

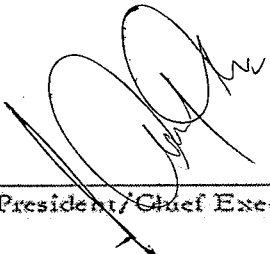
SINDH MICROFINANCE BANK
development through empowerment

**FINANCIAL STATEMENTS FOR THE QUARTER
ENDED SEPTEMBER 30TH, 2015**

SINDH MICROFINANCE BANK LIMITED
 CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
 AS AT SEPTEMBER 30, 2015

		September 30, 2015
	Note	Rupees
ASSETS		
Cash and balances with SBP and NBP	6	10,243
Balances with other banks	7	690,013,729
Lending to financial institutions		-
Investment - net of provisions	8	50,000,000
Advances - net of provisions		-
Operating fixed assets	9	2,252,710
Other assets		19,351,655
Deferred tax assets		-
Total assets		761,628,337
LIABILITIES		
Deposits and other accounts		-
Borrowings		-
Subordinated debt		-
Other liabilities		1,929,157
Deferred tax liabilities		-
Total liabilities		1,929,157
NET ASSETS		759,699,180
REPRESENTED BY:		
Share capital	10	750,000,000
Statutory reserves		-
Unappropriated profit		9,699,180
		759,699,180
Surplus/(deficit) on revaluation of assets		-
Depositors' protection fund		-
Deferred grants		-
Total capital		759,699,180
MEMORANDUM/OFF BALANCE SHEET ITEMS	11	

The annexed notes from 1 to 19 form an integral part of this financial information.



 President/Chief Executive



 Chairman



 Director

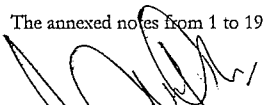


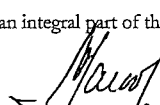
 Director

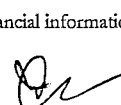
SINDH MICROFINANCE BANK LIMITED
 CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2015
 FOR THE PERIOD FROM MARCH 27TH TO SEPTEMBER 30, 2015


	Note	For the period from	For the Quarter Ended
		March 27th to Sep 30th, 2015	September 30th, 2015
		Rupees	Rupees
Mark-up/return/interest earned	12	25,505,721	13,406,933
Mark-up/return/interest expensed		-	-
Net mark-up/interest income		25,505,721	13,406,933
Provision against non-performing loans and advances		-	-
Provision for diminution in the value of investments		-	-
Bad debts written off directly		-	-
Net mark-up/interest income after provisions		25,505,721	13,406,933
Non mark-up/non interest income			
Fee, commission and brokerage income		-	-
Dividend income		-	-
Other income		-	-
Total non mark-up/non interest income		-	-
Non mark-up/non interest expenses		25,505,721	13,406,933
Administrative expenses	13	(10,583,906)	(3,493,154)
Other provisions/write offs		-	-
Other charges		-	-
Total non mark-up/non interest expenses		(10,583,906)	(3,493,154)
Profit before taxation		14,921,815	9,913,779
Taxation			
- current	14	(5,222,635)	(3,570,171)
- prior		-	-
- deferred		-	-
Profit after taxation		9,699,180	6,343,608
Unappropriated profit - brought forward		-	-
Appropriations:			
Transfer to			
- statutory reserve		-	-
- capital reserve		-	-
- depositors' protection fund		-	-
- revenue reserve		-	-
Unappropriated profit - carried forward		9,699,180	6,343,608
Earnings per share - basic and diluted		0.13	0.08

The annexed notes from 1 to 19 form an integral part of this financial information.


 President/Chief Executive


 Chairman

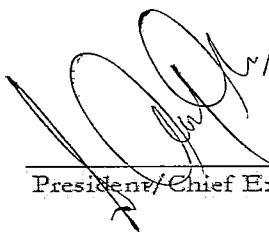

 Director


 Director

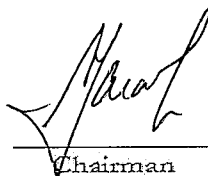
SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015
FOR THE PERIOD FROM MARCH 27TH TO SEPTEMBER 30, 2015

	Note	September 30th, 2015 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation		14,921,815
Adjustments:		
Depreciation	13	204,790
Operating cash flows before changes in working capital		<u>15,126,605</u>
Increase in other assets		(19,351,655)
Increase in other liabilities		1,929,157
Cash generated from operations		<u>(2,295,893)</u>
Income tax paid		(5,222,635)
Net cash flow from operating activities		<u>(7,518,529)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Aquisition of Certificate of Investments		(50,000,000)
Acquisition of operating fixed assets	9	(2,457,500)
Net cash used in investing activities		<u>(52,457,500)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipt from issue of share capital		750,000,000
Net cash flow from financing activities		<u>750,000,000</u>
Net increase in cash and cash equivalents		690,023,971
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		<u><u>690,023,971</u></u>

The annexed notes from 1 to 19 form an integral part of this financial information.



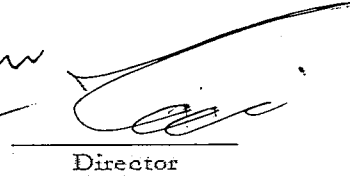
President/Chief Executive



Chairman



Director

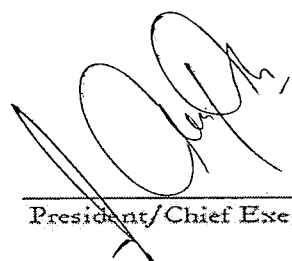


Director

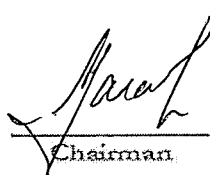
SINDH MICROFINANCE BANK LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2015
 FOR THE PERIOD FROM MARCH 27TH TO SEPTEMBER 30, 2015

	Reserve			Total capital
	Share capital	Capital	Revenue	
		Statutory reserve	Unappropriated profit	
Rupees				
Transaction with owner:				
Issue of share capital	750,000,000	-	-	750,000,000
Other transactions:				
Total comprehensive income				
- Profit after taxation	-	-	9,699,180	9,699,180
- Other comprehensive income	-	-	-	-
	-	-	9,699,180	9,699,180
Balance as at September 30, 2015	750,000,000	-	9,699,180	759,699,180

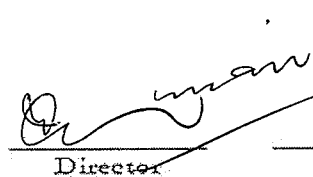
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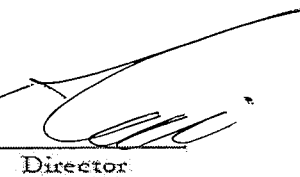
 President/Chief Executive



 Chairman



 Director



 Director

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015
FOR THE PERIOD FROM MARCH 27TH TO SEPTEMBER 30, 2015

1 STATUS AND NATURE OF BUSINESS

- 1.1 Sindh Microfinance Bank Limited ('the Bank') was incorporated on March 27, 2015 as a public Company limited by shares under the Companies Ordinance, 1984. The Bank has obtained Microfinance banking license from SBP on 16th October 2015 to operate in Sindh province. The Banks' principal business will be to provide microfinance services to the poor and underserved segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. The registered office of the Bank is situated at 3rd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi.

The Bank is the wholly owned subsidiary of Sindh Bank Limited.

2 BASIS OF PRESENTATION

This condensed interim financial information has been presented in accordance with BSD Circular No. 11 dated December 30, 2003 issued by the State Bank of Pakistan (SBP).

3 STATEMENT OF COMPLIANCE

This financial information has been prepared in accordance with the directives issued by SBP, the requirements of the Microfinance Institutions Ordinance, 2001 (the MFI Ordinance), the Companies Ordinance, 1984 (the Companies Ordinance) and the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and interpretations issued by the Standards Interpretation Committee of IASB as adopted in Pakistan. In case where provisions of directives issued by the SBP, the MFI Ordinance and the Companies Ordinance differ with the requirements of these standards, such provisions of SBP directive, the MFI Ordinance and the Companies Ordinance shall prevail.

SBP vide BSD Circular No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 39 'Financial Instruments: Recognition and Measurement' and International Accounting Standard 40 'Investment Property', till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of the financial information. Further, the SECP vide S.R.O. No. 411(I)/2008 dated April 28, 2008 has deferred the applicability of International Financial Reporting Standards (IFRS) 7 'Financial Instruments', till further instructions. However, investments have been measured in accordance with the requirements of SBP's BSD Circular No. 11 dated December 30, 2003 and Prudential Regulations for Microfinance Banks (the Regulations).

4 BASIS OF MEASUREMENT

4.1 Accounting convention

This condensed interim financial information has been prepared under the historical cost convention.

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

4.2 Functional and presentation currency

Items included in the financial information are measured using the currency of the primary economic environment in which the Bank operates. The financial information are presented in Pakistani Rupees which is the Bank's functional and presentation currency.



SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015
FOR THE PERIOD FROM MARCH 27TH TO SEPTEMBER 30, 2015

4.2 General

Figures have been rounded-off to nearest rupees, unless stated otherwise.

5 ACCOUNTING POLICIES

The accounting policies & the methods of computation adopted in preparation of this condensed interim financial information are the same as applied in the preparation of financial statements for the period from March 27th, 2015 to June 30th, 2015.

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SINDH MICROFINANCE BANK LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2015
 FOR THE PERIOD FROM MARCH 27TH TO SEPTEMBER 30, 2015

		September 30, 2015
		Rupees
6	CASH AND BALANCES WITH SBP AND NBP	
	Cash in hand – local currency	10,243
7	BALANCES WITH OTHER BANKS	
	In Pakistan	
	On deposit accounts - local currency	690,013,729
7.1	This includes an amount of Rs. 500 million invested in term deposit receipts (TDRs) placed with Sindh Bank Limited (the Holding Company), having maturity of 6 months from the date of investment. The TDRs currently carrying mark-up at a rate of 7.25% per annum.	
	The balance of Rs. 190 million represents the amount placed with the Holding Company in daily product saving account currently carrying mark-up at a rate of 6.90% per annum.	
8	INVESTMENT	50,000,000
	This includes an amount of Rs.50 million invested in certificate of investment with Pak Iran Investment Company Ltd, having maturity of 6 months from the date of investment. The COIs currently carrying mark-up at a rate of 7.35% per annum.	
		Rupees
9	OPERATING FIXED ASSETS	
	<i>Vehicle</i>	2,457,500
	Additions - at cost	(204,790)
	Less: accumulated depreciation	2,252,710
	<i>Vehicle - at net book value</i>	
10	SHARE CAPITAL	
10.1	Authorised share capital	
	(Un-audited)	September 30, 2015
	September 30, 2015	Rupees
	Number of shares	
	Ordinary shares of Rs. 10 each	1,000,000,000
	100,000,000	
10.2	Issued, subscribed and paid-up share capital	
	Ordinary shares of Rs. 10 each fully paid in cash	750,000,000
	75,000,000	
11	MEMORANDUM/OFF BALANCE SHEET ITEMS	
	Contingencies and commitments	
	There were no material contingencies and commitments as at period end.	



SINDH MICROFINANCE BANK LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2015
 FOR THE PERIOD FROM MARCH 27TH TO SEPTEMBER 30, 2015

	March 27th to Sep 30th, 2015	For the Quarter Ended Sep 30th, 2015
	Rupees	Rupees
12 MARK-UP/RETURN/INTEREST EARNED		
Mark-up on deposit accounts	25,505,721	13,406,932
13 ADMINISTRATIVE EXPENSES		
Salaries and allowances	5,154,025	2,685,601
Directors' fee	90,000	60,000
Rent, rates and taxes	347,856	281,806
Repair and maintenance	39,920	32,720
Vehicle Running Expenses	352,522	155,610
Advertisement	113,750	-
Regulatory Fee	4,025,635	-
Professional fee	50,000	50,000
Depreciation	204,790	122,874
Insurance	16,380	12,285
Conveyance	86,940	40,880
Auditors' remuneration	25,000	-
Utilities	7,705	7,705
Others	69,383	43,673
	10,583,906	3,493,154

	For the period from March 27th to Sep 30th, 2015	For the Quarter Ended September 30th, 2015
	Rupees	Rupees
14 TAXATION		
Current	5,222,635	3,570,171

15 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise Sindh Bank Limited, directors and key management personnel. Detail of transactions with related parties other than those which have been specifically disclosed elsewhere in this financial information are as follows:


	Rupees	September 30, 2015 Rupees
Balances with Sindh Bank Limited		
Balances in deposit accounts	7	690,013,729
Mark-up receivable on deposit account		11,222,602
Transactions with Sindh Bank Limited		
Mark-up on deposits accounts	13	13,135,082
Directors' fee	13	60,000

16 REMUNERATION OF DIRECTORS AND EXECUTIVES

	Number of persons	September 30, 2015 Rupees
Chief Executive		
- Managerial remuneration	1	4,851,446

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015
FOR THE PERIOD FROM MARCH 27TH TO SEPTEMBER 30, 2015

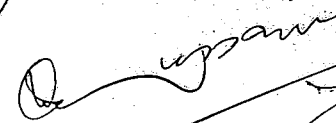
	Directors		
	- Fees	<u>2</u>	<u>90,000</u>
17	NUMBERS OF EMPLOYEES		
	Number of employees as at period end		<u>4</u>
18	SUBSEQUENT EVENTS		
	No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization.		
19	DATE OF AUTHORIZATION		
	This condensed interim financial information were authorized for issue on _____ by the Board of Directors of the Bank.		




President/Chief Executive



Chairman



Director



Director