

SINDH MICROFINANCE BANK LTD.**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)****AS AT MARCH 31, 2022**

	Note	(Un-Audited) March 31,2022	(Audited) Dec 31,2021
Rupees			
ASSETS			
Cash and balances with SBP and NBP	6	18,231,843	18,185,968
Balances with other banks/ NBFIs /MFBs	7	686,610,072	457,317,616
Lendings to financial institutions		-	-
Investments - net of provisions	8	26,292,951	475,585,381
Advances- net of provisions	9	1,065,896,041	944,464,927
Fixed assets	10	84,554,028	85,947,941
Intangibles	11	2,068,007	2,397,392
Other assets	12	99,882,549	100,204,945
Deferred tax assets-net		1,767,457	1,253,008
Total Assets		1,985,302,947	2,085,357,178
LIABILITIES			
Borrowings	13	640,784,660	750,000,000
Deposits and other accounts	14	271,627,684	271,022,792
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	15	92,328,137	94,986,876
Total Liabilities		1,004,740,481	1,116,009,668
NET ASSETS		980,562,466	969,347,510

REPRESENTED BY

Share capital	750,000,000	750,000,000
Statutory Reserves	46,275,737	44,032,746
Depositors' Protection fund	11,568,934	11,008,187
Unappropriated profit	172,717,794	164,306,578
	980,562,466	969,347,510

CONTINGENCIES AND COMMITMENTS

16

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.



President/CEO



CEO



Chairman



Director



Director

SINDH MICROFINANCE BANK LTD.
CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

	Note	Quarter Ended	
		March 31,2022	March 31,2021
Rupees			
Mark-up return/interest earned	17	107,234,093	79,880,690
Mark-up/return/interest expensed	18	(27,578,661)	(14,572,213)
Net Mark-up / Interest Income		79,655,432	65,308,477
Provision against non-performing loans and advances	19	(3,012,558)	(5,788,675)
		(3,012,558)	(5,788,675)
Net mark-up / interest income after provisions		76,642,874	59,519,802
NON MARK-UP/INTEREST INCOME			
Other Income		-	-
Total non-markup/interest Income		-	-
Total Income		76,642,874	59,519,802
NON MARK-UP/NON INTEREST EXPENSES			
Operating expenses	20	(60,750,666)	(52,203,963)
Workers Welfare Fund		-	-
Other charges		(41,000)	-
Total non-markup / non interest expenses		(60,791,666)	(52,203,963)
Profit before taxation		15,851,209	7,315,839
Taxation-net	21	(4,636,253)	(1,892,513)
Profit after taxation		11,214,956	5,423,327
Earnings per share - basic	22	0.15	0.07

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.



 President/CEO



 CFO



 Chairman



 Director



 Director

**SINDH MICROFINANCE BANK LTD.
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE QUARTER ENDED MARCH 31, 2022**

	Quarter Ended	
	March 31, 2022	March 31, 2021
	----- (Rupees) -----	
Profit after taxation for the period	11,214,956	5,423,327
Other comprehensive income for the quarter ended:	-	-
Total comprehensive income for the period	11,214,956	5,423,327

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.







President/CEO CFO Chairman Director Director

SINDH MICROFINANCE BANK LTD.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

	Share Capital	Statutory Reserve	Depositors' Protection Fund	Unappropriated Profit	Total
	-----Rupees-----				
Balance as at January 01, 2021	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	-	-	-	27,346,875	27,346,875
Other comprehensive income - net of tax	-	-	-	(750,035)	(750,035)
Total comprehensive income for the period	-	-	-	26,596,840	26,596,840
20% Transfer to statutory reserve	-	5,469,375	-	(5,469,375)	-
5% Transfer to Depositors' Protection Fund	-	-	1,367,344	(1,367,344)	-
Balance as at December 31, 2021(audited)	750,000,000	44,032,746	11,008,187	164,306,578	969,347,510
Total comprehensive income for the quarter ended March 31, 2022					
Profit after tax for the period	-	-	-	11,214,956	11,214,956
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	11,214,956	11,214,956
20% Transfer to statutory reserve	-	2,242,991	-	(2,242,991)	-
5% Transfer to Depositors' Protection Fund	-	-	560,748	(560,748)	-
Balance as at March 31, 2022 (un-audited)	750,000,000	46,275,737	11,568,934	172,717,794	980,562,466

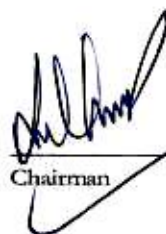
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 President/CEO



 CFO



 Chairman



 Director



 Director

SINDH MICROFINANCE BANK LTD.
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

Note	Quarter ended	
	March 31, 2022	March 31, 2021
	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,851,209	7,315,839
Adjustments:		
Depreciation on property and equipment	1,420,721	1,303,085
Amortization on intangible	329,385	274,133
Provision against non performing advances	2,494,389	5,203,912
Provision for gratuity	1,200,000	1,200,000
Bad debts written off directly	518,169	510,514
Depreciation expense on lease assets	3,455,141	3,762,848
Provision under IFRS-9	-	74,249
Interest on lease liability	2,019,797	511,339
	11,437,602	12,840,080
	27,288,811	20,155,919
(Increase)/ Decrease in operating assets		
Advances	(124,443,772)	(107,124,034)
Others assets (excluding advance taxation)	(2,071,411)	31,962,958
	(126,515,183)	(75,161,076)
Increase/ (Decrease) in operating liabilities		
Borrowings from financial institutions	(109,215,340)	-
Deposits	604,892	(119,418,874)
Other liabilities (excluding current taxation)	(1,913,111)	(27,912,197)
	(110,523,559)	(147,331,071)
Income tax paid	(3,464,465)	(5,732,453)
<i>Net cash flow used in operating activities</i>	(213,214,396)	(208,068,681)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in operating fixed assets	(203,910)	(394,994)
<i>Net cash flow used in investing activities</i>	(203,910)	(394,994)
CASH FLOW FROM FINANCING ACTIVITIES		
Reclassification of mark up receivable from other assets on adoption of IFRS 9	-	(36,710,587)
Finance lease rental paid	(7,243,363)	(5,738,580)
<i>Net cash flow used in financing activities</i>	(7,243,363)	(42,449,167)
Decrease in cash and cash equivalents	(220,661,669)	(250,912,842)
Cash and cash equivalents at beginning of the period	925,503,584	1,185,489,805
Cash and cash equivalents at end of the period	6-7 704,841,915	934,576,963

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.


 President/CEO


 CFO


 Chairman


 Director


 Director

SINDH MICROFINANCE BANK LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

1. STATUS AND NATURE OF BUSINESS

Sindh Microfinance Bank Limited (Bank) was incorporated on March 27, 2015 as a public company limited by shares under the Companies Ordinance, 1984 (repealed by Companies Act 2017). The Bank obtained 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 (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 18 (Dec 31,2021: 18) branches and 64 (Dec 31,2021: 62) service centers.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with 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 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 SECP and SBP, the MFI Ordinance and the Companies Act differ with the requirements of these standards, the requirements of MFI Ordinance, the Companies Act and the said directives shall prevail.

- 2.2 The disclosures made in these condensed interim financial statements have been limited and prepared, in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting'. 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 annual financial statements for the year ended December 31, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Bank for the year ended 31 December 2021.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim financial information are the same as that applied in the preparation of the financial statements for the year ended December 31, 2021.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the financial statements for the year ended December 31, 2021

SINDH MICROFINANCE BANK LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

Un-Audited, Audited
 March Dec 31,2021
 Rupees

6 CASH AND BALANCES WITH SBP AND NBP

In hand		
Local currency	773,429	763,708
Foreign currency	-	-
	773,429	763,708
With State Bank of Pakistan in		
Local currency current account	17,458,414	17,422,260
Local currency deposit account (to be specified)	-	-
	17,458,414	17,422,260
	18,231,843	18,185,968

7 BALANCES WITH OTHER BANKS/ NBFIS /MFBS

In Pakistan		
In deposit accounts	686,610,072	457,317,616
	686,610,072	457,317,616

8 INVESTMENTS - NET OF PROVISIONS

Term Deposit Certificate	-	450,000,000
Market Treasury Bills	26,292,951	25,585,381
	26,292,951	475,585,381

9 ADVANCES

	March 31,2022 (Un-audited)		December 31,2021 (Audited)	
	Number of loans outstanding	Amount outstanding (Rupees)	Number of loans outstanding	Amount outstanding (Rupees)
Micro Credit				
-Unsecured	56,700	1,053,832,062	53,981	929,130,544
-Secured	9	1,723,940	9	1,744,226
Less: Provision held				
- General	-	(10,437,129)	-	(9,220,294)
- Specific	-	(5,423,167)	-	(4,145,513)
	-	(15,860,296)	-	(13,365,807)
Microcredit advances- net of provisions	56,709	1,039,695,706	53,990	917,508,963
Staff loans	3	26,200,335	3	26,955,964
Advances (net of provisions)	56,712	1,065,896,041	53,993	944,464,927

9.1 Particulars of provision against non-performing advances

	March 31,2022 (Un-audited)			December 31,2021 (Audited)		
	Specific	General	Total	Specific	General	Total
Opening balance	4,145,513	9,220,294	13,365,807	908,713	5,280,141	6,188,854
Charge for the year	1,277,654	1,216,835	2,494,489	9,214,845	3,940,153	13,154,998
Written off	-	-	-	(5,978,045)	-	(5,978,045)
Closing balance	5,423,167	10,437,129	15,860,296	4,145,513	9,220,294	13,365,807

SINDH MICROFINANCE BANK LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

9.2 Category of Classification	March 31,2022 (Un-audited)			December 31,2021 (Audited)		
	Amount Outstanding	Provisions Required	Provisions Held	Amount Outstanding	Provisions Required	Provisions Held
	-----Rupees-----					
OAEM	13,473,497	-	-	1,766,315	-	-
Substandard	3,637,621	909,405	909,405	1,529,368	382,342	382,342
Doubtful	7,383,511	3,691,756	3,691,756	7,105,493	3,552,747	3,552,747
Loss	822,006	822,006	822,006	210,425	210,425	210,425
	<u>25,316,636</u>	<u>5,423,167</u>	<u>5,423,167</u>	<u>10,611,601</u>	<u>4,145,514</u>	<u>4,145,514</u>

	Un-Audited March 31,2022	Audited Dec 31,2021
10 FIXED ASSETS	Rupees	
Property and equipment	16,040,681	17,257,492
Right of use assets (ROUA)	68,513,347	68,690,449
	<u>84,554,028</u>	<u>85,947,941</u>

10.1 Additions to fixed assets

The following additions have been made to fixed assets during the period:

Property and equipment

Office Equipments	203,910	2,792,811
Others		76,986
Total	<u>203,910</u>	<u>2,869,797</u>

11 INTANGIBLES

Computer software	2,068,007	2,397,392
	<u>2,068,007</u>	<u>2,397,392</u>

12 OTHER ASSETS

	Un-Audited March 31,2022	Audited Dec 31,2021
	Rupees	
Income/ mark-up accrued on advances	65,287,114	61,158,246
Income/ mark-up accrued on TDRs	-	619,178
Advances, deposits, advance rent and other prepayments	11,434,211	13,580,060
Advance taxation (payments less provisions)	23,161,224	24,847,461
	<u>99,882,549</u>	<u>100,204,945</u>

13 BORROWINGS

Borrowings from State Bank of Pakistan Under LOCF	640,784,660	750,000,000
	<u>640,784,660</u>	<u>750,000,000</u>

SINDH MICROFINANCE BANK LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

14 DEPOSITS AND OTHER ACCOUNTS

	Un-Audited		Audited	
	March 31, 2022		December 31, 2021	
	In Local Currency	Total	In Local Currency	Total
Rupees				
Customers				
Current deposits	124,043	124,043	124,633	124,633
Savings deposits	14,078,612	14,078,612	2,475,800	2,475,800
Term deposits	7,408,000	7,408,000	18,408,000	18,408,000
Others	-	-	-	-
	21,610,655	21,610,655	21,008,433	21,008,433
Financial Institutions				
Current deposits	-	-	-	-
Savings deposits	17,029	17,029	14,359	11,322
Term deposits	250,000,000	250,000,000	250,000,000	250,000,000
	250,017,029	250,017,029	250,014,359	250,011,322
	271,627,684	271,627,684	271,022,792	271,019,755

15 OTHER LIABILITIES

Mark-up/ return/ interest payable in local currency	25,228,941	27,181,307
Accrued expenses	4,927,871	4,734,954
Audit Fee	640,188	645,000
Payable to defined benefit plan	6,295,699	5,095,699
Payable to defined contribution plan	779,670	928,520
Lease liability against right of use assets	54,455,769	56,401,393
	92,328,137	94,986,873

16 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments (December 31, 2021: Nil).

	(Un-Audited)	
	Quarter ended	
	March 31, 2022	March 31, 2021
Rupees		
17 MARK-UP/RETURN/INTEREST EARNED		
On:		
Loans and advances	84,153,195	51,303,918
Lendings to financial institutions/ T-Bills	14,019,899	15,017,459
Balances with banks & others	9,060,999	13,559,314
	107,234,093	79,880,690
18 MARK-UP/RETURN/INTEREST EXPENSED		
On:		
Deposits	8,599,761	1,608,548
Lease of ROUA	2,019,797	511,339
Borrowings	16,959,102	12,452,327
	27,578,661	14,572,213

SINDH MICROFINANCE BANK LTD.
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

	(Un-Audited)	
	Quarter ended	
	March 31,2022	March 31,2021
	Rupees	
19 PROVISIONS & WRITE OFF - NET		
Provisions against loans & advances	2,494,389	5,203,912
Provisions against -IFRS-09	-	74,249
Bad debts written off directly	518,169	510,514
	3,012,558	5,788,675
20 OPERATING EXPENSES		
Total compensation expense	45,220,904	37,474,722
Property expense		
Insurance	731,039	1,016,646
Utilities cost	683,251	787,648
Repair & maintenance (including janitorial charges)	502,219	647,196
	1,916,509	2,451,490
Information technology expenses		
Software maintenance & Other IT expenses	811,260	1,110,094
Amortisation	329,385	274,133
	1,140,645	1,384,227
Other operating expenses		
Directors' fees and allowances	230,000	60,000
Legal & professional charges	36,000	36,000
Entertainment	555,178	491,150
Travelling & conveyance	1,734,804	1,408,782
Depreciation	4,875,862	5,065,934
Training & development	245,099	44,018
Communication	1,127,934	973,423
Stationery & printing	432,459	412,874
Marketing, advertisement & publicity	87,999	78,167
Fee & Subscription	2,147,850	1,594,514
Bank Charges	581,123	474,395
Office Supplies	36,085	25,640
Others	382,215	228,628
	12,472,608	10,893,524
	60,750,666	52,203,963
21 TAXATION		
Current	5,150,702	2,118,496
Deferred	(514,449)	(225,983)
	4,636,253	1,892,513
22 EARNINGS PER SHARE -BASIC		
Profit for the period	11,214,956	5,423,327
Weighted average number of ordinary shares	75,000,000	75,000,000
Basic earnings per share	0.15	0.07

23 RELATED PARTY TRANSACTIONS

	MARCH-22					December-21				
	Holding Company	Key Management Personal	Directors	Associates	Funds managed by the bank	Holding Company	Key Management Personal	Directors	Associates	Funds managed by the bank
Balance with related party										
Sindh Bank Limited										
Deposits in Current /Daily Saving Account	29,555,988	-	-	-	-	36,751,419	-	-	-	-
Sindh Insurance ltd.										
Premium payable	-	-	-	-	-	-	-	-	-	-
Staff loan		26,200,335					26,955,964			
Deposit of a relative of Key management staff		5,507					5,507			
Transaction with related party										
Contribution to provident fund					779,670					928,520
Provision for Gratuity					6,295,699					5,095,699

	MARCH-22					MARCH-21				
	Holding Company	Key Management Personal	Directors	Associates	Fund managed by the bank	Holding Company	Key Management Personal	Directors	Associates	Fund managed by the bank
Balance with related party										
Sindh Bank Limited										
Mark-up / return / interest earned	154,306					302,237				
Sindh Insurance ltd.										
Insurance premium Exp									922,234	
Remuneration paid to executive staff		8,720,829					7,592,832			
Directors meeting fee		-	230,000				-	60,000		
Interest on Staff Loan		201,113					252,052			
Contribution to provident fund					1,300,005					1,271,795
Gratuity					1,200,000					1,200,000

24 GENERAL






Figures have been rounded off to the nearest Rupee unless otherwise specified.

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of better presentation and comparison. No significant reclassifications have been made during the current period.

25 DATE OF AUTHORISATION FOR ISSUE

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

The annexed notes 1 to 25 form an integral part of these condensed interim financial information.

				
President/CEO	CFO	Chairman	Director	Director