

SINDH MICROFINANCE BANK LIMITED
BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2016

		(Un-audited)	(Audited)
	Note	March 31, 2016	December 31, 2015
		Rupees	Rupees
ASSETS			
Cash and balances with SBP and NBP	4	60,976	10,022
Balances with other banks	5	454,955,156	155,843,727
Lending to financial institutions	6	300,000,000	600,000,000
Investment - net of provisions		-	-
Advances - net of provisions		-	-
Operating fixed assets	7	4,369,139	2,524,053
Other assets	8	10,924,810	8,182,149
Deferred tax assets		1,082,485	1,082,485
Total assets		771,392,565	767,642,436
LIABILITIES			
Deposits and other accounts		-	-
Borrowings		-	-
Subordinated debt		-	-
Other liabilities	9	-	-
Deferred tax liabilities		2,394,889	2,429,615
Total liabilities		-	-
		2,394,889	2,429,615
NET ASSETS			
		768,997,677	765,212,821
REPRESENTED BY:			
Share capital	10	750,000,000	750,000,000
Statutory and General Reserves		3,799,533	3,042,562
Depositors' protection fund		949,884	760,641
Unappropriated profit		14,248,259	11,409,618
		768,997,676	765,212,821
Surplus/(deficit) on revaluation of assets			-
Depositors' protection fund			-
Deferred grants			-
Total capital		768,997,676	765,212,821
MEMORANDUM/OFF BALANCE SHEET ITEMS			
	11		

The annexed notes from 1 to 16 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 QUARTER ENDED MARCH 31, 2016

		Three months ended	Quarter Ended
		March 31, 2016	March 31, 2016
	Note	Rupees	Rupees
Mark-up/return/interest earned	12	13,233,379	13,233,379
Mark-up/return/interest expensed		-	-
Net mark-up/interest income		13,233,379	13,233,379
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		13,233,379	13,233,379
Non mark-up/non interest income			
Fee, commission and brokerage income		-	-
Dividend income		-	-
Other income		-	-
Total non mark-up/non interest income		-	-
		13,233,379	13,233,379
Non mark-up/non interest expenses			
Administrative expenses	13	(7,410,525)	(7,410,525)
Other provisions/write offs		-	-
Other charges		-	-
Total non mark-up/non interest expenses		(7,410,525)	(7,410,525)
Profit before taxation		5,822,854	5,822,854
Taxation			
- current	14	(2,037,999)	(2,037,999)
- prior		-	-
- deferred		-	-
		(2,037,999)	(2,037,999)
Profit after taxation		3,784,855	3,784,855
Unappropriated profit - brought forward		-	-
Appropriations:			
Transfer to			
- statutory reserve		756,971	756,971
- capital reserve		-	-
- depositors' protection fund		189,243	189,243
- revenue reserve		-	-
Unappropriated profit - carried forward		2,838,641	2,838,641
Earnings per share - basic and diluted		0.05	0.05

The annexed notes from 1 to 16 form an integral part of this financial information.


 President/Chief Executive


 Chairman


 Director


 Director

SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016


	For the period ended March 31, 2016
	<u>Rupees</u>
Profit after taxation for the period	3,784,855
Other comprehensive income:	
- Items that may be reclassified to profit and loss account	-
- Items that will not be reclassified to profit and loss account subsequently	-
Comprehensive income for the period transferred to equity	<u>3,784,855</u>
Components of comprehensive income not reflected in equity:	
- Surplus/ (deficit) on revaluation of assets	
- Deferred grants	
Total comprehensive income for the period	<u><u>3,784,855</u></u>

The annexed notes from 1 to 16 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 QUARTER ENDED MARCH 31, 2016

	Share capital	Reserve			Total capital
		Capital	Depositors	Revenue	
		Statutory reserve	Protection Fund	Unappropriated profit	
Rupees					
Balance as at January 1st, 2016	750,000,000	3,042,562	760,641	11,409,618	765,212,821
Total comprehensive income					
- Profit after taxation	-	-	-	3,784,855	3,784,855
- Transfer to statutory reserves	-	756,971	189,243	(946,214)	-
- Other comprehensive income	-	-	-	-	-
	-	756,971	189,243	2,838,641	3,784,855
Balance as at March 31, 2016	750,000,000	3,799,533	949,884	14,248,259	768,997,676

The annexed notes from 1 to 16 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 QUARTER ENDED MARCH 31, 2016

	Note	March 31st, 2016 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation		5,822,854
Adjustments:		
Depreciation	13	140,250
Operating cash flows before changes in working capital		<u>5,963,104</u>
Increase in other assets		(2,742,661)
Increase in other liabilities		743,920
Cash generated from operations		<u>(1,998,741)</u> 3,964,363
Income tax paid		(2,816,645)
Net cash flow from operating activities		<u>1,147,718</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in term deposit receipts		
Net investment in certificate of investments		
Disposal of letter of placements		300,000,000
Net investment in letter of placements		-
Disposal of certificate of investments		-
Acquisition of operating fixed assets	7	(1,985,336)
Net cash used in investing activities		<u>298,014,664</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Receipt from issue of share capital		-
Net cash flow from financing activities		<u>-</u>
Net increase in cash and cash equivalents		299,162,382
Cash and cash equivalents at the beginning of the period		155,853,749
Cash and cash equivalents at the end of the period		<u><u>455,016,132</u></u>

The annexed notes from 1 to 16 form an integral part of this financial information.



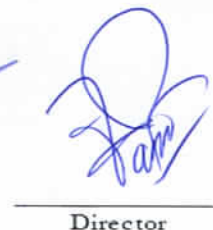
 President/Chief Executive



 Chairman



 Director



 Director

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016

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. Subsequently the Bank has received the certificate of commencement of business from Securities & Exchange Commission of Pakistan (SECP) on November 30th, 2015. The Bank's registered office is situated at 39/F 2nd Floor, Muhammad Ali Cooperative Housing Society, Karachi.

The bank's principal business will be to provide microfinance services to the poor and underserved segment of the society as envisaged under the Microfinance Institution Ordinance 2001.

The Bank is wholly owned subsidiary of Sindh Bank Limited.

- 1.2** To start the operations, the Bank is in the process of complying inspection requirements from SBP as per normal procedures.

2 BASIS OF PRESENTATION

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).

2.1 Statement of compliance

These financial statements have been prepared in accordance with the directives issued by SECP and 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 SECP and 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 statements. 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).

2.2 Basis of measurement

Accounting convention

These financial statements have been prepared under the historical cost convention.

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

2.3 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.

2.4 Significant accounting estimates and judgments

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016

The preparation of financial statements in conformity with the Accounting and Financial Reporting Standards for Small-Sized Entities issued by the Institute of Chartered Accountant of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the:

	Note
a) Useful life of depreciable assets	3.3
b) Provision for taxation	3.5

However, assumptions and significant judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

2.5 General

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

Where there are no amounts to be disclosed in the amount captions as prescribed by BSP circular No.11 dated December 30, 2003 issued by the SBP in respect of form of the financial statements for microfinance banks, these captions have not been reproduced in these financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted and applied in the preparation of these financial statements are set out below.

3.1 Cash and cash equivalents

Cash and balances are stated at cost. For the purpose of cash flow statement, cash and cash equivalents comprises of cash in hand, balances with State Bank of Pakistan (SBP), National Bank of Pakistan (NBP) and balances held with other banks in current and deposit accounts.

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016

3.2 Advances

These are stated net of provisions for non-performing advances, (if any). The outstanding portion of the advances, payments against which are overdue for 30 days or more, are classified as non-performing and divided into the following four categories as prescribed in Prudential Regulations for Microfinance Banks issued by the SBP:

- a) Other assets especially mentioned (OESM): These are advances in arrears (payments / installments overdue) for 30 days or more but less than 60 days.
- b) Substandard: These are advances in arrears (payments / installments overdue) for 60 days or more but less than 90 days.
- c) Doubtful: These are advances in arrears (payments / installments overdue) for 90 days or more but less than 180 days.
- d) Loss: These are advances in arrears (payments / installments overdue) for 180 days or more.

In addition, a general provision is maintained equivalent to 1% (2013: 1%) of the net outstanding balance (advances net of specific provisions) for potential loan losses. In addition, general provision is not required in cases where loans have been secured against gold and other cash collaterals with appropriate margin.

Specific and general provisions are charged to income for the year.

Non-performing advances are written off one month after the loan is classified as 'Loss' in accordance with the requirements of the Prudential Regulations for Microfinance Banks issued by the State Bank of Pakistan. However, the Bank continues its efforts for recovery of the written off balances.

3.3 Operating fixed assets

Tangible assets - owned

These are stated at cost less accumulated depreciation and any identified impairment losses (if any). Cost of operating fixed assets consists of purchase price which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset plus directly attributable costs in bringing the asset to their working conditions.

Depreciation is charged on additions from the month in which asset is available for use, using the straight line method to the month of disposal.

Gain or loss on disposal, if any, are recognized in the profit and loss account in the year in which they arise.

Subsequent costs are included in an asset's carrying amount or recognized as a separate asset as appropriate, only when it is probable that future benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit and loss account as and when incurred.

Capital work-in-progress

Capital work in progress is stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred during installation and related advances there against, if any, are carried under this head. These are transferred to specific assets as and when assets become available for use.

Intangible assets

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized from the month when these assets are available for use, using the straight line method, whereby the cost of the intangible assets are amortized over its estimated useful lives over which economic benefits are expected to flow to the Bank. The useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

3.4 Impairment of non-financial assets

The carrying amount of assets are reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. If such indication exists and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amounts. Recoverable amount is the greater of net selling price and value in use. The resulting impairment loss is taken to the profit and loss account except for impairment loss on revalued assets, which is adjusted against the related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

3.5 Taxation

Current

The charge of current tax is based on taxable income at the applicable rate of taxation after taking into account available tax credits and rebates. Income for the purpose of computing current taxation is determined under the provisions of tax laws.

Deferred

Deferred tax is accounted for using the balance sheet method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

3.6 Deposits

Deposits are recorded at the proceeds received. Mark up accrued on these deposits, if any, is recognized separately as part of other liabilities, and is charged to profit and loss account over the period.

3.7 Borrowings

Loans and borrowings are initially recorded at proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method.

3.8 Investments

The investments of the Bank, upon initial recognition, are classified as held-for-trading, held-to-maturity and available-for-sale, as appropriate.

Held-for-trading

These represent securities which are either acquired for the purpose of generating profit from short term fluctuations in prices or dealer's margin or are securities included in the portfolio in which a pattern of short term profit making exists. After initial measurement, such investments are carried at fair value and the gain / (loss) arising as a result of revaluation is taken to profit and loss account.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturities which the Bank has the intention and ability to hold till maturity. After initial measurement, such investments are carried at amortized cost.

Available-for-sale

These are investments which do not fall under the held-for-trading and held-to maturity categories. After initial measurement, such investments are measured at fair value. The gain / (loss) arising on revaluation is shown in the balance sheet below equity which is taken to the profit and loss account when actually realized upon disposal.

Premium or discount on securities classified as available-for-sale and held-to-maturity is amortized using effective interest method and taken to profit and loss account.

Provision for impairment in the value of equity securities is made after considering objective evidence of impairment. Provision for diminution in the value of debt securities is made as per the requirements of the Prudential Regulations and charged to profit and loss account.

3.9 Statutory Reserve

The Bank is required under Microfinance Institution Ordinance, 2001 and Prudential Regulation "R-4 - Statutory Reserve", to create a reserve fund to which shall be credited an amount equal to at least 20% of its annual profits after taxes till such time the reserve fund equals the paid-up capital of the MFB and thereafter, a sum not less than 5% of its annual profit after taxes.

3.10 Depositors' Protection Fund

The Bank is required under Microfinance Institutions Ordinance, 2001 to contribute 5% of its annual after tax profit and profit earned on investments of the fund shall be credited to the Depositors' Protection Fund for the purpose of providing security or guarantee to persons depositing money in the Bank.

3.11 Revenue recognition

Revenue is recognized when it is probable that future economic benefits will flow to the entity and amount can be reliably measured.

Balances with other banks

Income on balances with SBP, NBP and other banks is recognized in profit and loss account when it is earned.

Mark-up income

Mark up/ return/ interest on performing advances is recognized on accrual basis using effective interest method. Mark up on advances classified under Prudential Regulations is recognized on receipt basis.

Investment income

Return on investment is recognized on accrual basis using effective interest method.

Fee, commission, brokerage

Fee, commission, brokerage income is recognized when services are performed.

Other income

Other income is recognized on accrual basis.

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016

3.12 Dividend distribution

Dividends and other appropriations (except appropriations which are required by law) are recognized in the period in which these are approved.

Dividend made subsequent to the date of balance sheet are considered as non-adjusting events and are recorded in the financial statements in accordance with the requirements of International Accounting Standards (IAS) 10, 'Events after the Balance Sheet Date' in the period in which they are approved.

3.13 Financial instruments

Financial assets and liabilities are recognized at the trade date, i.e. the date at which the Bank becomes party to a contractual provision of the instrument. Financial assets and liabilities are derecognized when they are distinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and liabilities are taken to income.

3.14 Financial assets and financial liabilities

Financial instruments carried on the balance sheet include cash and balances with treasury banks, balances with other banks, lending to financial institutions, investments, advances, other assets, bills payable, borrowings, deposits and other liabilities. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

3.15 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.16 Provisions

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.17 Earnings per shares

The Bank presents earning per share (EPS) for its ordinary shares which is calculated by dividing the profits or loss attributable to ordinary shareholders of the Bank by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all diluted potential ordinary shares (if any).

3.18 Foreign currency transactions

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rate prevailing at the balance sheet date. Transactions in foreign currencies are translated into Pak Rupees at spot rate. A non-monetary items is translated into Rupees at exchange rate prevailing on the date of transaction or on the date when fair values are determined.

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016

	Note	<u>March 31, 2016</u> <u>Rupees</u>
4 CASH AND BALANCES		
Cash in hand – local currency		<u>60,976</u>
5 BALANCES WITH OTHER BANKS		
In Pakistan		
On deposit accounts - local currency	5.1	<u>454,955,156</u>
5.1		
This includes an amount of Rs. 100 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 6.45% per annum.		
The balance of Rs. 354.955 million represents the amount placed with the Holding Company in daily product saving account currently carrying mark-up at a rate of 6.40% per annum.		
6 LENDING TO FINANCIAL INSTITUTIONS		<u>300,000,000</u>
This includes an amount of Rs.100 million invested in certificate of deposit with Orix Leasing Pakistan Ltd, having maturity of 6-12 months from the date of investment. The CODs currently carrying mark-up at a rate of 6.75% per annum, and Rs.200 million placed with JS Bank Ltd in letter of placement for 3 months @7.40% on monthly roll over basis.		
7 OPERATING FIXED ASSETS		
Property and equipment		<u>4,369,139</u>
8 OTHER ASSETS		
Income/ mark-up accrued		4,200,021
Advances, deposits, advance rent and other prepayments		<u>6,724,789</u>
		<u>10,924,810</u>
9 OTHER LIABILITIES		
Accrued expenses		1,137,193
Taxation - net		956,206
Withholding income tax payable		165,520
Employees provident fund payable		<u>135,970</u>
		<u>2,394,889</u>
10 SHARE CAPITAL		
10.1 Authorised share capital		
Number of shares		
<u>100,000,000</u> Ordinary shares of Rs. 10 each		<u>1,000,000,000</u>
10.2 Issued, subscribed and paid-up share capital		
<u>75,000,000</u> Ordinary shares of Rs. 10 each fully paid in cash		<u>750,000,000</u>

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2016

	March 31, 2016
Note	Rupees
11	MEMORANDUM / OFF BALANCE SHEET ITEMS
	There are no contingencies and commitments as at period end.
	MARK-UP / RETURN / INTEREST EARNED
12	
	Interest / mark-up - bank account
	Interest / mark-up - certificate of deposit
	Interest / mark-up - term deposit receipts
	Interest / mark-up - letter of placements
	Other Income
	2,763,305
	184,932
	3,705,249
	6,577,893
	2,000
	<u>13,233,379</u>

SINDH MICROFINANCE BANK LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
 FOR THE QUARTER ENDED MARCH 31, 2016

13 ADMINISTRATIVE EXPENSES

Salaries and allowances	4,292,727
Directors' fee	30,000
Rent, rates and taxes	686,705
Repair and maintenance	434,367
Insurance Exp	15,536
Travelling & Conveyance	100,155
Bank Charges	1,050
Entertainment	67,657
Office Supplies	77,998
Advertisement	35,500
Legal & Professional fee	768,570
Fee & Subscription	418,970
Printing & Stationary	38,106
Website & internet	12,857
Depreciation	140,250
Provident Fund Co. Contribution	145,455
Postage, Corier & Communication	102,102
Utilities	39,720
Others	2,800
	<u>7,410,525</u>

14 TAXATION

Current	<u>2,037,999</u>
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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:

Balances with Sindh Bank Limited-Holding Company

Balances in daily product accounts	5.1	<u>354,955,156</u>
Term depoist receipt	5.1	<u>100,000,000</u>

Balances with Sindh Insurance Ltd-Group Company

Prepaid insurance		<u>43,965</u>
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Transaction with Sindh Bank Limited





Mark-up on daily product account	12	<u>2,763,305</u>
Mark-up on term deposit receipt	12	<u>176,712</u>

Transaction with Sindh Insurance Limited

Insurance expense	13	<u>15,536</u>
Director		
Director's fee	13	<u>30,000</u>

16 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