


SINDH MICROFINANCE BANK LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2016

		Sep 30, 2016	Dec 31, 2015
	Note	(Un-audited)	(Audited)
-----Rupees-----			
ASSETS			
Cash and balances with SBP and NBP		87,626	10,022
Balances with other banks		227,709,563	155,843,727
Lending/Placement to financial institutions		500,000,000	600,000,000
Investment		-	-
Advances - net of provisions	6	20,345,489	-
Operating fixed assets	7	6,861,094	2,524,053
Other assets	8	21,708,112	8,182,149
Deferred tax assets		1,021,339	1,082,485
Total assets		777,733,223	767,642,436
LIABILITIES			
Deposits and other accounts		11,101	-
Borrowings		-	-
Subordinated debt		-	-
Other liabilities	9	1,662,678	2,429,615
Deferred tax		-	-
Total liabilities		1,673,779	2,429,615
NET ASSETS		776,059,444	765,212,821
REPRESENTED BY:			
Share capital		750,000,000	750,000,000
Statutory and General Reserves		5,216,068	3,042,562
Depositors' protection fund		1,302,972	760,641
Unappropriated profit		19,540,404	11,409,618
		776,059,444	765,212,821
Surplus/(deficit) on revaluation of assets		-	-
Deferred grants		-	-
Total capital		776,059,444	765,212,821
MEMORANDUM/OFF BALANCE SHEET ITEMS	10		

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.



 President/Chief Executive



 Chairman



 Director




 Director

SINDH MICROFINANCE BANK LIMITED
 CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

	Note	Nine months ended		Quarter ended	
		Sep 30, 2016	Sep 30, 2015	Sep 30, 2016	Sep 30, 2015
		-----Rupees-----			
Mark-up/return/interest earned	11	42,776,450	25,505,721	16,041,612	13,406,933
Mark-up/return/interest expensed		-	-	-	-
Net mark-up/interest income		42,776,450	25,505,721	16,041,612	13,406,933
Provision against non-performing loans and advances	6	(205,510)	-	(159,641)	-
Provision for diminution in the value of investments		-	-	-	-
Bad debts written off directly		-	-	-	-
		(205,510)	-	(159,641)	-
Net mark-up/interest income after provisions		42,570,940	25,505,721	15,881,971	13,406,933
Non mark-up/non interest income					
Fee, commission and brokerage income		-	-	-	-
Dividend income		-	-	-	-
Other income		-	-	-	-
Total non mark-up/non interest income		-	-	-	-
		42,570,940	25,505,721	15,881,971	13,406,933
Non mark-up/non interest expenses					
Administrative expenses		(25,888,909)	(10,583,906)	(9,161,427)	(3,493,154)
Other provisions/write offs		-	-	-	-
Other charges		-	-	-	-
Total non mark-up/non interest expenses		(25,888,909)	(10,583,906)	(9,161,427)	(3,493,154)
Profit before taxation		16,682,031	14,921,815	6,720,544	9,913,779
Taxation					
- current		(5,774,262)	(5,222,635)	(2,393,580)	(3,570,171)
- prior		-	-	-	-
- deferred		(61,146)	-	-	-
		(5,835,408)	(5,222,635)	(2,393,580)	(3,570,171)
Profit after taxation		10,846,623	9,699,180	4,326,964	6,343,608
Unappropriated profit - brought forward		11,409,618	-	-	-
Appropriations:					
Transfer to					
- statutory reserve		(2,173,506)	-	-	-
- capital reserve		-	-	-	-
- depositors' protection fund		(542,331)	-	-	-
- revenue reserve		-	-	-	-
Unappropriated profit - carried forward		19,540,404	9,699,180	4,326,964	6,343,608
Earnings per share - basic and diluted		0.14	0.13	0.06	0.08

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.


 President/Chief Executive


 Chairman


 Director


 Director

SINDH MICROFINANCE BANK LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEP 30, 2016

	Nine month ended		Quarter ended	
	Sep 30, 2016	Sep 30, 2015	Sep 30, 2016	Sep 30, 2015
	-----Rupees-----			
Profit after taxation for the period	10,846,623	9,699,180	4,326,964	6,343,608
Other comprehensive income:				
- Items that are not to be reclassified to profit and loss account in subsequent periods	-	-	-	-
- Items that may be subsequently reclassified to profit and loss	-	-	-	-
Comprehensive income for the period transferred to equity	10,846,623	9,699,180	4,326,964	6,343,608
Components of comprehensive income not reflected in equity				
- Surplus/ (deficit) on revaluation of assets	-	-	-	-
- Deferred grants	-	-	-	-
Total comprehensive income for the period	10,846,623	9,699,180	4,326,964	6,343,608

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.



 President / Chief Executive



 Chairman



 Director



 Director

SINDH MICROFINANCE BANK LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

	Share capital	General and statutory reserve	Depositors' Protection Fund	Accumulated Profits	Total
-----Rupees-----					
Balance as at March 31, 2015 (Un-audited)	750,000,000	-	-	-	750,000,000
Total comprehensive income for the period					
Profit after tax for the period	-	-	-	3,355,572	3,355,572
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	3,355,572	3,355,572
Transfer to statutory reserve	-	671,112	-	(671,112)	-
Contribution to Depositors' Protection Fund	-	-	167,779	(167,779)	-
Balance as at June 30, 2015 (Un-audited)	750,000,000	671,112	167,779	2,516,681	753,355,572
Total comprehensive income for the period					
Profit after tax for the period	-	-	-	11,857,249	11,857,249
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	11,857,249	11,857,249
Transfer to statutory reserve	-	2,371,450	-	(2,371,450)	-
Contribution to Depositors' Protection Fund	-	-	592,863	(592,863)	-
Balance as at December 31, 2015 (Audited)	750,000,000	3,042,562	760,641	11,409,618	765,212,821
Total comprehensive income for the period					
Profit after taxation for the period	-	-	-	10,846,623	10,846,623
Other comprehensive income - net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	10,846,623	10,846,623
Transfer to statutory reserve	-	2,173,506	-	(2,173,506)	-
Contribution to Depositors' Protection Fund	-	-	542,331	(542,331)	-
Balance as at Sep 30, 2016 (Un-audited)	750,000,000	5,216,068	1,302,972	19,540,404	776,059,444



 President/Chief Executive



 Chairman



 Director



 Director

SINDH MICROFINANCE BANK LIMITED
 CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

	Note	Sep 30, 2016 (Un-audited)	Sep 30, 2015 (Un-audited)
-----Rupees-----			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		16,682,031	14,921,815
Adjustments:			
Depreciation and amortisation		652,945	204,790
Provision against non-performing advances (General)		205,510	-
Operating cash flows before changes in working capital		<u>17,540,486</u>	<u>15,126,605</u>
(Increase) / decrease in operating assets			
Lending to financial institutions		100,000,000	-
Advances		(20,550,999)	-
Other assets (excluding advance taxation)		(13,525,962)	(19,351,655)
		<u>65,923,039</u>	<u>(19,351,655)</u>
Increase / (decrease) in operating liabilities			
Deposits and other accounts		11,101	-
Other liabilities (excluding current taxation)		(766,937)	1,929,157
		<u>(755,836)</u>	<u>1,929,157</u>
Cash generated from operations		82,707,689	(2,295,893)
Income tax paid		(5,694,617)	(5,222,635)
Net cash flow from operating activities		<u>77,013,072</u>	<u>(7,518,528)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in Certificate of Investments			(50,000,000)
Acquisition of operating fixed assets	7.1	(5,069,632)	(2,457,500)
Net cash used in investing activities		<u>(5,069,632)</u>	<u>(52,457,500)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	750,000,000
Net cash inflow from financing activities		<u>-</u>	<u>750,000,000</u>
Net increase in cash and cash equivalents		71,943,440	690,023,972
Cash and cash equivalents at the beginning of the period		155,853,749	-
Cash and cash equivalents at the end of the period		<u>227,797,189</u>	<u>690,023,972</u>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial information.



 President/Chief Executive



 Chairman



 Director



 Director

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 October 16th 2015, to operate in the province of Sindh. Subsequently the Bank has received the certificate of commencement of business from Securities & Exchange Commission of Pakistan (SECP) on November 30th, 2015, and received Letter for Commencement of Microfinance Banking Business on April 15th, 2016 from SBP. The Bank's registered office is situated at 39/F 2nd Floor, Muhammad Ali Cooperative Housing Society, Karachi.

The Banks' principal business is to provide microfinance services to the poor and underserved segment of the society with a view to alleviate poverty under the Microfinance Institution Ordinance 2001.

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

2 BASIS OF PRESENTATION

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

3 STATEMENT OF COMPLIANCE

This condensed interim financial statements have been prepared, in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, the Prudential Regulation for Microfinance Banks and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Microfinance Institution Ordinance, 2001, the Prudential Regulation for Microfinance Banks and the said directives have been followed.

The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property'. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments : Disclosures' through its notification S.R.O. No. 411(I)/2008 dated April 28, 2008. According to the requirements of these standards 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 BSD through various circulars / regulations.

4 BASIS OF MEASUREMENT

- 4.1 These condensed interim financial statements have been prepared under the historical cost convention.
- 4.2 These condensed interim financial statements has been prepared following accrual basis of accounting except for cash flow information.
- 4.3 The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgement in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and assumptions are viewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

SINDH MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

The significant judgements made by management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied in the preparation of the annual audited financial statements for the year ended 31 December 2015.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 5.1 The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of financial statements of the Bank for the year ended 31 December 2015.
- 5.2 The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed with the annual audited financial statements for the year ended December 31, 2015.

	30 Sep 2016 (Un-audited)	31 Dec 2015 (Audited)
Note	-----Rupees-----	
6 ADVANCES - NET OF PROVISIONS		
Advances - gross	20,550,999	-
Provision against non-performing loans and advances		
-Specific provision	-	-
-General provision	(205,510)	-
	(205,510)	-
	<u>20,345,489</u>	<u>-</u>
7 OPERATING FIXED ASSETS		
Fixed assets - NBV	5,298,594	2,524,053
Intangible asset - NBV	1,562,500	-
	<u>6,861,094</u>	<u>2,524,053</u>
7.1 Additions during the period - at cost		
Office equipments	3,007,486	57,190
Office improvements	281,000	121,101
Furniture and fixtures	218,646	183,455
Vehicles	-	2,457,500
Intangibles	1,562,500	-
	<u>5,069,632</u>	<u>2,819,246</u>
8 OTHER ASSETS		
Security deposit, prepayments & others	7,707,254	7,215,575
Sales tax refundable	794,788	-
Income/mark-up accrued on placement	11,478,576	966,574
Income/mark-up accrued on advances	364,281	-
Advance Income tax	1,363,212	-
	<u>21,708,112</u>	<u>8,182,149</u>
9 OTHER LIABILITIES		
Provident fund payable	174,548	220,943
Accrued expenses	986,758	326,264
Withholding tax payable	426,038	147,556
Taxation - net	-	1,734,852
EOBI Payable	33,540	-
Sales Tax Payable	41,794	-
	<u>1,662,678</u>	<u>2,429,615</u>
10 MEMORANDUM/OFF BALANCE SHEET ITEMS		

There are no memorandum / off balance sheet items as at the end of Sep 30, 2016 (Dec 31, 2015: Nil).

SINDH MICROFINANCE BANK LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

	Nine month ended		Quarter ended	
	Sep 30, 2016	Sep 30, 2015	Sep 30, 2016	Sep 30, 2015
	(Un-audited)		(Un-audited)	
	-----Rupees-----		-----Rupees-----	
11 MARK-UP/RETURN/INTEREST EARNED				
On deposits accounts and placements	41,554,679	25,505,721	14,916,595	13,406,933
On loans and advances	1,221,771	-	1,125,017	-
	<u>42,776,450</u>	<u>25,505,721</u>	<u>16,041,612</u>	<u>13,406,933</u>

12 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Bank comprises of Holding company, associates (including entities having directors in common with the Bank), major shareholders, directors and key management personnel and their close family members.

Balances with related parties have been disclosed in respective notes. Transactions with related parties, other than those disclosed elsewhere in the condensed interim financial information, are summarized as follows:

	Sep 30, 2016 (Un-audited)	Dec 31, 2015 (Audited)
	-----Rupees-----	
Balances with Related Parties		
Sindh Bank Limited (Holding Company)		
Balances in deposit accounts	<u>227,708,713</u>	<u>155,843,727</u>
Mark-up receivable on deposit accounts	<u>-</u>	<u>11,222,602</u>
Other Related Party		
Prepaid insurance expense	<u>110,992</u>	<u>20,485</u>

	Sep 30, 2016 (Un-audited)	Sep 30, 2015 (Un-audited)
	-----Rupees-----	
Transactions with Related Parties		
Sindh Bank Limited (Holding Company)		
Mark-up on deposits accounts	<u>9,679,004</u>	<u>13,135,082</u>
Directors		
Directors' fee	<u>105,000</u>	<u>60,000</u>
Other Related Party		
Insurance expense	<u>78,608</u>	<u>16,380</u>

13 CASH AND CASH EQUIVALENTS

Cash and balances with SBP and NBP	87,626	10,243
Balances with other banks	<u>227,709,563</u>	<u>690,013,729</u>
	<u>227,797,189</u>	<u>690,023,972</u>

14 GENERAL

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

15 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue by the Board of Directors on _____.


 President/Chief Executive


 Chairman


 Director


 Director