Un-audited)	
	(Rupees in '000)	
Loss after taxation for the period	(4,968,246)	(4,754,562)
	(Number in '000)	
Weighted average ordinary shares	443,409	427,759
	(Rupees)	
Loss per share - Basic and diluted	(11.20)	(11.12)

22.1 Diluted

No figure for diluted earnings per share has been presented as the Bank has not issued any instrument which would have an impact on basic earnings per share when exercised.

23. Fair value of financial Instruments

Fair value is an amount for which an asset can be exchanged, or liability settled, between knowledgeable willing parties in arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates. The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs use in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

EC

23.1 On balance sheet

financial instruments

June 30, 2021 (Un-audited)

	Carrying amount				Fair value				
	Available for sale	Cash and cash equivalents	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
- Investments - market treasury bills	12,373,503	-	-	-	12,373,503	-	12,377,833	-	12,377,833
Financial assets not measured at fair value									
- Cash and bank balances with SBP and NBP	-	3,442,348	-	-	3,442,348	-	-	-	-
- Balances with other banks	-	10,553,742	-	-	10,553,742	-	-	-	-
- Lending to financial instruments	-	-	3,877,269	-	3,877,269	-	-	-	-
- Advances	-	-	10,521,375	-	10,521,375	-	-	-	-
- Other assets	-	-	4,075,118	-	4,075,118	-	-	-	-
	12,373,503	13,996,090	18,473,762	-	44,843,355	-	12,377,833	-	12,377,833
Financial liabilities not measured at fair value									
- Deposits and other accounts	-	-	-	(36,348,444)	(36,348,444)	-	-	-	-
- Other liabilities	-	-	-	(10,094,564)	(10,094,564)	-	-	-	-
	-	-	-	(46,443,008)	(46,443,008)	-	-	-	-
	12,373,503	13,996,090	18,473,762	(46,443,008)	(1,599,653)	-	12,377,833	-	12,377,833

On balance sheet

financial instruments

December 31, 2020 (Audited)

	Carrying amount				Fair value				
	Available for sale	Cash and cash equivalents	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
- Investments - market treasury bills	12,655,965	-	-	-	12,655,965	-	12,766,462	-	12,766,462
Financial assets not measured at fair value									
- Cash and bank balances with SBP and NBP	-	3,634,321	-	-	3,634,321	-	-	-	-
- Balances with other banks	-	6,268,884	-	-	6,268,884	-	-	-	-
- Lending to financial instruments	-	-	900,000	-	900,000	-	-	-	-
- Advances	-	-	14,096,298	-	14,096,298	-	-	-	-
- Other assets	-	-	4,081,810	-	4,081,810	-	-	-	-
	12,655,965	9,903,205	19,078,108	-	41,637,278	-	12,766,462	-	12,766,462
Financial liabilities not measured at fair value									
- Deposits and other accounts	-	-	-	(34,757,550)	(34,757,550)	-	-	-	-
- Other liabilities	-	-	-	(10,262,294)	(10,262,294)	-	-	-	-
	-	-	-	(45,019,844)	(45,019,844)	-	-	-	-
	12,655,965	9,903,205	19,078,108	(45,019,844)	(3,382,566)	-	12,766,462	-	12,766,462

Ech


24. RELATED PARTY TRANSACTIONS

The Bank has related party relationships with its holding company, associates, key management personnel, directors and employees' retirement benefit plans.

Contribution to the accounts in respect of staff retirement benefits are made in accordance with actuarial valuation / terms of the contribution plan. Remuneration of key management personnel are in accordance with the terms of their employment. Other transactions are carried out as per agreed terms.

Balances and transactions with related parties are summarised as follows:

Note	30 June 2021 (Un-audited)					31 December 2020 (Audited)				
	Associates	Key management personnel	Directors	Retirement benefit plans	Total	Associates	Key management personnel	Directors	Retirement benefit plans	Total
	(Rupees in '000)					(Rupees in '000)				
Loans										
At 1 January	-	19,824	-	-	19,824	-	21,233	-	-	21,233
Given during the period	-	2,028	-	-	2,028	-	15,949	-	-	15,949
Repaid during the period	-	(11,165)	-	-	(11,165)	-	(17,358)	-	-	(17,358)
12.2	-	10,687	-	-	10,687	-	19,824	-	-	19,824
Deposits										
At 1 January	9,900	1,358	560	703,437	715,255	15,575	980	16,036	1,458,447	1,491,038
Received during the period	-	11,767	-	243,309	255,076	3,488	39,587	525	759,259	802,859
Withdrawn during the period	(362)	(13,084)	-	(399,860)	(413,306)	(9,163)	(39,209)	(16,001)	(1,514,269)	(1,578,642)
	9,538	41	560	546,886	557,025	9,900	1,358	560	703,437	715,255
Other Assets										
Receivable from defined benefit plan	-	-	-	119,193	119,193	-	-	-	100,118	100,118
	-	-	-	119,193	119,193	-	-	-	100,118	100,118
Other Liabilities										
Payable against goods and services	1,882,008	-	-	-	1,882,008	2,125,255	-	-	-	2,125,255
Payable to defined contribution plan	-	-	-	3,987	3,987	-	-	-	3,987	3,987
Payable to defined benefit plan	-	-	-	-	-	-	-	-	-	-
	1,882,008	-	-	3,987	1,885,995	2,125,255	-	-	3,987	2,129,242
Capital Expenditure										
	-	-	-	-	-	1,318,634	-	-	-	1,318,634
Transactions during the period / year										
Directors' meeting fees	-	-	2,000	-	2,000	-	-	9,368	-	9,368
Remuneration of Key Management Personnel	-	93,872	31,853	-	125,725	-	250,042	61,270	-	311,312
Mark-up expense	-	-	-	16,422	16,422	-	-	-	128,456	128,456
Communication expense	42,692	-	-	-	42,692	78,478	-	-	-	78,478
Rent	19,705	-	-	-	19,705	25,356	-	-	-	25,356
Professional consultancy charges	189,500	-	-	-	189,500	433,880	-	-	-	433,880
Other charges	3,384	-	-	-	3,384	2,903	-	-	-	2,903
Repair and maintenance	277,239	-	-	-	277,239	136,636	-	-	-	136,636
Advertisement	191,991	-	-	-	191,991	957,981	-	-	-	957,981
	724,511	93,872	33,853	16,422	868,658	1,635,234	250,042	70,638	128,456	2,084,370

24.1 This represents interest free loan to staff and executives of the Bank for a maximum period of 60 months. These are secured against the retirement benefits of employees. 

25. GENERAL

- 25.1** Comparative information has been reclassified or rearranged in these condensed interim financial statements for the purpose of better presentation. However, there was no material reclassification to report.
- 25.2** The figures have been rounded off to the nearest thousand rupees, unless otherwise stated.
- 25.3** The figures of the condensed interim profit and loss account for the quarter ended June 30, 2021 have not been subjected to the limited scope review by the auditors.

26. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on 30 August 2021.



President & Chief Executive
Officer

Chairman

Director

Director