

SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT 30 Sep 2022

	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
----- Rupees -----			
ASSETS			
Cash and balances with SBP and NBP	7	35,935,737	22,899,322
Balances with other banks/ NBFIs /MFBs	8	503,262,234	452,604,262
Lending to financial institutions		-	-
Investments	9	34,879,974	475,585,381
Advances- net of provisions	10	1,150,661,582	944,464,927
Operating fixed assets	11	88,694,647	88,345,333
Other assets	12	114,729,939	100,204,945
Deferred tax asset	13	2,399,073	1,253,008
Total assets		1,930,563,187	2,085,357,178
LIABILITIES			
Deposits and other accounts	14	545,185,730	271,022,792
Borrowings	15	310,000,000	750,000,000
Subordinated debt		-	-
Other liabilities	16	78,550,714	94,986,876
Deferred tax liabilities		-	-
Total liabilities		933,736,444	1,116,009,668
NET ASSETS		996,826,743	969,347,510
REPRESENTED BY			
Share capital		750,000,000	750,000,000
Statutory reserves		49,528,593	44,032,746
Depositors' Protection Fund		12,382,149	11,008,187
Unappropriated profit		184,916,001	164,306,577
Total capital		996,826,743	969,347,510
MEMORANDUM / OFF-BALANCE SHEET ITEMS	17	-	-

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

President/CEO

CFO

Chairman

Director

Director

SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

Note	Nine months ended		Quarter ended		
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021	
----- Rupees -----					
MARK-UP/ INTEREST INCOME					
Mark-up/ return/ interest earned	18	333,947,969	255,888,220	120,268,347	88,971,854
Mark-up/ return/ interest expensed	19	(83,311,873)	(42,210,973)	(32,856,868)	(14,151,037)
Net mark-up/ interest income		250,636,096	213,677,247	87,411,479	74,820,817
Provision against non-performing loans and advances		(9,439,331)	(11,730,960)	(2,207,241)	(1,483,084)
Bad debts written-off directly		(1,400,331)	(2,023,570)	(336,137)	(957,595)
		(10,839,661)	(13,754,530)	(2,543,378)	(2,440,679)
Net mark-up/ interest income after provisions		239,796,435	199,922,717	84,868,101	72,380,138
NON MARK-UP/NON INTEREST INCOME					
Other Income		-	-	-	-
Total non-markup/ non-interest Income		-	-	-	-
		239,796,435	199,922,717	84,868,101	72,380,138
NON MARK-UP/ NON INTEREST EXPENSES					
Administrative expenses	20	(202,009,307)	(162,592,839)	(72,879,512)	(50,950,719)
Other provisions/ write offs		-	-	-	-
Other charges		(41,000)	-	-	-
Total non-markup/ non-interest expenses		(202,050,307)	(162,592,839)	(72,879,512)	(50,950,719)
		37,746,128	37,329,878	11,988,589	21,429,419
Extra ordinary / unusual items		-	-	-	-
PROFIT FOR THE PERIOD BEFORE TAXATION		37,746,128	37,329,878	11,988,589	21,429,419
Taxation	21	(10,266,895)	(11,625,339)	(3,255,935)	(8,146,299)
PROFIT FOR THE PERIOD AFTER TAXATION		27,479,233	25,704,539	8,732,654	13,283,119
Unappropriated profit brought forward		164,306,577	144,546,456	183,053,156	156,967,875
Profit available for appropriations		191,785,810	170,250,995	191,785,810	170,250,995
APPROPRIATIONS - TRANSFERS TO:					
Statutory reserve		-	-	-	-
Depositors' protection fund		-	-	-	-
Unappropriated profit carried forward		-	-	-	-
Earnings per share - basic and diluted	22	0.27	0.26	0.09	0.13

The annexed notes from 1 to 25 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 NINE MONTHS ENDED 30 SEPTEMBER 2022

	Nine months ended		Quarter ended	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	----- Rupees -----			
Profit for the period after taxation	27,479,233	25,704,539	8,732,654	13,283,119
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>27,479,233</u>	<u>25,704,539</u>	<u>8,732,654</u>	<u>13,283,119</u>

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

 President/CEO

 CFO

 Chairman

 Director

 Director

SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	Share Capital	Statutory Reserve	Depositors' Protection Fund	Unappropriated Profit	Total
	----- Rupees -----				
Balance as at 31 December 2020	750,000,000	38,563,371	9,640,843	144,546,456	942,750,670
Total comprehensive income for the nine months ended 30 Sep 2021					
Profit for the period after taxation	-	-	-	25,704,539	25,704,539
Other comprehensive income	-	-	-	-	-
	-	-	-	25,704,539	25,704,539
Transfers to					
Statutory reserve	-	5,140,908	-	(5,140,908)	-
Depositors' Protection Fund	-	-	1,285,227	(1,285,227)	-
	-	5,140,908	1,285,227	(6,426,135)	-
Balance as at 30 Sep 2021	750,000,000	43,704,279	10,926,070	163,824,860	968,455,209
Total comprehensive income for the					
Profit for the period after taxation	-	-	-	1,642,336	1,642,336
Other comprehensive income	-	-	-	(750,035)	(750,035)
	-	-	-	892,301	892,301
Transfers to					
Statutory reserve	-	328,467	-	(328,467)	-
Depositors' Protection Fund	-	-	82,117	(82,117)	-
	-	328,467	82,117	(410,584)	-
Balance as at 31 December 2021	750,000,000	44,032,746	11,008,187	164,306,577	969,347,510
Total comprehensive income for the nine months ended 30 Sep 2022					
Profit for the period after taxation	-	-	-	27,479,233	27,479,233
Other comprehensive income	-	-	-	-	-
	-	-	-	27,479,233	27,479,233
Transfers to					
Statutory reserve	-	5,495,847	-	(5,495,847)	-
Depositors' Protection Fund	-	-	1,373,962	(1,373,962)	-
	-	5,495,847	1,373,962	(6,869,809)	-
Balance as at 30 Sep 2022	750,000,000	49,528,593	12,382,149	184,916,001	996,826,743

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

President/CEO

CFO

Chairman

Director

Director

SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

	Note	Nine Months ended	
		30 Sep 2022	30 Sep 2021
----- Rupees -----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the period before taxation		37,746,128	37,329,878
Adjustments:			
Depreciation of operating fixed assets		4,974,180	3,681,790
Depreciation of right of use asset		11,254,564	11,288,544
Amortization		768,921	685,966
Provision for defined benefit plan		3,600,000	3,600,000
Interest on lease liability		5,832,340	1,115,599
Provision against non performing advances		9,439,331	11,730,960
Bad debts written off directly		1,400,331	2,023,570
		<u>37,269,666</u>	<u>34,126,429</u>
Operating cash flows before changes in working capital		<u>75,015,794</u>	<u>71,456,307</u>
(Increase)/ decrease in operating assets			
Advances	10	(217,036,317)	(239,555,857)
Others assets	12	(5,453,260)	16,573,212
		<u>(222,489,577)</u>	<u>(222,982,645)</u>
Increase/ (decrease) in operating liabilities			
Deposits and other accounts	14	274,162,938	(121,556,326)
Other liabilities	16	(7,831,411)	(23,013,701)
		<u>266,331,527</u>	<u>(144,570,027)</u>
Taxes paid		<u>(20,484,683)</u>	<u>(23,686,077)</u>
Net cash flow used in operating activities		<u>98,373,061</u>	<u>(319,782,442)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of operating fixed assets		(9,294,593)	(1,888,950)
Purchase of Intangible assets		(14,068,940)	(521,490)
Net cash flow (used in) / generated from investing activities		<u>(23,363,533)</u>	<u>(2,410,440)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings	15	(440,000,000)	-
Payment/remeasurement of lease liability		(21,315,141)	(19,311,151)
Net cash flow used in financing activities		<u>(461,315,141)</u>	<u>(19,311,151)</u>
Increase/ (decrease) in cash and cash equivalents		<u>(386,305,613)</u>	<u>(341,504,033)</u>
Cash and cash equivalents at the beginning of the period		<u>925,503,584</u>	<u>1,185,489,805</u>
Cash and cash equivalents at the end of the period	7 & 8	<u><u>539,197,971</u></u>	<u><u>843,985,772</u></u>

Cash and cash equivalents comprise of the following:

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

President/CEO

CFO

Chairman

Director

Director

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022

1 STATUS AND NATURE OF BUSINESS

Sindh Microfinance Bank Limited (the 'Bank') was incorporated on 27 March 2015 as a public company limited by shares under the Companies Ordinance, 1984 (repealed by Companies Act, 2017). The Bank obtained the microfinance banking license from State Bank of Pakistan on 16 October 2015, to operate in Sindh Province. Subsequently, the Bank received the certificate of commencement of business from Securities & Exchange Commission of Pakistan (SECP) on 30 November 2015 and the certificate of commencement of Banking Business from State Bank of Pakistan on 15 April 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 a wholly owned subsidiary of Sindh Bank Limited (the 'Holding Bank'). The Bank operates through branches and service centers spread across the province of Sindh, the network of branches and service centers comprise of 18 (December 31, 2021: 18) branches and 64 (31 December 2021: 62) service centers.

2 BASIS OF PREPARATION & STATEMENT OF COMPLIANCE

- 2.1** These financial statements 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 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 issued by the SBP and the SECP, the provisions and directives issued under 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, wherever the directives issued by the SBP and the SECP differ with the requirements of IFRS, the requirements of the MFI Ordinance, the Companies Act, 2017 and the said directives shall prevail.
- 2.2** 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 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.
- 2.3** 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 2021. Comparative statement of financial position is extracted from the audited annual financial statements as of December 31, 2021, whereas comparative condensed statement of profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from unaudited condensed interim financial information for the Nine months period ended Sep 30, 2022.

3 BASIS OF MEASUREMENT

3.1 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.

3.2 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.

4 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 2021.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

6 RISK MANAGEMENT

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

	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
----- Rupees -----			
7 CASH AND BALANCES WITH SBP AND NBP			
Cash in hand - local currency		796,697	763,708
Balance with State Bank of Pakistan in local currency current account	7.1	31,655,698	17,422,260
Balance with National Bank of Pakistan in local currency deposit account	7.2	<u>3,483,342</u>	<u>4,713,354</u>
		<u>35,935,737</u>	<u>22,899,322</u>
7.1	This represents balance held with SBP to meet the requirement of maintaining a minimum balance equivalent to 5% (December 31, 2021: 5%) and 10% (December 31, 2021: 10%) as liquidity reserve against the Bank's time and demand liabilities with a tenure of less than one year, in accordance with the regulations R-3A and R-3B of the Prudential Regulations for microfinance banks.		
7.2	This represents the balance held in a saving account carrying interest at the average rate of 8.5%. (December 31, 2021, 6.25%) per annum.		
8 BALANCES WITH OTHER BANKS/ NBFIS /MFBS			
In Pakistan			
- Local currency accounts	8.1	<u>503,262,234</u>	<u>452,604,262</u>
		<u>503,262,234</u>	<u>452,604,262</u>
8.1	This represents the balance held in a saving accounts carrying interest at the rate ranging from 12.50% to 16.80% (31 December 2021, 8.25% to 11.75%) per annum.		
9 INVESTMENT - net of provision			
Held to maturity			
- Federal Government Security			
-Market Treasury Bill	9.1 & 9.2	34,879,974	25,585,381
- Term Deposits receipts (TDRs)		-	450,000,000
		<u>34,879,974</u>	<u>475,585,381</u>
9.1	This represents the market treasury bill held with SBP to meet the requirement of maintaining a minimum balance equivalent to 10% of demand and time liabilities less than one year (December 31, 2021: 10%) as liquidity reserve of the Bank's time and demand deposits with a tenure of less than one year, in accordance with the regulation number R-3B of the prudential regulations.		
9.2	This represents market treasury bill carrying interest at the rate ranging from 15.75% per annum with the maturity of December 12 ,2022 (December 31, 2021: 11.22%).		

10 ADVANCES - NET OF PROVISIONS

Note	30 September 2022 (Unaudited)		31 December 2021 (Audited)	
	Number of loans outstanding	Amount of loans outstanding (In Rupees)	Number of loans outstanding	Amount of loan outstanding (In Rupees)
Loan type:				
Micro Credit				
Unsecured	64,479	1,139,038,411	53,981	929,130,544
Secured	17	2,582,289	9	1,744,226
Staff loans				
Advances - net of provisions	3	31,846,020	3	26,955,964
	64,499	1,173,466,720	53,993	957,830,734
Less: Provision held				
Specific	10.1	(11,570,466)		(4,145,513)
General	10.2	(11,234,672)		(9,220,294)
		(22,805,138)		(13,365,807)
Advances (net of provisions)		64,499		1,150,661,582
			53,993	944,464,927

10.1 Particulars of Non-Performing Loans

Advances include Rs. 51.902 million (December 31, 2021: Rs. 10.612 million) which as detailed below, have been placed under non-performing status.

Category of Classification	30 September 2022 (Unaudited)		
	Amount Outstanding	Provisions Required	Provisions Held
	Rupees		
OAEM	33,748,292	-	-
Substandard	2,384,986	596,247	596,247
Doubtful	9,588,475	4,794,237	4,794,237
Loss	6,179,982	6,179,982	6,179,982
	51,901,734	11,570,466	11,570,466

Category of Classification	31 December 2021 (Audited)		
	Amount Outstanding	Provisions Required	Provisions Held
	Rupees		
OAEM	1,766,315	-	-
Substandard	1,529,368	382,342	382,342
Doubtful	7,105,493	3,552,746	3,552,746
Loss	210,425	210,425	210,425
	10,611,601	4,145,513	4,145,513

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

10.3 Particulars of provision against non-performing advances

	30 September 2022 (Unaudited)		
	Specific	General	Total
	Rupees		
Opening balance	4,145,513	9,220,294	13,365,807
Charge for the period	7,424,953	2,014,378	9,439,331
Amounts written off	-	-	-
Closing balance	11,570,466	11,234,672	22,805,138

	31 December 2021 (Audited)		
	Specific	General	Total
	Rupees		
Opening balance	908,713	5,280,141	6,188,854
Charge for the period	9,214,845	3,940,153	13,154,998
Amounts written off	(5,978,045)	-	(5,978,045)
Closing balance	4,145,513	9,220,294	13,365,807

	Note	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Rupees			
10.4 Particulars of write offs:			
Against provision		-	5,978,045
Directly charged to profit and loss account	10.5	1,400,331	2,296,714
		<u>1,400,331</u>	<u>8,274,759</u>

10.5 This represents write-offs against unsecured micro credit advances which were not recovered due to the deceased borrowers.

11 OPERATING FIXED ASSETS

Property and equipment	26,313,751	17,257,492
Right of use assets (ROUA)	60,713,925	68,690,449
Intangible assets	1,666,971	2,397,392
	<u>88,694,647</u>	<u>88,345,333</u>

11.1 Additions to operating fixed assets

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

Operating Fixed Assets

Furniture and fixtures	30,000	-
Office equipments	11,601,440	2,792,811
Vehicles	2,234,000	-
Others	165,000	76,986
Intangible	38,500	-
	<u>14,068,940</u>	<u>2,869,797</u>

12 OTHER ASSETS

Income/ Mark-up accrued on advances	63,159,097	61,158,246
Income/ Mark-up accrued on term deposit receipts	-	619,178
Advances, deposits, prepayments and other receivables	17,651,647	13,580,060
Advance taxation (payments less provisions)	33,919,194	24,847,461
	<u>114,729,939</u>	<u>100,204,945</u>

13 DEFERRED TAX ASSETS / (LIABILITES) - Net

Deferred tax assets arising on account of temporary deductible difference in:

- Provision against advances and other assets	6,613,490	3,876,084
- Employee defined benefit plan	821,512	1,476,303
- Lease finance facility	12,817,027	16,356,404
	<u>20,252,029</u>	<u>21,708,791</u>

Deferred tax liabilities arising on account of temporary taxable difference in:

- Operating fixed assets	(245,917)	(865,444)
- Right to use assets	(17,607,038)	(19,561,887)
- Other comprehensive income - gratuity payable	-	(28,452)
	<u>(17,852,956)</u>	<u>(20,455,783)</u>

Deferred tax assets - net	<u>2,399,073</u>	<u>1,253,008</u>
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14 DEPOSITS AND OTHER ACCOUNTS

	Note	30 September 2022		31 December 2021	
		(Unaudited)		(Audited)	
		Number of accounts	Rupees	Number of accounts	Rupees
Fixed deposits	14.2		269,607,164		250,000,000
Saving deposits	14.3	122,658	275,454,523	103,095	20,898,159
Current deposits		11	124,043	11	124,633
		<u>122,669</u>	<u>545,185,730</u>	<u>103,106</u>	<u>271,022,792</u>

14.1 Particulars of Deposits by Ownership

		30 September 2022	Rupees	31 December 2021	Rupees
Individual Depositors		122,667	224,293,958	103,105	21,006,214
Institutional Depositors					
- Corporation/ Firms etc.		-	-	-	-
- Banks & Financial Institutions		1	270,891,772	1	250,016,578
- Others		1	50,000,000	-	-
		<u>2</u>	<u>320,891,772</u>	<u>1</u>	<u>250,016,578</u>
		<u>122,669</u>	<u>545,185,730</u>	<u>103,106</u>	<u>271,022,792</u>

14.2 This representative term deposits having tenure ranging from 1 months to 36 months (December 31, 2021:) carrying interest rate ranging from 10.94% to 17.25% (December 31, 2021: 13%) per annum.

14.3 These are remunerative saving deposits of corporate and individual clients are carrying interest rate ranging from 8.50% to 17.50% per annum (December 31, 2021: 8% to 13.25%)

Note	30 September 2022	31 December 2021
	(Unaudited)	(Audited)
	----- Rupees -----	

15 BORROWINGS

Borrowings from State Bank of Pakistan	15.1	<u>310,000,000</u>	<u>750,000,000</u>
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15.1 The Bank obtained borrowing from the State Bank of Pakistan under its line of credit fund Scheme (SBP-LOCF). A total amount of Rs. 750 million was sanctioned and was received by the Bank in two tranches. The first tranche of Rs. 109.22 million received at markup rate of six months KIBOR +1% and the second tranche of Rs. 640.78 million was received at a markup rate of six months KIBOR - 1%. The interest on the facility is payable bi-annually and the principle can be repaid within 5 years by 2024.

During the period, principal repayment of Rs. 109.22 million was made against the SBP_LOCF first tranche and Rs. 330.78 million against the SBP-LOCF second tranche.

16 OTHER LIABILITIES

Mark-up/ Return/ Interest payable in local currency	20,720,555	27,181,307
Accrued expenses	9,472,437	4,734,954
Audit Fee	424,446	645,000
Payable to defined benefit plan	2,832,799	5,095,699
Payable to defined contribution plan	903,832	928,520
Lease liability against right of use assets	44,196,645	56,401,393
	<u>78,550,714</u>	<u>94,986,873</u>

17 MEMORANDUM / OFF BALANCE SHEET ITEMS

There are no contingencies as at September 30, 2022 (December 31, 2021: Nil).

	Nine months ended		Quarter ended	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
	----- Rupees -----			

18 MARK-UP/RETURN/INTEREST EARNED

Mark-up/ interest/ gain on:				
Advances	277,633,417	182,668,516	103,143,233	68,043,170
Investments in Government Securities	2,589,444	71,903	1,158,197	-
Deposit accounts/ placement with other banks/FIs/MFBs etc.	53,725,108	73,147,801	15,966,916	20,928,684
	<u>333,947,969</u>	<u>255,888,220</u>	<u>120,268,347</u>	<u>88,971,854</u>

	Nine months ended		Quarter ended	
	30 Sep 2022	30 Sep 2021	30 Sep 2022	30 Sep 2021
----- Rupees -----				
19 MARK-UP/RETURN/INTEREST EXPENSED				
Deposits	37,958,691	2,671,649	19,517,976	540,130
Borrowings	39,520,842	38,423,724	11,471,235	13,380,711
Interest on lease liability	5,832,340	1,115,599	1,867,657	230,195
	<u>83,311,873</u>	<u>42,210,973</u>	<u>32,856,868</u>	<u>14,151,037</u>
20 OPERATING EXPENSES				
Total compensation expense	146,042,495	118,637,870	53,878,824	36,379,087
Property expense				
Insurance	2,373,971	2,519,672	496,035	669,715
Utilities cost	4,263,868	3,159,625	2,030,556	1,253,952
Repair & maintenance	2,290,844	1,561,791	1,021,048	487,737
	<u>8,928,683</u>	<u>7,241,088</u>	<u>3,547,639</u>	<u>2,411,404</u>
Information technology expenses				
Software maintenance and other IT expenses	3,163,003	3,150,186	1,309,504	941,331
Other operating expenses				
Directors' fees and allowances	527,760	330,000	180,000	100,000
Legal and professional charges	108,000	108,000	36,000	36,000
Entertainment	1,242,255	1,071,641	436,312	315,450
Travelling and conveyance	6,139,244	3,851,008	2,337,757	1,250,286
Depreciation	16,997,665	15,788,578	5,701,972	5,410,425
Training and development	775,638	357,597	260,862	148,764
Audit fee	431,064	304,169	143,688	93,613
Communication	3,237,022	2,855,553	1,140,115	1,006,623
Stationery and printing	2,497,735	1,034,764	1,283,520	85,218
Marketing, advertisement and publicity	203,097	226,619	51,999	116,999
Fee and Subscription	7,668,252	4,429,688	951,935	1,676,607
Bank Charges	1,867,328	1,354,515	615,613	437,241
Office Supplies	17,915	41,860	6,025	8,910
Others	2,162,151	1,809,702	997,747	532,760
	<u>43,875,126</u>	<u>33,563,695</u>	<u>14,143,545</u>	<u>11,218,897</u>
	<u>202,009,307</u>	<u>162,592,839</u>	<u>72,879,512</u>	<u>50,950,719</u>
21 TAXATION				
Current	11,412,960	9,421,947	3,988,677	5,603,472
Deferred	(1,146,065)	2,203,392	(732,742)	2,542,827
	<u>10,266,895</u>	<u>11,625,339</u>	<u>3,255,935</u>	<u>8,146,299</u>
22 EARNINGS PER SHARE - BASIC				
Profit for the period after taxation	27,479,233	25,704,539	8,732,654	13,283,120
Less: Statutory reserve	(5,495,847)	(5,140,908)	(1,746,531)	(2,656,624)
Depositors' protection fund	(1,373,962)	(1,285,227)	(436,633)	(664,156)
	<u>(6,869,809)</u>	<u>(6,426,135)</u>	<u>(2,183,164)</u>	<u>(3,320,780)</u>
Profit attributable to equity shareholders	<u>20,609,424</u>	<u>19,278,404</u>	<u>6,549,490</u>	<u>9,962,340</u>
Weighted average number of ordinary shares	<u>75,000,000</u>	<u>75,000,000</u>	<u>75,000,000</u>	<u>75,000,000</u>
Earnings per share - basic (Rupees)	<u>0.27</u>	<u>0.26</u>	<u>0.09</u>	<u>0.13</u>
Diluted				

There is nor dilutive effect on the basic earnings per share of the Bank. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares. The Bank has no dilutive equity instruments.

23 RELATED PARTY TRANSACTIONS

The Bank's related parties comprise of President, Directors, Executives, Shareholders, Entities over which the Directors are able to exercise significant influence and employees retirement funds. The detail of significant transactions with the related parties during the half year ended 30 September 2022 and the balances outstanding at that date are as follows:

Balances with related parties	30 September 2022 (Unaudited)					31 December 2021 (Audited)				
	Holding Company	Key Management Personnel	Directors	Associates	Funds managed by the Bank	Holding Company	Key Management Personnel	Directors	Associates	Funds managed by the Bank
----- Rupees -----										
Sindh Bank Limited										
Balances with Bank	48,259,237	-	-	-	-	36,751,419	-	-	-	-
Sindh Insurance Limited										
Claim Receivable	-	-	-	34,731	-	-	-	-	-	-
Staff loan	-	31,846,020	-	-	-	-	26,955,964	-	-	-
Deposits	-	5,507	-	-	-	-	5,507	-	-	-
----- Rupees -----										
Transactions with related parties	For the Nine months ended 30 September 2022 (Unaudited)					For the Nine months ended 30 September 2021 (Unaudited)				
	Holding Company	Key Management Personnel	Directors	Associates	Funds managed by the Bank	Holding Company	Key Management Personnel	Directors	Associates	Funds managed by the Bank
----- Rupees -----										
Sindh Bank Limited										
Mark-up / return / interest earned	3,284,727	-	-	-	-	1,028,525	-	-	-	-
Sindh Insurance Ltd.										
Insurance premium	-	-	-	2,064,478	-	-	-	-	1,803,122	-
Directors meeting fee	-	-	527,760	-	-	-	-	330,000	-	-
Interest on staff loan	-	714,635	-	-	-	-	741,570	-	-	-
Contribution to provident fund	-	-	-	-	3,885,676	-	-	-	-	3,969,428
Key management	-	26,948,900	-	-	-	-	20,745,650	-	-	-
Gratuity	-	-	-	-	3,600,000	-	-	-	-	3,600,000

24 GENERAL

24.1 Amounts in these financial statements have been rounded off to the nearest rupee except stated otherwise.

24.2 Corresponding figures have been reclassified, wherever necessary, to facilitate comparisons. However, there were no significant reclassifications during the period to report.

25 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October ____, 2022 by the Board of Directors of the Bank.

President/CEO

CFO

Chairman

Director

Director