

***FORMS OF FINANCIAL STATEMENTS FOR
MICROFINANCE INSTITUTIONS / BANKS***

MICROFINANCE BANK/INSTITUTION

BALANCE SHEET AS AT _____

(Current Year)	(Prior Year)
Rupees in '000	

ASSETS

NOTES

Cash and Balances with SBP and NBP	6		
Balances With Other Banks/NBFIs/MFBs	7		
Lending to financial Institutions	8		
Investments - Net Of Provisions	9		
Advances - Net Of Provisions	10		
Operating Fixed Assets	11		
Other Assets	12		
Deferred Tax Asset	13		
Total Assets			

LIABILITIES

Deposits and other accounts	14		
Borrowings	15		
Subordinated Debt	16		
Other Liabilities	17		
Deferred Tax Liabilities	18		
Total Liabilities			

Net Assets

REPRESENTED BY

Share Capital	19		
Statutory & General Reserves			
Unappropriated Profit			
Surplus/(Deficit) on Revaluation of Assets	20		
Deferred Grants	21		
Total Capital (Sub-Total:I+II)			

MEMORANDUM / OFF-BALANCE SHEET ITEMS: 22 _____

The annexed notes form an integral part of this Report.

President/Chief Executive

Chairman

Director

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED _____

	Note	(CURRENT YEAR)	(PRIOR YEAR)
		Rupees in '000	
Mark-up/Return/Interest Earned	23		
Mark-up/Return/Interest Expensed	24		
Net Mark-up/ Interest Income			
Provision against non-performing loans and advances	10.1		
Provision for diminution in the value of investments	9.1		
Bad debts written off directly	10.3		
Net Mark-up/ Interest Income after provisions			
NON MARK-UP/ NON INTEREST INCOME			
Fee, Commission and Brokerage Income			
Dividend Income			
Other Income			
Total non-markup/non interest Income			
NON MARK-UP/ NON INTEREST EXPENSES			
Administrative expenses	25		
Other provisions/write offs (to be specified)			
Other charges	26		
Total non-markup/non interest expenses			
Extra ordinary/unusual items (to be specified)			
PROFIT/(LOSS) BEFORE TAXATION			
Taxation – Current	27		
- Prior years			
- Deferred			
PROFIT/(LOSS) AFTER TAXATION			
Unappropriated Profit /(Loss) brought forward			
Profit available for appropriation / (loss)			
APPROPRIATIONS:			
Transfer To:			
Statutory Reserve			
Capital Reserve			
Contribution to MSDF/ DPF/RMF			
Revenue Reserve			
Proposed Cash dividend Rs._____ per share (Prior year Rs._____ per share)			
Others (to be specified)			
Unappropriated Profit/(Loss) carried forward			
Earnings/(Loss) per share			

The annexed notes form an integral part of these accounts.

President/Chief Executive

Chairman

Director

Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED _____

	Share Capital	Capital Reserve *	Statutory Reserve	Revenue Reserve*	Unappropriated profit/(loss)	Total
Rupees in '000						
Opening Balance (Prior year)	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Profit for the Prior year	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Transfer to Statutory reserve	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Other appropriations *	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Issue of share capital	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Opening Balance (Current year)	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Profit for the Current year	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Transfer to Statutory reserve	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Other appropriations *	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Issue of share capital	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx
Closing Balance (Current Year)	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx	xxxxxxx

* (to be specified)

Capital reserves shall include capital redemption reserve, profit prior to incorporation, share premium, proposed issue of bonus shares or any reserve not regarded free for distribution by way of dividend (to be specified).

Revenue reserves shall include general reserve, dividend equalization reserve, contingencies reserve including general banking risks reserve and other reserves created out of profits (to be specified).

Disclose a description of the nature and purpose of each reserve, if not apparent, in the notes to the accounts.

President/Chief Executive

Chairman

Director

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED

(Current Year)	(Prior Year)
Rupees in '000	

CASH FLOW FROM OPERATING ACTIVITIES

Profit/(Loss) before taxation

Less: Dividend income

Adjustments for non-cash charges

Depreciation

Amortization

Provision Against Non-performing Advances

Provision for Diminution in the value of investments/ other assets

Loss/ (Gain) on sale of fixed assets

Finance charges on leased assets

Others (to be specified)

(Increase)/ Decrease in operating assets

Lendings to financial institutions

Advances

Others assets (excluding advance taxation)

Increase/ (Decrease) in operating liabilities

Bills Payable

Borrowings from financial institutions

Deposits

Other liabilities (excluding current taxation)

Payments against provisions held against off-balance sheet obligations

Income tax paid

Net cash flow from operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Net investments in available-for-sale securities

Net investments in held-to-maturity securities

Dividend income

Investments in operating fixed assets

Sale proceeds of property and equipment disposed-off

Net cash flow from investing activities

CASH FLOW FROM FINANCING ACTIVITIES

Receipts/ Payments of Sub-ordinated loan

Receipts/ Payments of lease obligations

Issue of share capital

Dividend paid

Net cash flow from financing activities

Increase/(Decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

President/Chief Executive

Chairman

Director

Director

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED _____

1. STATUS AND NATURE OF BUSINESS

Disclose the type of the MFB viz countrywide, specific province wide or specific district based MFB, and the address of the registered office or principal place of business, if different from the registered office, parent enterprise of the group and description of nature of MFBs operations and its principal activities.

2. BASIS OF PRESENTATION

3. STATEMENT OF COMPLIANCE

These accounts have been prepared in accordance with the directives issued by State Bank of Pakistan, the requirements of the Microfinance Institutions Ordinance, 2001 (Khushhali Bank Ordinance, 2000 for Khushhali Bank), Companies Ordinance, 1984 and the accounting standards issued by the International Accounting Standards Committee (IASC) and interpretations issued by Standing Interpretations Committee, of the IASC as adopted in Pakistan.

4. BASIS OF MEASUREMENT

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, such as:

Cash and Cash Equivalents

Revenue Recognition

Advances (including policy which describes the basis on which uncollectable advances are recognized as an expense and written off).

Investments (including policy for valuation of trading, available for sale and held to maturity securities)

Operating Fixed Assets

Capital work-in-progress
Property and equipment (owned and leased)
Intangible

Taxation

Current
Deferred

Staff Retirement benefits

Defined benefit plan
Defined contribution plan

Others (to be specified)

Rupees in'000

6. CASH AND BALANCES WITH SBP AND NBP

Cash in hand
 Balance with State Bank of Pakistan
 Balance with National Bank of Pakistan in
 Current account
 Deposit account (to be specified)

(Current Year)	(Prior Year)

Disclose information about the extent and nature of the deposit accounts, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows.

7. BALANCES WITH OTHER BANKS

In Pakistan
 On current account
 On deposit account

(Current Year)	(Prior Year)

Disclose information about the extent and nature of the deposit accounts, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows.

8. LENDINGS TO FINANCIAL INSTITUTIONS

Call money lendings
 Repurchase agreement lendings (Reverse Repo) 8.1
 Others (to be specified)

(Current Year)	(Prior Year)

Disclose information about the extent and nature, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows.

8.1 SECURITIES HELD AS COLLATERAL AGAINST LENDING TO FINANCIAL INSTITUTIONS

Market Treasury Bills
 Pakistan Investment Bonds
 Others (to be specified)

	(Current Year)			(Prior Year)		
	Held by Bank	Further given as Collateral	Total	Held by Bank	Further given as collateral	Total

10.2 Particulars of Provision against Non-Performing Advances

	(Current Year)			(Prior Year)		
	Specific	General	Total	Specific	General	Total
Opening balance						
Charge for the year						
Amounts written off						
Reversals						
Other movements (to be specified)						
Closing balance						

10.3 Particulars of Write Offs:

Against Provisions
Directly charged to Profit & Loss account

(Current Year)	(Prior Year)
Rupees in '000	

11. OPERATING FIXED ASSETS

Capital work-in-progress 11.1
Property and equipment 11.2
Intangible assets 11.3

(Current Year)	(Prior Year)

11.1 Capital work-in-progress

Civil works
Equipments
Advances to suppliers and contractors
Others (to be specified)

11.2 Property and Equipment

COST

DEPRECIATION

Opening Balance (Current Year)	Additions/ (Deletions)/ Revaluations	Closing Balance (Current Year)	Opening Balance (Current Year)	Charge/ Impairment	Closing Balance (Current Year)	Book value at closing (Current Year)	Rate of Depreciation %
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Free hold land
Lease hold land
Building on free hold land
Building on lease hold land
Furniture and fixture
Electrical, office and
Computer equipments
Vehicles
Others (to be specified)

Assets held under finance lease:

Furniture and fixtures							
Electrical, office and computer equipments							
Vehicles							
Others (to be specified)							
Total Property and Equipment							

Where assets have been revalued, the first balance sheet subsequent to the revaluation shall show the original cost; the revalued amount; the date and amount of the revaluation and the basis thereof; name and qualification of the valuer who should be an independent person competent to do so; the nature of any indices used to determine revaluation; and the carrying amount of each class of property and equipment that would have been included in the financial statements had the assets not been carried at revalued amount. Every balance sheet subsequent to the revaluation shall show the total amount of the revaluation; the element thereof included in the profit & loss account during the year; and the carrying amount of each class of property and equipment that would have been included in the financial statements had the assets not been carried at revalued amount.

In the case of sale of fixed assets (otherwise than through a regular auction) made to chief executive or a director or an executive or a shareholder holding not less than ten percent of the voting shares of the bank or any related party, irrespective of the value, and in the case of any other person if the original cost or the book value of the asset or assets in aggregate exceeds Rupees one million or two hundred fifty thousands respectively (whichever is lower) disclose (a) particulars of the assets (b) cost or revalued amount (c) the book value (d) the sale price (e) the mode of disposal (e.g. by tender or negotiation) and (f) the particulars of the purchaser.

Disclose the existence of any restrictions/ discrepancies on the title along-with amount involved; and the existence of any pledge/ mortgage along-with the nature of facilities obtained against such pledge/ mortgage.

Disclose the carrying amount of temporarily idle property and equipment; the gross carrying amount of any fully depreciated property and equipment that is still in use; the carrying amount of property and equipment retired from active use and held for disposal; and the fair value of property and equipment if materially different from the carrying amount.

Disclose the depreciation methods and the depreciation rates used for fixed assets under each sub-head.

11.3 Intangible Assets

COST			AMORTIZATION				
Opening Balance (Current Year)	Additions/ (Deletions)/ Re-valuations	Closing Balance (Current Year)	Opening Balance (Current Year)	Amortization/ Impairment	Closing Balance (Current Year)	Book value at closing (Current Year)	Rate of amortization %

Rupees in '000

Computer software
Others (to be specified)

Disclose description, the carrying amount and remaining amortization period of any individual intangible asset that is material to the financial statements as a whole; the existence and carrying amounts of intangible assets whose title is restricted and the carrying amounts of intangible assets pledged as security for liabilities; a description of any fully amortized intangible asset that is still in use; and a brief description of significant intangible assets controlled by the enterprise but not recognized as assets because they did not meet the recognition criteria.

Rupees in'000

12. OTHER ASSETS

	(Current Year)	(Prior Year)
Income/Mark-up Accrued		
Advances, Deposits, Advance Rent and Other Prepayments		
Advance Taxation (Payments Less Provisions)		
Branch Adjustment Account		
Suspense Account		
Deferred Cost		
Others (To be specified, if material)		
Less: Provisions held against Classified Other Assets		
Other Assets (Net of Provisions)		

13. DEFERRED TAX ASSETS

	(Current Year)	(Prior Year)
Deferred debits arising in respects of (To be specified)		
Deferred credits arising due to (To be specified)		

Disclose the amount of deferred tax assets and the nature of the evidence supporting its recognition when the utilization of the deferred tax asset is dependent on future taxable profits in excess of the taxable profits arising from the reversal of existing taxable temporary differences and the bank has suffered a loss in either the current or preceding period(s).

Disclose the amount of (and expiry date, if any) deductible temporary differences and unused tax losses for which no deferred tax asset is recognized in the balance sheet.

14. DEPOSITS

	(Current Year)		(Prior Year)	
	No. Accounts	Amount	No. Accounts	Amount
Fixed Deposits				
Saving Deposits				
Current Deposits				
Others (To Be Specified)				

14.1 Particulars of Deposits by Ownership

	No. Accounts	Amount	No. Accounts	Amount
1) Individual Depositors				
2) Institutional Depositors				
a) Corporation/Firms etc				
b) Banks & Financial Institutions				
Total				

15 BORROWINGS

	(Current Year)	(Prior Year)
Borrowings from Banks/Financial Institutions in Pakistan 15.1		
Borrowings from Banks/Financial Institutions outside Pakistan		
Borrowings from Govt. of Pakistan		
Borrowings from SBP		
Others		
Total		

Rupees in'000

15.1 Details of borrowings from financial institutions

(Current Year)	(Prior Year)
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Secured

Borrowings from financial institutions
Borrowings from subsidiary companies and associated undertakings
Borrowings from Directors (including chief executive) of the bank
Borrowings under Repurchase agreement
Others (to be specified)

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Unsecured

Call borrowings
Others (to be specified)

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15.2 Disclose the nature, source and important terms of the agreements

16. SUB-ORDINATED LOANS

Disclose information about the extent and nature, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows. Further, disclose the nature and carrying amount of assets given (if any) as security and a description of sub-ordination to other creditors.

17. OTHER LIABILITIES

Mark-up/ Return/ Interest payable
Unearned commission and income on bills discounted
Bills Payable
Accrued expenses
Advance payments
Current taxation (provisions less payments)
Unclaimed dividends
Unpaid dividends
Proposed dividend
Branch adjustment account
Payable to defined benefit plan
Payable to defined contribution plan
Provision against off-balance sheet obligations
Security deposits against lease
Others (to be specified, if material)

(Current Year)	(Prior Year)

18. DEFERRED TAX LIABILITIES

Deferred Credits arising due to (To be specified)
Deferred Debits arising in respect of (To be specified)

(Current Year)	(Prior Year)

19. Share Capital

19.1 Authorized Capital

(Current Year)	(Prior Year)	(Current Year)	(Prior Year)
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_____ Ordinary shares of Rs. _____ each _____

19.2 Issued, subscribed and paid up

Ordinary shares

Fully paid in cash

Issued as bonus shares

_____	_____
_____	_____

20. SURPLUS/(DEFICIT) ON REVALUATION OF ASSETS

Surplus on revaluation of Fixed Assets

(Current Year)	(Prior Year)

Surplus/(Deficit) on revaluation of Securities

- i) Federal and Provincial Government securities
- ii) Quoted shares
- iii) Other securities

21. DEFERRED GRANTS: Disclose sources and major terms

22. Memorandum / Off-Balance Sheet Items:

Bills For Collection

Acceptances, Endorsements And Other Obligations

Contingent Liabilities

Total Memorandum / Off-Balance Sheet Items

23. MARK UP / INTEREST / DISCOUNT / RETURN EARNED

Interest / Mark-Up On Advances

Interest / Mark-Up On Investments In Government Securities

Interest / Mark-Up On Deposits Accounts / Placements With Other Banks/Financial Institution

Others

Total

27. TAXATION

For the year

Current
Deferred

(Current Year)	(Prior Year)
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For the prior year(s)

Current
Deferred

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Distinguish, where applicable, between the provision for Pakistan taxation and the provision for taxation elsewhere.

27.1 Relationship between tax expense and accounting profit

An explanation of the relationship between tax expense (income) and accounting profit in either or both of the following forms:

(i) a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s), disclosing also the basis on which the applicable tax rate(s) is (are) computed; and/ or

(ii) a numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed.

Disclose an explanation of changes in the applicable tax rate compared to the previous accounting period.

28. NUMBER OF EMPLOYEES:

Permanent
Temporary/ On Contractual Basis
Daily Wagers
Others (Please Specify)
Total No. of Employees

Credit /Sales Staff	Banking/Support	Total

29. DEFINED BENEFIT PLAN

29.1 General Description

Disclose a general description of the type of plan; employees covered; and the accounting policy for recognizing actuarial gains and losses.

Rupees in'000

30. NUMBER OF BRANCHES :

	(Current Year)	(Prior Year)
Branches At The Beginning Of The Year		
Add :Opened During The Year		
Less: Closed/ Merged During The Year		
Total Branches At The End Of The Year		

31. REMUNERATION OF DIRECTORS AND EXECUTIVES

	President/Chief Executive		Directors		Executives	
	(Current Year)	(Prior Year)	(Current Year)	(Prior Year)	(Current Year)	(Prior Year)
Fees						
Managerial remuneration						
Charge for defined benefit plan						
Contribution to defined contribution plan						
Rent and house maintenance						
Utilities						
Medical						
Conveyance						
Others (to be specified, if material)						
Number of persons						

Executives mean employees, other than the chief executive and directors, whose basic salary exceed five hundred thousand rupees in a financial year.

32. Schedule Of Maturity Distribution Of Market Rate Assets & Liabilities

As on the Year Ended _____

-----Rupees In '000-----

	UPTO ONE MONTH	OVER ONE MONTH UPTO 6 MONTHS	OVER 6 MONTHS UPTO 1 YEAR	OVER ONE YEAR
<u>Market Rate Assets</u>				
Advances				
Investments				
Other Earning Assets				
Total Market Rate Assets				
Other Non-Earning Assets				
Total Assets				
<u>Market Rate Liabilities</u>				
Large Time Deposits Above 100,000 Rupees				
All Other Time Deposits(Including Fixed Rate Deposits)				
Other Cost Bearing Deposits				
Borrowings				
<i>Other Cost Bearing Liabilities</i>				
Total Market Rate Liabilities				
Other Non-Cost Bearing Liabilities				
Total Liabilities				

NOTE: Some assets of a MFB/MFI do not have a contractual maturity date. The period in which these assets are assumed to mature should be taken as the expected date on which the assets will be realized.

33. RELATED PARTY TRANSACTIONS

Related party relationship exists when parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transaction means a transfer of resources or obligations between parties, regardless of whether a price is charged. Control refers to an ownership, directly, or indirectly through subsidiaries, of more than one half of the voting power of an enterprise, or a substantial interest in voting power and the power to direct, by statute or agreement, the financial and operating policies of the management of the enterprise. Significant influence refers to the power to participate in the financial and operating policy decisions of an enterprise, but not control of those policies. Significant influence may be exercised in several ways, usually by representation on the board of directors but also by, for example, participation in the policy making process, material inter company transactions, interchange of managerial personnel or dependence on technical information. Significant influence may be gained by share ownership, statute or agreement.

Disclose related party relationships where control or significant influence exists, irrespective of whether transactions have taken place between the parties. If there have been transactions between related parties, disclose:

- a) the nature of the related party relationship;
- b) the type of transactions;
- c) amount or appropriate proportions of (this should be disclosed in the foot note to the relevant outstanding items in the notes to the accounts):
 - i) each of loans and advances, deposits and acceptances and promissory notes; disclosure may include the aggregate amounts outstanding at the beginning and end of the period, as well as advances, deposits, repayments and other changes during the period;
 - ii) each of principal types of income/mark-up, interest expense and commissions paid;
 - iii) the amount of the expense recognized in the period for losses on loans and advances and the amount of the provision at the balance sheet date; and
 - iv) irrevocable commitments and contingencies and commitments arising from off-balance sheet items; and
- e) the elements of transactions necessary for an understanding of the financial statements of the bank including lending policy and pricing policy.

President/Chief Executive

Chairman

Director

Director