

Sindh Microfinance Bank Limited

**Condensed Interim Statement of Financial Position
For the period ended June 30, 2021**

INDEPENDENT AUDITORS' REVIEW REPORT
To the members of Sindh Microfinance Bank Limited
Report on review of Condensed Interim Statement of Financial Position**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Sindh Microfinance Bank Limited (the Bank) as at June 30, 2021, and the related condensed interim statement of profit or loss for the half year then ended, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and the notes to the condensed interim financial statement for the six-month period then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the approved accounting standards as applicable in Pakistan for the interim financial reporting. Our responsibility is to express a conclusion on the condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by Independent Auditor of the Entity". A review of condensed interim financial information consist 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 condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The engagement partners on the audit resulting in this independent auditors' report is **Shah Saeed Naveed**.

Place: Islamabad

Date: _____

 **Naveed Zafar Ashfaq Jaffery & Co.**
Chartered Accountants

SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2021




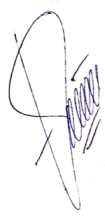
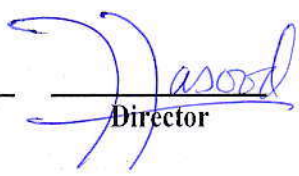
	Note	(Un-Audited) June 30, 2021	(Audited) Dec 31, 2020
----- Rupees -----			
ASSETS			
Cash and balances with SBP and NBP	9	15,492,074	19,255,691
Balances with other banks NBFIs /MFBs	10	919,635,825	478,301,018
Lendings to financial institutions		-	-
Investments - net of provisions	11	-	687,933,096
Advances- net of provisions	12	702,771,152	553,805,824
Operating fixed assets	13	43,628,133	52,133,647
Other assets	14	80,107,855	104,353,871
Deferred Tax Assets	15	3,991,696	3,456,400
		1,765,626,735	1,899,239,547
LIABILITIES			
Deposits and other accounts	16	17,199,237	139,339,899
Borrowings	17	750,000,000	750,000,000
Subordinated debt		-	-
Other liabilities	18	43,255,408	67,148,978
Deferred tax liabilities		-	-
		810,454,646	956,488,877
NET ASSETS		955,172,089	942,750,670
REPRESENTED BY			
Share capital		750,000,000	750,000,000
Statutory & general reserves		41,047,655	38,563,371
Depositors' Protection Fund		10,261,914	9,640,843
Unappropriated profit		153,862,520	144,546,456
		955,172,089	942,750,670

MEMORANDUM / OFF-BALANCE SHEET ITEMS

19

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


12/2/2021

				
_____ President/CEO	_____ CFO	_____ Chairman	_____ Director	_____ Director

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

Note	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	
	Period Ended		Quarter Ended		
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	
-----Rupees-----					
Mark-up/Return/Interest Earned	20	166,916,366	205,362,359	87,035,676	98,826,767
Mark-up/Return/Interest Expensed	21	(28,059,936)	(52,411,166)	(13,487,723)	(27,910,599)
Net Mark-up / Interest Income		138,856,430	152,951,193	73,547,953	70,916,168
Provision against non-performing advances & written off directly	22	(11,313,851)	(13,299,395)	(5,525,176)	(5,394,383)
Net Mark-up / Interest Income after provisions		(11,313,851)	(13,299,395)	(5,525,176)	(5,394,383)
		127,542,579	139,651,798	68,022,777	65,521,785
NON MARK-UP/INTEREST INCOME					
Other Income		-	-	-	-
Total non-markup/interest Income		-	-	-	-
Total Income		127,542,579	139,651,798	68,022,777	65,521,785
NON MARK-UP/INTEREST EXPENSES					
Operating expenses	23	(111,642,120)	(98,009,571)	(59,438,157)	(43,702,143)
Workers Welfare Fund		-	-	-	-
Other charges		-	-	-	-
Total non-markup/interest expenses		(111,642,120)	(98,009,571)	(59,438,157)	(43,702,143)
Profit / (Loss) before provisions		15,900,459	41,642,227	8,584,620	21,819,642
Extra ordinary / unusual items (to be specified)		-	-	-	-
PROFIT/(LOSS) BEFORE TAXATION		15,900,459	41,642,227	8,584,620	21,819,642
Taxation	24	(3,479,040)	(11,681,530)	(1,586,528)	(5,798,950)
PROFIT/(LOSS) AFTER TAXATION		12,421,419	29,960,697	6,998,092	16,020,692
Earnings per share - basic and diluted	25	0.17	0.40	0.09	0.21

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.




 President/CEO



 CFO



 Chairman



 Director



 Director

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

	(Un-Audited) Quarter Ended	(Un-Audited) Quarter Ended	(Un-Audited) Period Ended	(Un-Audited) Period Ended
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	-----Rupees-----			
Profit / (Loss) after taxation for the period	12,421,419	29,960,697	6,998,092	16,020,692
Other comprehensive income:	-	-	-	-
Total comprehensive income	12,421,419	29,960,697	6,998,092	16,020,692

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

12/6/20



President/CEO



CFO



Chairman



Director



Director

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

	Share Capital	General and Statutory Reserve	Depositors' Protection Fund	Unappropriated Profit	Total
	Rupees				
Balance as at January 01, 2020	750,000,000	27,930,569	6,982,643	104,673,449	889,586,661
Total comprehensive income for the period					
Profit after tax for the period	-	-	-	52,684,481	52,684,481
Other comprehensive income - net of tax	-	-	-	479,528	479,528
Total comprehensive income for the period	-	-	-	53,164,009	53,164,009
20% Transfer to statutory reserve	-	10,632,802	-	(10,632,802)	-
5% Transfer to Depositors' Protection Fund	-	-	2,658,200	(2,658,200)	-
Balance as at December 31, 2020(audited)	750,000,000	38,563,371	9,640,843	144,546,456	942,750,670
Total comprehensive income for the period					
Profit after tax for the period	-	-	-	12,421,419	12,421,419
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	12,421,419	12,421,419
20% Transfer to statutory reserve	-	2,484,284	-	(2,484,284)	-
5% Transfer to Depositors' Protection Fund	-	-	621,071	(621,071)	-
Balance as at June 30, 2021 (un-audited)	750,000,000	41,047,655	10,261,914	153,862,520	955,172,089


The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



 President/CEO




 CFO



 Chairman



 Director



 Director


SINDH MICROFINANCE BANK LTD.
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2021

Note June 30, 2021 June 30, 2020
 ----- Rupees -----


CASH FLOW FROM OPERATING ACTIVITIES

Profit / (loss) before taxation		15,900,459	41,642,227
Adjustments:			
Depreciation and amortization expense	23	2,852,457	2,452,081
Depreciation expense on lease assets (ROUA)	23	7,525,696	8,724,386
Provision for Gratuity		2,400,000	2,400,000
Interest on lease liability		885,404	1,736,898
Provision against non performing advances	22	10,247,877	12,712,418
Bad debts written off directly	22	1,065,975	586,977
		<u>24,977,409</u>	<u>28,612,761</u>
Operating cash flows before changes in working capital		40,877,868	70,254,988
(Increase)/ Decrease in operating assets			
Advances	12	(160,278,539)	195,258,958
Prepaid Rent		(11,407,179)	(10,676,437)
Others assets (excluding advance taxation)	14	31,776,285	(25,245,098)
		<u>(139,909,433)</u>	<u>159,337,422</u>
Increase/ (Decrease) in operating liabilities			
Deposits	16	(122,140,662)	(107,241,836)
Other liabilities (excluding current taxation)		(15,772,434)	1,327,863
		<u>(137,913,095)</u>	<u>(105,913,973)</u>
Income tax paid		(11,544,605)	(13,865,578)
<i>Net cash flow generated from / (used in) operating activities</i>		<u>(248,489,266)</u>	<u>109,812,859</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of HTM investment		687,933,096	(55,904,640)
Acquisition of operating fixed assets		(1,872,640)	(1,324,442)
<i>Net cash flow generated from / (used in) investing activities</i>		<u>686,060,456</u>	<u>(57,229,082)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings from SBP		-	-
Borrowings from financial institutions		-	(50,000,000)
Payment of running finance facility		-	-
Issue of Share capital		-	-
<i>Net cash flow from / (used in) financing activities</i>		<u>-</u>	<u>(50,000,000)</u>
Increase / (Decrease) in cash and cash equivalents		437,571,190	2,583,777
Cash and cash equivalents at beginning of the period		497,556,709	346,136,545
Cash and cash equivalents at end of the period	9-10	<u>935,127,899</u>	<u>348,720,322</u>


The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.




 President/CEO



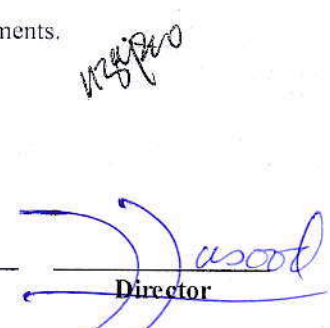
 CFO



 Chairman



 Director



 Director

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED JUNE 30, 2021

1. STATUS AND NATURE OF BUSINESS

Sindh Microfinance Bank Limited (the Bank) was incorporated on March 27, 2015 as a public company limited by shares under the repealed Companies Ordinance, 1984 (repealed by Companies Act 2017). The Bank obtained the microfinance banking license from State Bank of Pakistan on October 16, 2015, to operate in Sindh Province. Subsequently, the Bank received the certificate of commencement of business from Securities & Exchange Commission of Pakistan (SECP) on November 30, 2015 and the certificate of commencement of Banking Business from State Bank of Pakistan on April 15, 2016. The Bank's registered office is situated at 39/F, 2nd Floor, Muhammad Ali Cooperative Housing Society, Karachi. The Bank's principal business is to provide microfinance services to the poor and underserved segment of the society as envisaged in the Microfinance Institutions Ordinance, 2001.

The Bank is the wholly owned subsidiary of Sindh Bank Limited (the Holding bank). The Bank operates through branches and service centers spread within the province of Sindh, the network of branches and service centers comprise of 17 (2020 : 17) branches and 61 (2020 : 58) service centers.

2 BASIS OF PREPARATION

These financial statements have been presented in accordance with the requirements of Banking Supervision Department (BSD) Circular No. 11 dated December 30, 2003 issued by the State Bank of Pakistan (SBP).

3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with 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 includes, International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as notified under the Companies Act 2017; the directives and Prudential Regulations issued by SBP, the requirements of the Microfinance Institution Ordinance, 2001 (the MFI Ordinance), the Companies Act, 2017 (the Companies Act) and 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 SECP and SBP, the MFI Ordinance and the Companies Act 2017 differ with the requirements IAS 34, such provisions of SBP directive, the MFI Ordinance and the Companies Act shall prevail.

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 IAS 40, "Investment Property" for banking companies till further instructions. Further, the SECP vide its SRO 633 (I)/ 2014, dated 10 July 2014 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement", IAS 40, "Investment Property" and International Financial Reporting Standard (IFRS) 7 "Financial Instruments: Disclosures" for banking companies till further instructions.

The SBP vide BPRD Circular Letter No. 24 dated July 05, 2021 has extended the date of implementation of IFRS 9 'Financial Instruments' to January 1, 2022 for all microfinance banks. Accordingly, the requirements of this standard have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars / regulations.

- 3.1** The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020.

4 BASIS OF MEASUREMENT

4.1 Accounting convention

These financial statements have been prepared under the historical cost convention except for obligations in respect of defined benefit plan and lease liabilities against right of use assets, which are carried at present value.

These financial statements have been prepared following accrual basis of accounting except for cash flow statement.

4.2 Functional and presentation currency

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

5 SIGNIFICANT ACCOUNTING POLICIES

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 of the Bank for the year ended 31 December 2020.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim unconsolidated financial information is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2020.

7 RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2020.

During the second quarter of 2021, COVID-19 severely affected the earning capacity of the lower income segment of the society in Sindh. Most of SMFB's borrowers faced difficulties in loan repayment due to depleted incomes and a focus on preserving cash for essential goods. Many of such adversely impacted borrowers have availed the SBP enabled deferment for a period of six months to one year. However, loan recoveries from the portfolio regained its pre-pandemic momentum by June 2021, therefore the future outlook, although not predictable in these fluid circumstances, does seem positive for the Bank in terms of recovery from the loan portfolio.

The Bank has sufficient current liquidity to maintain its operations and operate as a going concern for a period more than one year and envisages no material impact on revenue recognition and carrying values of assets recorded during the reporting period.

8 SUMMARY OF SIGNIFICANT TRANSACTIONS AND BALANCES IN THE CURRENT REPORTING PERIOD

	Note	2021	2020
		----- Rupees -----	
Advances	12	<u>702,771,152</u>	<u>553,805,824</u>
Provisions	12	<u>(15,033,351)</u>	<u>(6,188,854)</u>
Deposits	16	<u>17,199,237</u>	<u>139,339,899</u>
Borrowings from State Bank of Pakistan	17	<u>750,000,000</u>	<u>750,000,000</u>

The amount of provision represents general and specific provision against advances held in accordance with the requirements of prudential regulations for microfinance banks.

Borrowings from SBP represents fund obtained under LOCF scheme from State Bank of Pakistan.

MSB

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE STATEMENT OF FINANCIAL POSITION

Un-Audited Audited
June 30, 2021 Dec 31, 2020
----- Rupees -----

9 CASH AND BALANCES WITH SBP AND NBP

In hand		
Local currency	811,870	1,020,493
Foreign currency	-	-
	<u>811,870</u>	<u>1,020,493</u>
Balance with State Bank of Pakistan	9,415,160	13,621,612
Balance with National Bank of Pakistan	5,265,044	4,613,586
	<u>14,680,204</u>	<u>18,235,198</u>
	<u>15,492,074</u>	<u>19,255,691</u>

10 BALANCES WITH OTHER BANKS NBFIS /MFBS

In Pakistan		
- deposit accounts	919,635,825	478,301,018
	<u>919,635,825</u>	<u>478,301,018</u>

11 INVESTMENT -Net of provision

Held to maturity

- Federal Government Security		
-Market Treasury Bill	-	12,933,096
- Term Deposits receipts (TDRs)	-	675,000,000
	<u>-</u>	<u>687,933,096</u>

12 ADVANCES

Advances	Note	June 2021		December 2020	
		Number of loans outstanding	Amount outstanding (Rupees)	Number of loans outstanding	Amount outstanding (Rupees)
Micro Credit					
-Unsecured		44,256	688,834,312	36,407	530,561,731
-Secured		2	736,000	-	-
-Staff loans		3	28,234,190	3	29,432,947
		<u>44,261</u>	<u>717,804,502</u>	<u>36,410</u>	<u>559,994,678</u>
Less: Provision held					
- General	12.1	-	(6,763,880)	-	(908,713)
- Specific		-	(8,269,470)	-	(5,280,141)
		<u>-</u>	<u>(15,033,351)</u>	<u>-</u>	<u>(6,188,854)</u>
Advances (net of provisions)		<u>44,261</u>	<u>702,771,152</u>	<u>36,410</u>	<u>553,805,824</u>

12.1 This represents general provision equivalent to 1% of outstanding unsecured advances held in accordance with the requirements of Prudential Regulations for Microfinance Banks.

12.2 Particulars of provision against non-performing advances	June 2021			December 2020		
	Specific	General	Total	Specific	General	Total
Opening balance	908,713	5,280,141	6,188,854	6,058,782	8,329,505	14,388,287
Charge for the year	8,763,497	1,483,740	10,247,237	15,710,772	(3,049,364)	12,661,408
Write off	(1,402,740)	-	(1,402,740)	(20,860,841)	-	(20,860,841)
Closing balance	<u>8,269,470</u>	<u>6,763,881</u>	<u>15,033,351</u>	<u>908,713</u>	<u>5,280,141</u>	<u>6,188,854</u>

12.3 Category of Classification	June 2021			December 2020		
	Amount Outstanding	Provisions Required	Provisions Held	Amount Outstanding	Provisions Required	Provisions Held
OAEM	992,666	-	-	2,772,348	-	-
Substandard	1,259,873	314,968	314,968	1,511,224	377,806	377,806
Doubtful	7,935,809	3,967,904	3,967,904	1,011,052	505,526	505,526
Loss	3,986,598	3,986,598	3,986,598	25,381	25,381	25,381
	<u>14,174,946</u>	<u>8,269,470</u>	<u>8,269,470</u>	<u>5,320,005</u>	<u>908,713</u>	<u>908,713</u>

WZP/PCO

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE STATEMENT OF FINANCIAL POSITION

	Note	2021	2020
12.4 Particulars of write offs:		----- Rupees -----	
Against provision	12.2	1,402,740	20,860,841
Directly charged to profit and loss	12.5	1,065,975	1,455,012
		<u>2,468,715</u>	<u>22,315,853</u>
12.5 This represents write-off against unsecured micro credit advances which were not recovered due to death of loan holders.			
		Un-Audited	Audited
		June 30, 2021	Dec 31, 2020
		----- Rupees -----	
13 OPERATING FIXED ASSETS			
Property and equipment		18,342,010	19,261,522
Right of use assets (ROUA)		22,577,093	30,102,789
Intangible assets		2,709,031	2,769,336
		<u>43,628,133</u>	<u>52,133,647</u>
13.1 Additions to fixed assets			
The following additions have been made to fixed assets during the period:			
Property and equipment			
Office Equipments		1,398,464	2,815,520
Vehicles		-	6,428,500
Others		76,986	889,442
Intangible		397,190	583,800
Total		<u>1,872,640</u>	<u>10,717,262</u>
14 OTHER ASSETS			
Income/ Mark-up accrued on Advances		48,267,235	28,589,637
Income/ Mark-up accrued on TDRs		-	48,521,918
Advances, deposits, advance rent and other prepayments		9,887,180	12,819,146
Advance taxation (payments less provisions)		21,953,439	14,423,170
		<u>80,107,855</u>	<u>104,353,871</u>
15 DEFERRED TAX ASSETS / LIABILITES - Net			
Deferred tax assets arising on account of temporary deductible difference in:			
- Provision against advances and other assets		4,359,672	1,794,768
- Employee benefit		694,550	3,648,548
-Prepaid Rent		3,254,457	-
- Lease finance facility		3,181,533	7,843,957
		11,490,211	13,287,273
Deferred tax Liabilities arising on account of temporary taxable difference in:			
- Operating fixed assets		(951,159)	(905,203)
- Right to use assets		(6,547,357)	(8,729,809)
- Other comprehensive income - gratuity payable		-	(195,861)
		<u>(7,498,515)</u>	<u>(9,830,873)</u>
Net deferred tax assets / (liabilities)		<u>3,991,696</u>	<u>3,456,400</u>

M. J. P. O.

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE STATEMENT OF FINANCIAL POSITION

Un-Audited		Audited	
June 30, 2021		Dec 31, 2020	
In Local Currency	Total	In Local Currency	Total

----- Rupees -----

16 DEPOSITS AND OTHER ACCOUNTS

Customers

Current deposits	120,543	120,543	298,424	298,424
Savings deposits	2,655,436	2,655,436	4,633,475	4,633,475
Term deposits	14,408,000	14,408,000	14,408,000	14,408,000
Others	-	-	-	-
	<u>17,183,979</u>	<u>17,183,979</u>	<u>19,339,899</u>	<u>19,339,899</u>

Financial Institutions

Current deposits	-	-	-	-
Savings deposits	15,258	15,258	120,000,000	120,000,000
Term deposits	-	-	-	-
	<u>15,258</u>	<u>15,258</u>	<u>120,000,000</u>	<u>120,000,000</u>
	<u>17,199,237</u>	<u>17,199,237</u>	<u>139,339,899</u>	<u>139,339,899</u>

Un-Audited Audited
June 30, 2021 Dec 31, 2020

----- Rupees -----

17 BORROWINGS

Borrowings from State Bank of Pakistan Under LOCF	<u>750,000,000</u>	<u>750,000,000</u>
	<u>750,000,000</u>	<u>750,000,000</u>

18 OTHER LIABILITIES

Mark-up/ Return/ Interest payable in local currency	25,160,468	24,119,290
Accrued expenses	3,677,856	7,777,027
Audit Fee	147,088	350,000
Payable to defined benefit plan	2,395,000	12,581,199
Payable to defined contribution plan	904,194	834,524
Lease liability against right of use assets	<u>10,970,803</u>	<u>21,486,938</u>
	<u>43,255,409</u>	<u>67,148,978</u>

19 MEMORANDUM / OFF BALANCE SHEET ITEMS

There are no contingencies as at 30 June, 2021 (2020: Nil).

(Un-Audited) (Un-Audited)
Period Ended
June 30, 2021 June 30, 2020
----- Rupees -----

20 MARK-UP/RETURN/INTEREST EARNED

On:

Loans and advances	114,625,346	147,457,982
Deposit accounts, placement & Other	<u>52,291,020</u>	<u>57,904,377</u>
	<u>166,916,366</u>	<u>205,362,359</u>

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SINDH MICROFINANCE BANK LIMITED
NOTES TO THE STATEMENT OF FINANCIAL POSITION

	(Un-Audited)	(Un-Audited)
	Period Ended	
	June 30, 2021	June 30, 2020
	----- Rupees -----	
21 MARK-UP/RETURN/INTEREST EXPENSED		
On:		
Deposits	2,131,519	2,072,063
Lease of Right of Use Asset-ROUA	885,404	1,736,898
Borrowings	25,043,013	48,602,205
	<u>28,059,936</u>	<u>52,411,166</u>
22 PROVISIONS & WRITE OFFS - NET		
Provisions against loans & advances	10,247,877	12,712,418
Bad debts written off directly	1,065,975	586,977
	<u>11,313,851</u>	<u>13,299,395</u>
23 OPERATING EXPENSES		
Total compensation expense	82,258,783	71,923,407
Property expense		
Insurance	1,849,957	1,869,394
Utilities cost	1,905,673	1,264,355
Repair & maintenance (including janitorial charges)	1,074,054	995,125
	<u>4,829,684</u>	<u>4,128,874</u>
Information technology expenses		
Software maintenance & Others IT Expenses	2,208,855	1,420,635
	<u>2,208,855</u>	<u>1,420,635</u>
Other operating expenses		
Directors' fees and allowances	230,000	165,000
Legal & professional charges	72,000	55,000
Entertainment	1,110,851	708,565
Travelling & conveyance	2,600,722	1,440,109
Depreciation	10,378,153	11,176,467
Training & development	208,833	142,042
Audit fee	210,556	334,360
Communication	1,848,930	2,293,270
Stationery & printing	1,052,006	1,170,754
Marketing, advertisement & publicity	109,620	98,000
Fee & Subscription	2,753,081	1,413,867
Bank Charges	917,274	777,080
Office Supplies	32,950	54,827
Others	819,822	707,314
	<u>22,344,798</u>	<u>20,536,655</u>
	<u>111,642,120</u>	<u>98,009,571</u>
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
	----- Rupees -----	
24 TAXATION		
Current	3,818,475	11,031,072
Prior periods	-	-
Deferred	(339,435)	650,458
	<u>3,479,040</u>	<u>11,681,530</u>
25 BASIC EARNINGS/ (LOSS) PER SHARE		
Profit for the period	<u>12,421,419</u>	<u>29,960,697</u>
Weighted average number of ordinary shares	<u>75,000,000</u>	<u>75,000,000</u>
Basic earnings per share	<u>0.17</u>	<u>0.40</u>

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Balance with related party	June 2021					December 2020				
	Holding Company	Key Management Personal	Directors	Associates	Fund managed by the bank	Holding Company	Key Management Personal	Directors	Associates	Fund managed by the bank
Sindh Bank Limited										
Deposits in Current /Daily Saving Account	45,161,227	-	-	-	-	81,174,073	-	-	-	-
Rent Payable	-	-	-	-	-	37,500	-	-	-	-
Sindh Insurance Ltd.										
Premium payable	-	-	-	-	-	-	-	-	-	-
Claim Receivable	-	-	-	34,731	-	-	-	-	15,431	-
Staff loan	-	28,234,190	-	-	-	-	18,307,086	-	-	-
Deposit of a relative of Key management staff	-	2,007	-	-	-	-	965,718	-	-	-
Transaction with related party										
	June 2021					June 2020				
	Holding Company	Key Management Personal	Directors	Associates	Fund managed by the bank	Holding Company	Key Management Personal	Directors	Associates	Fund managed by the bank
Sindh Bank Limited										
Mark-up / return / interest earned	615,215	-	-	-	-	1,662,287	-	-	-	-
Sindh Insurance Ltd.										
Insurance premium Expense	-	-	-	1,141,057	-	-	-	-	-	-
Directors meeting fee	-	-	230,000	-	-	-	-	165,000	-	-
Interest on staff loan	-	500,711	-	-	-	-	286,109	-	-	-
Contribution to provident fund	-	-	-	-	-	-	-	-	-	2,352,549
Gratuity	-	-	-	-	2,611,722	-	-	-	-	2,400,000
	-	-	-	-	2,400,000	-	-	-	-	-

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SINDH MICROFINANCE BANK LIMITED
NOTES TO THE STATEMENT OF FINANCIAL POSITION

27 SUBSEQUENT EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization.

28 DATE OF AUTHORIZATION

These financial statements were authorized for issue on _____ by the Board of Directors of the Bank.

12/26/20



President/CEO



CFO



Chairman



Director



Director