



**CONDENSED QUARTERLY ACCOUNTS**  
**(Un-Audited)**  
**March - 2021**



<https://www.khushhalibank.com.pk/>

## CONTENTS

Balance Sheet as at Mar 31, 2021 .....	3
Profit and Loss for the quarter ended Mar 31, 2021 .....	4
Notes to the Accounts for the quarter ended Mar 31, 2021 .....	5

## Balance Sheet as at Mar 31, 2021

	Note	Un-Audited 31-Mar-21 Rs.'000	Audited 31-Dec-20 Rs.'000
<b>ASSETS</b>			
Balances with State Bank of Pakistan	1	1,758,892	1,923,772
Cash in hand and balances with banks	2	1,262,552	2,974,999
Lending to financial institutions	3	121,473	795,981
Investments - net of provisions	4	23,526,482	26,383,560
Advances - net of provisions	5	62,908,874	60,640,787
Operating fixed assets	6	3,608,305	3,688,195
Other assets	7	11,950,704	10,241,141
Deferred tax assets		419,161	454,439
<b>Total Assets</b>		<b>105,556,443</b>	<b>107,102,874</b>
<b>LIABILITIES</b>			
	3		
Deposits and other accounts	8	86,753,295	88,649,814
Borrowings	9	298,541	427,708
Subordinated debt	10	2,400,000	2,400,000
Other liabilities	11	4,821,187	4,831,474
<b>Total Liabilities</b>		<b>94,273,023</b>	<b>96,308,996</b>
<b>NET ASSETS</b>		<b>11,283,420</b>	<b>10,793,878</b>
<b>REPRESENTED BY :</b>			
<b>CAPITAL</b>			
Paid up capital	20	1,705,000	1,705,000
Capital and general reserves	12	1,935,025	1,888,602
Unappropriated profit		7,643,395	7,200,276
<b>Total Capital</b>		<b>11,283,420</b>	<b>10,793,878</b>

## Profit and Loss for the quarter ended Mar 31, 2021

	Note	YTD - MAR - 21	YTD - MAR - 20
		Un-Audited Rs.'000	Un-Audited Rs.'000
Mark up/Interest Income on advances	13	4,334,207	3,872,856
Mark up/Interest Income on investments/placements		489,784	469,392
<b>Mark up / Interest earned</b>		<b>4,823,991</b>	<b>4,342,248</b>
Mark up/Interest on borrowings/subordinated debt		70,132	141,388
Mark up/Interest on deposits		2,119,336	1,840,606
<b>Mark up / Interest expensed</b>		<b>2,189,468</b>	<b>1,981,994</b>
<b>Net Mark up / Interest income</b>		<b>2,634,523</b>	<b>2,360,254</b>
Micro Credit Processing Fees	14	340,626	365,049
Retail Banking Services Fees	15	32,125	47,985
<b>Non Mark up/Interest Income</b>		<b>372,751</b>	<b>413,034</b>
<b>Gross Income Earned</b>		<b>3,007,274</b>	<b>2,773,288</b>
<b>OPERATING EXPENSES</b>			
Salaries, wages & other benefits		877,202	798,875
Incentive on Asset and Liability Sales		30,778	33,841
Recruitment & Development		4,816	2,466
Management consultancy		-	-
IT Operations		81,694	88,191
Training		5,062	15,498
Operating Lease/Rent Expense	18	165,077	162,233
Meeting & Conferences		6,983	11,355
Utilities		39,831	40,583
Communication & Verification		27,165	28,284
Traveling & conveyance		3,850	4,281
Insurance	16	79,873	65,581
Repair & maintenance		15,437	18,067
Security services		18,008	21,116
Health Hygiene - COVID -19		1,033	2,908
Vehicle running & maintenance		84,944	91,359
Legal & Professional		3,679	5,358
Printing, stationery & office supplies		37,654	41,504
Subscription		1,508	1,560
Advertisement & business promotion		30,202	36,316
Financial charges		14,507	10,464
BB Channel Commission		-	1,833
ATM Operations		3,901	3,434
Depreciation and amortization		149,423	117,780
Other Expenses		1,892	3,126
Workers Welfare Fund		4,500	1,650
		1,689,019	1,607,663
Reimbursement of Social Mobilization Cost		8,726	34,935
		1,680,293	1,572,728
Net Provision against advances/other assets	17	556,523	1,030,400
Total operating expenses		2,236,816	2,603,128
<b>OPERATING PROFIT/(LOSS)</b>		<b>770,458</b>	<b>170,160</b>
<b>OTHER INCOME</b>			
Gain/(Loss) on Disposal of Fixed Assets		(261)	(78)
Misc Income		935	20
Gain/(Loss) on Foreign Currency Transactions		-	-
		674	(58)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>771,132</b>	<b>170,102</b>
Taxation - Current	19	150,099	175,696
- Prior Year	19	-	-
- Deferred		30,209	(101,983)
		180,308	73,713
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<b>590,824</b>	<b>96,389</b>
Un-appropriated profit b/f		7,200,276	5,885,119
Profit available for appropriation		7,791,100	5,981,508
<b>APPROPRIATIONS:</b>			
Transfer to:			
Statutory Reserves		29,541	4,819
Microfinance Sector Development Fund		59,082	9,639
Risk Mitigation Fund		29,541	4,819
Depositors' Protection Fund		29,541	4,819
		147,705	24,096
<b>UNAPPROPRIATED PROFIT c/f</b>		<b>7,643,395</b>	<b>5,957,412</b>

## Notes to the Accounts for the quarter ended Mar 31, 2021

1	BALANCES WITH SBP	Note	31-Mar-21		31-Dec-20	
			Rs. '000		Rs. '000	
	Balances with SBP	1.1	1,758,892		1,923,772	
			1,758,892		1,923,772	
1.1	This represents balance held with State Bank of Pakistan to meet the requirement of maintaining minimum balance equivalent to 5% (2020: 5%) of the Bank's time and demand liabilities in accordance with the Regulation R - 3A.					
2	CASH IN HAND AND BALANCES WITH BANKS		31-Mar-21		31-Dec-20	
			Rs. '000		Rs. '000	
	Cash in hand		556,378		925,172	
	Current Account		638,989		1,325,336	
	Saving Account	2.1	67,185		724,491	
			1,262,552		2,974,999	
2.1	This represents corporate accounts carry interest rates ranging from 4.50% to 5.50% (2020: 4.50% to 5.50%) per annum.					
3.	LENDING TO FINANCIAL INSTITUTIONS		31-Mar-21		31-Dec-20	
			Rs. '000		Rs. '000	
	Reverse Repo Lending	3.1	121,473		795,981	
			121,473		795,981	
3.1	This represents reverse repo lending at the rate 7.70 % per annum (2020: 6.05 % to 7.18 % per annum) maturing on April 1, 2021 (2019: January 13, 2021).					
3.2	Securities held as collateral against lending to financial institutions - Reverse Repo					
			Held by Bank	Further given as collateral	Total	
	Market Treasury Bills/PIB's		125,000	-	125,000	
			125,000	-	125,000	
			800,000	-	800,000	
			800,000	-	800,000	
4.	INVESTMENTS - NET OF PROVISIONS		31-Mar-21		31-Dec-20	
			Rs. '000		Rs. '000	
	Available for sale securities					
	Market Treasury Bills	4.1	7,622,645		8,401,224	
	Pakistan Investment Bonds	4.2	7,444,303		7,139,207	
	Held to maturity securities					
	Term Finance Certificates	4.3	150,000		150,000	
	Term Deposit Receipts/Placements	4.4	8,302,597		10,703,671	
			23,519,545		26,394,102	
	Surplus/(Deficit) on revaluation on T-Bills/PIB's	4.5	6,937		(10,542)	
			23,526,482		26,383,560	
4.1	This represents 3 months T-Bills having yield at the rate ranging from 7.17% to 7.50% (2020: 7.13% to 7.15%) per annum. These T-Bills maturing on August 26, 2021.					
4.2	This represents 3 years PIB's having fixed/floater coupon rate ranging from 7.14% to 9.00% per annum (2020: 7% to 9.00% per annum) maturing on October 22, 2023.					
4.3	This represents 10,000 and 100 term finance certificates (TFC's) having face value of Rs.5,000/- and Rs.1,000,000/- each duly issued by Bank Al Habib Limited and Soneri Bank Limited respectively for perpetual tenor. These TFC's carrying profit @ 6 month KIBOR plus 1.50% and 2.00% respectively receivable on semi annual basis from the date of issue.					
4.4	This represents term deposit receipts and placements with commercial and microfinance banks carrying interest rate ranging from 7.00% to 9.50% (2020: 7.00% to 9.50%) per annum. These Placements/TDR's are due to mature on April 13, 2021 (2020: April 13, 2021)					
4.5	In compliance with the requirements of the Regulations (R-11C), available for sale investments have been valued on mark-to market basis and the resulting (deficit) / surplus is kept in a separate account and is charged through statement of comprehensive income.					
5.	ADVANCES - NET OF PROVISIONS	Note	31-Mar-21		31-Dec-20	
			Loans Outstanding	Amount outstanding	Loans Outstanding	Amount outstanding
			Number	Rs. '000	Number	Rs. '000
	Gross advances :					
	General Loans					
	Secured	5.1	112,180	9,468,589	107,542	9,067,059
	Unsecured		690,427	39,461,623	708,530	39,307,517
			802,607	48,930,212	816,072	48,374,576
	Micro Enterprise Loans					
	Secured	5.2	44,239	11,131,054	40,452	10,055,572
	Unsecured	5.2	18,245	1,046,885	19,069	1,067,047
			62,484	12,177,939	59,521	11,122,619
	Micro Housing Loans					
	Unsecured		5,208	1,600,836	4,044	1,151,042
			870,299	62,708,987	879,637	60,648,237
	Less : provisions held					
	Specific provision		27,260	473,702	36,356	649,341
	General provision		789,528	823,920	807,021	815,513
				1,297,622		1,464,854
	Microcredit Advance - Net of Provisions			61,411,365		59,183,383
	Staff Loans - General Purpose	5.3	2,167	447,550	2,095	470,076
	Staff Loans - Housing Finance	5.4	245	1,049,959	218	987,328
	Staff Loans		2,412	1,497,509	2,313	1,457,404
	Advances - Net of Provisions		872,711	62,908,874	881,950	60,640,787
5.1	This includes microcredit loans amounting to Rs. 62.0 million (2020: Rs. 68.8 million) which are partially (50%) secured against own deposit lien marking with the Bank.					
5.2	This includes 19 (2020: 36) micro enterprise clients having aggregate outstanding amount of Rs. 2.53 million (2020: Rs. 3.48 million) which are 50% backed by Guarantee under the terms of Loan Portfolio Guarantee Agreement between USAID and the Bank on September 30, 2014. The Guarantee is effective from November 24, 2014					

- 5.3 This represents short to medium term general purpose loans to employees of the Bank carrying fixed interest at the rate of 5% per annum (2019: 5% ) per annum. These loans are partially secured against employees' accrued terminal benefits.
- 5.4 This represents long term housing loans to eligible employees of the Bank for the period ranging from 5 to 20 years carrying fixed interest at the rate of 5% per annum (2020: 5%) per annum. These loans are secured against equitable mortgage over unencumbered property.
- 5.5 Particulars of non-performing advances  
Non performing advances includes principal amount of Rs. 1,565.9 million and interest/markup amount of Rs. 346.2 million (2020: principal amount of Rs. 1,983.6 million and interest/markup amount of Rs. 559.9 million) which, as detailed below, have been placed under non performing status.

Category of classification	31-Mar-21			31-Dec-20			
	Amount out standing	Provision required	Provision held	Amount out standing	Provision required	Provision held	
		Rs.'000					
OAEM	740,850	-	-	314,089	-	-	
Sub-standard	465,824	98,798	98,798	273,902	67,160	67,160	
Doubtful	551,705	244,201	244,201	1,234,544	529,155	529,155	
Loss	153,763	130,703	130,703	70,464	53,026	53,026	
	<b>1,912,143</b>	<b>473,702</b>	<b>473,702</b>	<b>1,892,999</b>	<b>649,341</b>	<b>649,341</b>	

5.6 Particulars of the provisions against non-performing advances

	31-Mar-21			31-Dec-20			
	Specific	General	Total	Specific	General	Total	
		Rs.'000					
Balance at the beginning of the year	669,341	815,513	1,484,854	780,829	495,841	1,276,670	
Charge during the quarter	514,930	8,407	523,337	2,643,505	319,672	2,963,177	
Less: Amount written off	710,569	-	710,569	2,754,993	-	2,754,993	
Balance at end of the period	<b>473,702</b>	<b>823,920</b>	<b>1,297,622</b>	<b>669,341</b>	<b>815,513</b>	<b>1,484,854</b>	

5.7 Particulars of write offs

	31-Mar-21	31-Dec-20
	Rs. '000	
Against provision		
Related to rescheduled advances	-	-
Related to other classified advances	710,569	2,754,993
Directly charge to profit and loss account	7,719	7,628
	<b>718,288</b>	<b>2,762,621</b>

5.8 Portfolio quality report

The Bank's main measure of loan delinquency is an aged portfolio-at-risk ratio. Loans are separated into classes depending on the number of days they are over-due. For each of such class of loan, the outstanding principal balance of such loan class is divided by the outstanding principal balance of the gross loan portfolio before deducting allowance for non-performing advances.

Loans payment are applied first to any interest due, then to any installment of principal that is due but unpaid, beginning with the earliest such installment. The number of days of delay is based on the due date of the earliest loan installment that has not been fully paid. Late payment surcharge/ penalty on overdue advances is not added to principal.

Normal Loans	Note	31-Mar-21		31-Dec-20	
		Portfolio at Risk	Amount Rs. '000	Portfolio at Risk	Amount Rs. '000
Current	5.8.1	0.00%	60,067,323	0.00%	55,713,961
Regular - 1 - 4 days late		0.14%	88,771	0.52%	315,445
Watchlist - 5 - 29 days late		1.57%	986,941	4.87%	2,952,304
OAEM - 30 - 59 days late		0.91%	570,878	0.48%	293,541
Substandard - 60 - 89 days late		0.60%	377,718	0.42%	256,051
Doubtful - 90 - 179 days late		0.78%	486,230	1.75%	1,063,477
Loss - More than 179 days late		0.21%	131,125	0.09%	53,458
		<b>4.21%</b>	<b>62,708,987</b>	<b>8.14%</b>	<b>60,648,237</b>

5.8.1 COVID - 19 Affected Portfolio

The SBP has advised vide circular letter No. 1 of 2020 to provide regulatory relief to Dampen the effect of COVID-19 to microfinance borrowers. the following loans were deferred/rescheduled:

	Borrowers Number	Gross Loan Outstanding Amount '000
Deferrment (Rolled Over) of Loans under regulatory relief	124,730	6,831,789
Rescheduled Loans under regulatory relief	297,122	18,658,990
	<b>421,852</b>	<b>25,490,779</b>

Further to SBP regulatory relief measures; Risk Management Committee in its meeting held on 30th March 2020 has decided to provide relief to portfolio by providing 3 months cooling that have fallen due after February 15, 2020.

Rescheduled Loans - Relief provided to EMI borrowers  
Total Relief to Borrowers

155,371	2,850,252
<b>577,223</b>	<b>28,341,031</b>

6. OPERATING FIXED ASSETS

	Note	31-Mar-21	31-Dec-20
		Rs. '000	
Capital work-in-progress	6.1	220,906	185,655
Property and equipment	6.2	1,339,191	1,393,807
Intangible assets	6.2	584,445	553,340
Right of Use Assets	6.3	1,463,763	1,555,393
		<b>3,608,305</b>	<b>3,688,195</b>

6.1 Capital Work-in-progress

This includes payments made to the vendor for the development of various softwares Modules and purchase of fixed assets.

	31-Mar-21	31-Dec-20
	Rs. '000	
Opening Balance	185,655	48,165
Advances issued	81,474	356,177
Assets transferred	(46,223)	(218,687)
Closing Balance	<b>220,906</b>	<b>185,655</b>

6.2 Property and Equipment & Intangible Assets

	Leasehold Improvements	Vehicles	Furniture & Fixture	Electrical and Office Equipment	Computer Equipment	Total	Computer Software
Cost				Rs.'000			Rs.'000
Balances as on January 1, 2021	347,073	490,678	549,634	699,646	975,932	3,062,963	903,472
Additions	16,784	4,167	2,893	10,557	27,176	61,577	65,823
Disposals	-	-	(2,541)	(2,569)	(1,362)	(6,472)	-
Balance as on March 31, 2021	363,857	494,845	549,986	707,634	1,001,746	3,118,068	969,295
Depreciation							
Balances as on January 1, 2021	176,750	254,834	217,277	491,944	528,351	1,669,156	350,132
Depreciation/Amortization Charge	18,043	21,136	13,018	20,134	43,373	115,704	34,718
Disposals	-	-	(2,117)	(2,504)	(1,362)	(5,983)	-
Balance as on March 31, 2021	194,793	275,970	228,178	509,574	570,362	1,778,877	384,850
Carrying Value							
As on March 31, 2021	169,064	218,875	321,808	198,060	431,384	1,339,191	584,445
As on December 31, 2020	170,323	235,844	332,357	207,702	447,581	1,393,807	553,340
Rate of Depreciation per annum	20.00%	25.00%	10.00%	20.00%	20% - 33.33%		33.33%

6.3 RIGHT OF USE ASSETS

	Note	31-Mar-21 Rs. '000	31-Dec-20 Rs. '000
Opening Right of Use Assets		2,257,249	2,158,593
Asset Recognized/Derecognized during the quarter/year		-	98,656
Total ROU Assets		2,257,249	2,257,249
Accumulated Asset Depreciation		(793,486)	(701,856)
Net Right of Use Assets		1,463,763	1,555,393

7. OTHER ASSETS

Markup/interest accrued on advances		11,365,632	9,580,967
Less: Suspended Markup/interest on non performing advances		346,191	226,511
		11,019,441	9,354,456
Interest receivable on investments/placements		232,771	166,810
Advances to staff		3,376	2,842
Advances to Suppliers and Service Providers		6,595	3,021
Prepayments & Security deposit		141,099	107,982
Receivable from MSDF	7.1	24,099	52,625
Insurance Claims Receivable		8,273	6,286
Receivable from SBP		419,619	383,231
Other receivables		211,391	239,848
		12,066,664	10,317,101
Less: Provision held against classified assets			
Opening Provision		75,960	40,769
Provision Charge during the quarter		40,000	47,519
Receivable written off against provision		-	12,328
Closing Provision		115,960	75,960
		11,950,704	10,241,141

7.1 This represents claims lodged by the Bank with Microfinance Social Development Fund (MSDF) for reimbursement of client acquisition cost incurred by under the Loan Agreement (Special Operations) - Microfinance Sector Development Project, Loan #1806 between ADB and Islamic Republic of Pakistan.

8. DEPOSITS

	Note	31-Mar-21		31-Dec-20	
		Number of accounts	Rupees	Number of accounts	Rupees
Time Liabilities:					
Term Deposits	8.2	74,581	57,481,482	71,370	57,561,426
Demand Liabilities:					
Saving Deposits	8.3	65,000	23,989,563	64,126	22,754,423
Current Deposits		2,304,862	5,241,517	2,275,195	8,294,837
Call Deposits (CDR)		541	40,733	543	39,128
		2,370,403	29,271,813	2,339,864	31,088,388
		2,444,984	86,753,295	2,411,234	88,649,814
8.1 Particulars of Deposits by ownership					
Individual Depositors		2,441,430	66,214,694	2,407,617	64,096,415
Institutional Depositors					
a) Corporations/Firms		3,494	14,361,046	3,539	17,050,192
a) Banks/Financial Institutions		60	6,177,555	78	7,503,207
		2,444,984	86,753,295	2,411,234	88,649,814

8.2 This represents term deposits having tenure of 3 to 36 months (2020: 1 to 36 months) carrying interest at rates ranging from 7.00% to 14.50% (2019: 2020: 7.00% to 14.50%) per annum. The term deposits amounting to Rs 444.55 Million (2020: Rs 444.55 Million) are lien marked against advances to borrowers.

8.3 This represents saving deposits carrying interest rates ranging from 7.00% to 9.50 % per annum (2020: 7.00% to 9.50%). The saving/current deposits Rs 113.66 million (2020: Rs 113.66 million) are lien marked against advances to borrowers.

9. BORROWINGS	Note	31-Mar-21 Rs. '000	31-Dec-20 Rs. '000
Borrowings from banks/financial Institutions outside Pakistan			
Unsecured	9.1	90,208	90,208
Borrowings from banks/financial Institutions in Pakistan			
Secured	9.2	208,333	337,500
		<b>298,541</b>	<b>427,708</b>
<b>9.1 Borrowings from Financial Institutions outside Pakistan</b>			
ECO Trade & Development Bank (TF-III)	9.1.1	90,208	90,208
		<b>90,208</b>	<b>90,208</b>

9.1.1 This represents borrowing from ECO Trade and Development Bank amounting to US\$5 Million which carries interest at the rate of 6 month USD LIBOR plus 2.5% per 360 days . The repayment of borrowing will be in 6 equal semi annual installments starting on 18th month after the disbursement and interest is payable semi annually.

The Bank has entered into Cross Currency SWAP agreement with JS Bank Limited for the borrowing. Under such arrangement US\$5 million were translated at the exchange rate of Rs. 108.25 and the repayment will be in 6 equal semi annual installments starting on 18th month after the disbursement. The interest is payable at the six months KIBOR 1.77% actual/365 on unadjusted basis commencing from date of disbursement.

9.2 Borrowings from Financial Institutions in Pakistan	Note	31-Mar-21 Rs. '000	31-Dec-20 Rs. '000
Pak Oman Investment Company Limited (TF-III)	9.2.1	62,500	125,000
Pak Oman Investment Company Limited (TF-IV)	9.2.2	125,000	187,500
Allied Bank Limited (TF-1)	9.2.3	20,833	25,000
		<b>208,333</b>	<b>337,500</b>

9.2.1 This represents interbank money market borrowing for 5 years with grace period of 12 months from draw down date carrying interest rate ranging from 8.74% to 9.22% (2020: 8.74% to 15.67%) per annum and repayable in 8 semi annual equal instllments. This borrowing is secured against charge over current and future assets of Rs.667 million.

9.2.2 This represents interbank money market borrowing for 5 years with grace period of 12 months from draw down date carrying interest rate ranging from 8.88% to 9.22% (2020: 8.88% to 15.73%) per annum and repayable in 8 semi annual equal instllments. This borrowing is secured against charge over current and future assets of Rs.667 million.

9.2.3 This represents interbank money market borrowing carrying interest rate ranging from 8.90% to 15.20% (2020: 8.90% to 15.20%) per annum for a period of 5 years from the draw down date inclusive of grace period of 2 years. This borrowing is secured against charge over present and future assets of the Bank worth Rs.334 million.

10. SUB-ORDINATED DEBT	Note	31-Mar-21 Rs. '000	31-Dec-20 Rs. '000
Term Finance Certificate (TFCs) - I	10.1	1,000,000	1,000,000
Term Finance Certificate (TFCs) - II	10.2	1,400,000	1,400,000
		<b>2,400,000</b>	<b>2,400,000</b>

10.1 This represents rated, unsecured, subordinated and privately placed term finance certificates of woth Rs.100,000/- each fully subscribed on March 19, 2018. The issue is for a period of 8 years from the date of subscription and mature on March 19, 2026. The issue has assigned preliminary rating of single 'A' (Single A) with stable outlook.

Profit is @ 6 months KIBOR plus 2.05% and repayable every six months in arrears while principal shall be redeemed in two equal semi annual installments falling on the end of 90th and 96th months.

The issue has call option after 10th redumption date, lockin clause and loss aborbency clause.

10.2 This represents rated, unsecured, subordinated and privately placed term finance certificates of woth Rs.100,000/- each fully subscribed on December 27, 2019. The issue is for a period of 8 years from the date of subscription and mature on December 27, 2027. The issue has assigned preliminary rating of single 'A' (Single A) with stable outlook.

Profit is @ 3 months KIBOR plus 2.70% and repayable every three months in arrears while principal shall be redeemed in twelve equal quarterly installments commencing from the 63th month from the issue date.

The issue has lockin and loss aborbency clause.



11. OTHER LIABILITIES	Note	31-Mar-21 Rs. '000	31-Dec-20 Rs. '000
Markup/ interest payable on borrowing		10,290	39,838
Markup/return payable on deposits		1,485,340	1,462,270
Bills Payable		151,231	114,582
Accrued expenses		547,351	539,646
Payable to defined benefit plan - Gratuity/EOBI		16,929	-
Contribution payable to funds		466,116	347,952
Payable to suppliers and service providers		11,916	70,049
Provision for workers welfare fund		66,850	62,350
Sundry deposits		5,462	5,482
Right of Use Liability		1,743,840	1,830,695
Taxation Payable		85,109	117,046
Dividend Payable		150,244	150,244
Other Payables		80,509	91,320
		<b>4,821,187</b>	<b>4,831,474</b>
<b>12. CAPITAL AND GENERAL RESERVES</b>			
Statutory Reserve		1,901,374	1,871,831
Capital Reserve		24,255	24,255
Net Surplus/(Deficit) on revaluation of available for sale securities		9,396	(7,484)
		<b>1,935,025</b>	<b>1,888,602</b>
<b>13. MARKUP/INTEREST ON ADVANCES</b>		31-Mar-21 Rs. '000	31-Mar-20 Rs. '000
Markup/Interest on Advances - General Loans - Group		1,626,060	1,842,883
Markup/Interest on Advances - General Loans - Individual		1,869,245	1,530,273
Markup/Interest on Advances - Micro Enterprise Loans		744,528	460,095
Markup/Interest on Advances - Micro Housing Loans		79,201	27,445
Markup/Interest on Advances - Staff Loans		15,173	12,160
		<b>4,334,207</b>	<b>3,872,856</b>
<b>14. MICROCREDIT PROCESSING FEES</b>			
Micro Credit Processing Fee - General Loans - Group		163,126	210,835
Micro Credit Processing Fee - General Loans - Individual		116,806	120,659
Micro Credit Processing Fee - Micro Enterprise Loans		53,531	31,981
Micro Credit Processing Fee - Micro Housing Loans		7,163	1,574
		<b>340,626</b>	<b>365,049</b>
<b>15. RETAIL BANKING SERVICES FEES</b>			
Banking Services Fee		24,762	30,803
Remittance Services Fee		648	562
Bancassurance Services Fee		6,616	16,560
BB Channel Services Fee		99	60
		<b>32,125</b>	<b>47,985</b>
<b>16. INSURANCE</b>			
Insurance - Advances		69,310	57,804
Insurance - Deposits		3,362	2,625
Insurance - Operating Fixed Assets & Others		7,201	5,152
		<b>79,873</b>	<b>65,581</b>
<b>17. NET PROVISION AGAINST ADVANCES/OTHER ASSETS</b>			
Provision against advances			
Specific Provision	5.7	514,930	1,038,996
General Provision	5.7	8,407	11,258
		523,337	1,050,254
Bad Debts Written off Directly		7,719	1,342
Bad Debts Recovered		(14,533)	(21,507)
Net Provision against advances		516,523	1,030,089
Provision against Other Assets			
Provision against other assets	7	40,000	311
Recovery against other assets		-	-
		40,000	311
		<b>556,523</b>	<b>1,030,400</b>

	Note	31-Mar-21	31-Mar-20						
		Rs. '000	Rs. '000						
18. OPERATING LEASE									
Interest Expense - Operating Lease Liability		61,553	43,244						
Depreciation - Right of Use Assets		91,630	58,841						
Rent Exepnse		11,894	5,688						
		<u>165,077</u>	<u>107,773</u>						
19. TAXATION									
The bank has provided for corporate tax at the rate of 29% (2020: 29%) for the year with minimum tax being limited to 1.50% of non exempt turnover.									
20. SHARE CAPITAL	Note	31-Mar-21	31-Dec-20						
		Rs. '000	Rs. '000						
20.1 Authorized Capital	20.1.1	<u>6,000,000</u>	<u>6,000,000</u>						
20.1.1	The Bank's authorized share capital is 600 million ordinary shares of Rs.10/- each.								
20.2 Issued, Subscribed and Paid up Capital	20.2.1	<u>1,705,000</u>	<u>1,705,000</u>						
20.2.1	The Bank's issued, subscribed and fully paid up capital for consideration other than cash is 170.5 million ordinary shares of Rs.10/- each as follows:								
United Bank Limited		506,285	506,285						
Rural Impulse Fund II S.A. SICAV-FIS (Incofin Investment Management Comm. VA)		417,057	417,057						
MultiConcept Fund Management Company S.A (responsibility Global Microfinance Fund)		339,295	339,295						
ShoreCap II Limited (Equator Capital Partners LLC)		243,568	243,568						
ASN Microkredietpool (Tripple Jump B.V)		168,795	168,795						
Bank Al Habib Limited		30,000	30,000						
		<u>1,705,000</u>	<u>1,705,000</u>						
21. GENERAL INFORMATION		31-Mar-21	31-Dec-20						
21.1 Number of Employees		Number	Number						
Credit Sales Staff									
Permanent		2,641	2,668						
Banking/Support Staff									
Permanent		1,902	1,918						
Contractual		914	925						
		<u>2,816</u>	<u>2,843</u>						
Total number of employees at the end of the quarter		<u>5,457</u>	<u>5,511</u>						
21.1.1 Credit Sales Staff - MSME		<u>322</u>	<u>355</u>						
21.1.2 Female Staff		<u>502</u>	<u>503</u>						
21.1.3 Managers		<u>110</u>	<u>115</u>						
21.2 Network Outreach		31-Mar-21	31-Dec-20						
		Branches	Service Center	Permanent Booth	Total Outlets	Branches	Service Center	Permanent Booth	Total Outlets
21.2.1 At the Beginning of the year		193	-	41	234	186	13	27	226
Opened/Converted during the quarter/year		-	-	-	-	7	-	14	21
Closed/merged during the quarter/year		-	-	-	-	-	(13)	-	(13)
At the end of the quarter/year		<u>193</u>	<u>-</u>	<u>41</u>	<u>234</u>	<u>193</u>	<u>-</u>	<u>41</u>	<u>234</u>



## PROSPERITY ON ALL ACCOUNTS

*These Financial Statements are proprietary to Finance & Accounts Department, Khushhali Microfinance Bank Limited for the sole intended management purposes.*

**Khushhali Microfinance  
Bank Limited**

Plot No. 55-C, 5<sup>th</sup> Floor  
Jinnah Avenue, Blue Area  
Islamabad  
[www.khushhalibank.com.pk](http://www.khushhalibank.com.pk)