



— Pak Oman —  
Microfinance Bank Limited

پاك عمان مانيفكر و فنانس بينك لميٹڈ

**MANAGEMENT ACCOUNTS FOR THE PERIOD  
ENDED MARCH 31, 2019**

## Balance Sheet

As at March 31, 2019

Description	Note	March 2019	Audited December 2018
<b><u>ASSETS</u></b>			
Cash & Bank Balances with SBP/NBP		3,842,282	3,751,514
Balances with other Banks & TDR	1	779,890,078	1,110,925,688
Investments	3	193,493,128	-
Advances - net of provision	4	1,364,108,871	1,198,622,053
Government Securities	5	11,019,669	11,051,636
Operating Fixed Assets	6	53,089,068	52,318,751
Other Assets	7	94,038,480	89,980,633
Deferred tax asset-net	8	22,897,238	22,072,197
		<b>2,522,378,815</b>	<b>2,489,547,513</b>
<b><u>LIABILITIES</u></b>			
Deposits	9	6,785,049	6,784,301
Other Liabilities	10	134,551,787	116,426,732
		<b>141,336,836</b>	<b>123,211,033</b>
		<b><u>2,381,041,980</u></b>	<b><u>2,366,336,480</u></b>
<b><u>NET ASSETS</u></b>			
<b><u>SHARE CAPITAL</u></b>			
Issued, Subscribed & Paid up Capital		2,308,300,000	2,308,300,000
Share Premium		52,041,600	52,041,600
Statutory and general reserve		29,261,706	26,320,606
Depositor's Protection Fund		7,608,508	6,873,233
Accumulated Losses		(16,169,834)	(27,198,959)
		<b><u>2,381,041,980</u></b>	<b><u>2,366,336,480</u></b>

**Profit & Loss Account**

*For the period ended March 31, 2019*

Description	March 2019	Audited December 2018
<b><u>Mark-up / Return Earned</u></b>		
Advances ( Micro Loans)	122,344,260	342,587,674
Placement with Financial Institutions	7,523,035	49,388,643
Investment in Govt Securities	79,471	1,779,670
Other Income	15,983,371	45,319,911
	<b>145,930,137</b>	<b>439,075,898</b>
Less:		
Mark-up on deposits	15,373	(49,676)
<b>Net Mark-up Income</b>	<b>145,914,764</b>	<b>439,026,222</b>
<b><u>Provision</u></b>		
Provision against non-performing loans and advances	44,786,513	83,893,910
General provision against advances	1,671,584	5,244,749
<b>Net Mark-up Income after provisions</b>	<b>99,456,667</b>	<b>349,887,563</b>
<b><u>Non Mark-up Income</u></b>		
Dividend Income	1,404,663	5,443,337
Processing Fee - net of insurance expense	18,044,895	52,661,896
Miscellaneous Income	1,723,198	11,057,025
	<b>21,172,756</b>	<b>69,162,258</b>
<b>Total Income</b>	<b>120,629,423</b>	<b>419,049,821</b>
<b><u>Less : Administration Expenses</u></b>		
Salaries & Other Benefits	52,334,733	173,765,399
Other Administrative Expenses	47,859,693	144,711,568
	<b>100,194,426</b>	<b>318,476,967</b>
<b>Profit before Tax</b>	<b>20,434,997</b>	<b>100,572,854</b>
<b><u>Provision for taxation</u></b>		
Current Tax	5,729,496	38,794,938
Deferred Tax	-	(1,367,155)
CGT Tax	-	2,917,360
<b>(Loss) / Profit After Tax</b>	<b>14,705,500</b>	<b>60,227,711</b>

**STATEMENT OF CHANGES IN EQUITY**

*For the period ended March 28, 2019*

	Share Capital	Share Premium	Statutory reserve	Depositors' Protection Fund	Retained Earnings	Total
<b>Balance as at December 31, 2017</b>	<b>2,308,300,000</b>	<b>53,776,320</b>	<b>14,275,064</b>	<b>3,724,360</b>	<b>(69,422,192)</b>	<b>2,310,653,552</b>
<b>Total Comprehensive income:</b>						
Profit after tax for the year ended December 31, 2018	-	-	-	-	57,417,648	57,417,648
Transfer to Statutory reserve	-	-	12,045,542	-	(12,045,542)	-
Transfer to Depositors' Protection Fund						
- 5% of the profit after tax	-	-	-	3,011,386	(3,011,386)	-
- return on investment - net of tax	-	-	-	137,487	(137,487)	-
	-	-	-	<b>3,148,873</b>	<b>(3,148,873)</b>	-
Issue of share capital - deferred tax	-	(1,734,720)	-	-	-	(1,734,720)
<b>Balance as at December 31, 2018</b>	<b>2,308,300,000</b>	<b>52,041,600</b>	<b>26,320,606</b>	<b>6,873,233</b>	<b>(27,198,959)</b>	<b>2,366,336,480</b>
<b>Total Comprehensive income:</b>						
Profit after tax for the period ended December 31, 2018	-	-	-	-	14,705,500	14,705,500
Reclassification of gain on investments	-	-	-	-	-	-
Transfer to Statutory reserve	-	-	2,941,100	-	(2,941,100)	-
Transfer to Depositors' Protection Fund						
- 5% of the profit after tax	-	-	-	735,275	(735,275)	-
- return on investment - net of tax	-	-	-	-	-	-
	-	-	-	<b>735,275</b>	<b>(735,275)</b>	-
<b>Balance as at March 31, 2018</b>	<b>2,308,300,000</b>	<b>52,041,600</b>	<b>29,261,706</b>	<b>7,608,508</b>	<b>(16,169,834)</b>	<b>2,381,041,980</b>

**Balances With Other Banks & TDR**

*As at March 31, 2019*

**Note 1**

**1.1 Bank Balances**

- Current Account Balances
- Deposit Account Balances

	<i>March 2019</i>	<i>Dec 2018</i>
	18,389,224	29,448,356
	567,963,955	461,907,434
<b>Total</b>	<b>586,353,179</b>	<b>491,355,790</b>

**1.2 Term Deposit Receipts**

- Khushali Bank Limited
- U Microfinance Bank
- FINCA Microfinance Bank
- Telenor Microfinance Bank
- Mobilink MFC Ltd

	<i>Rate of Profit</i>		
	11.5%	111,090,000	118,884,589
	-	-	166,520,870
	11.5%	82,446,899	80,321,140
	-	-	173,843,299
	-	-	80,000,000
<b>Total</b>		<b>193,536,899</b>	<b>619,569,898</b>

**Grand Total**

<b>779,890,078</b>	<b>1,110,925,688</b>
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<b>Investments</b>
<i>As at March 31, 2019</i>

**Note 3**

<i>3.1. Mutual Fund</i>		<i>March 2019</i>		<i>Dec 2018</i>	
<i>Date of Investment</i>	<i>Investee</i>	<i>Amount</i>	<i>Expected Yield</i>	<i>Amount</i>	<i>Expected Yield</i>
15-Jan-19	Askari High Yield Scheme	139,270,109	9.20%	-	0.00%
27-Feb-19	UBL Liquidity Plus Fund	54,223,019	9.20%	-	0%
	<b>Total</b>	<b>193,493,128</b>	<b>9.20%</b>	<b>-</b>	<b>0%</b>
<b>Grand Total</b>		<b>193,493,128</b>	<b>9.20%</b>	<b>-</b>	<b>0.00%</b>

<b>Advances - Net of Provision</b>
<b>As at March 31, 2019</b>

**Note 4**

**4.1 Type of Loans**

**Loan to Groups**

	<b>NPL</b>	<b>March 2019</b>	<b>Dec 2018</b>
-Micro Business Loans	37.28%	164,279,870	288,645,345
-Micro Agri Loans	18.12%	109,865	149,113
-Micro Assets Loans	0.00%	19,370	31,934
-Micro Live Stock Loans	32.99%	57,651,427	101,982,560
-Micro Business Loans- New	37.02%	1,332,916	2,564,603
-MBL-New Group	2.08%	798,358,614	523,416,202
-LSL-New Group	4.41%	212,432,294	125,011,555
-NMBL-New Group	0.00%	330,973	115,594

**Loan to Individuals**

-Micro Enterprise Loan	11.81%	124,409,530	137,435,077
-Micro Ent Individual Loan-LSL	5.52%	63,036,017	64,224,842
-Bara Karobar	0.00%	1,005,000	
-Salary Loan	2.81%	4,864,464	3,641,939

**Total Advances before Provision**

**1,427,830,341**

**1,247,169,936**

**Provision**

- Specific Provision	(49,942,584)	(36,440,582)
- General Provision	(13,778,885)	(12,107,301)
	<b>(63,721,469)</b>	<b>(48,547,883)</b>

**Total Advances after Provision**

**1,364,108,871**

**1,198,622,053**

Advances - Net of Provision
As at March 31, 2019

**4.2 Type of Loans**

	March 2019		December 2018	
	Number of Loans	Advances	Number of Loans	Advances
- Considered good	37,672	1,300,760,600	34,114	1,143,453,453
- Considered doubtful	6,795	127,069,741	6,031	103,716,483
	<b>44,467</b>	<b>1,427,830,341</b>	<b>40,145</b>	<b>1,247,169,936</b>
-Loans Written off as at Balance Sheet Date	<b>16,315</b>	<b>162,448,313</b>	<b>14,215</b>	<b>134,081,833</b>

**4.3A Classification of Loans by age**

	March 2019			
	Number of Loans	Classified Advances	Provision Required	Provision Held
-*OAEM (Over Due by 30 to 59 days )	1,594	30,868,359	-	-
-Sub Standard (Over Due by 60 to 89 days )	1,300	25,472,914	6,368,229	6,368,229
-Doubtful (Over Due by 90 to 179 days)	2,956	54,308,224	27,154,112	27,154,112
-Loss (Over Due by 180 days or more)	945	16,420,243	16,420,243	16,420,243
<b>Total</b>	<b>6,795</b>	<b>127,069,741</b>	<b>49,942,584</b>	<b>49,942,584</b>

**4.3B Classification of Loans by age**

	December 2018			
	Number of Loans	Classified Advances	Provision Required	Provision Held
-*OAEM (Over Due by 30 to 59 days )	1,853	31,823,465	-	-
-Sub Standard (Over Due by 60 to 89 days )	1,192	19,759,682	4,939,921	4,939,921
-Doubtful (Over Due by 90 to 179 days)	2,323	41,265,349	20,632,675	20,632,675
-Loss (Over Due by 180 days or more)	663	10,867,987	10,867,987	10,867,987
<b>Total</b>	<b>6,031</b>	<b>103,716,483</b>	<b>36,440,582</b>	<b>36,440,582</b>



4.4 The movement of provision against non-performing advances is as follows:

March 2019			
Note	Specific	General	Total
<b>Opening balance</b>	<b>36,440,582</b>	<b>12,107,301</b>	<b>48,547,883</b>
Charge / (Reversal) for the year	44,786,513	1,671,584	46,458,097
Less: Amounts written off during the period	(31,284,511)	-	(31,284,511)
<b>Closing balance</b>	<b>49,942,584</b>	<b>13,778,885</b>	<b>63,721,469</b>

December 2018			
Note	Specific	General	Total
<b>Opening balance</b>	<b>8,504,275</b>	<b>6,862,552</b>	<b>15,366,827</b>
Charge / (Reversal) for the year	83,893,910	5,244,749	89,138,660
Less: Amounts written off during the year	(55,957,603)	-	(55,957,603)
<b>Closing balance</b>	<b>36,440,582</b>	<b>12,107,301</b>	<b>48,547,883</b>

4.5 Write off reconciliation in memorandum accounts

		March 2019
<b>Opening Balance as at December 31, 2017</b>		<b>134,081,833</b>
Amounts written off during the year		31,284,511
Less: Recovery from write offs		(2,918,031)
<b>Closing balance as at December 31, 2018</b>		<b>162,448,313</b>

<b>Government Securities</b>
<b>As at March 31, 2019</b>

**Note 5**

	<i>March 2019</i>	<i>December 2018</i>
<b><u>Pakistan Investment Bond 2</u></b>		
-Date of Issue :	10-Jun-04	10-Jun-04
-Date of Maturity :	10-Jun-19	10-Jun-19
-Coupon Rate	9.00%	9.00%
-Yield	6.35%	6.35%
Face Value	5,000,000	5,000,000
Premium / (Discount)	25,028	56,713
Net Value	<b>5,025,028</b>	<b>5,056,713</b>
<b><u>Pakistan Investment Bond 3 (DPF)</u></b>		
-Date of Issue :	21-Apr-16	21-Apr-16
-Date of Maturity :	21-Apr-21	21-Apr-21
-Coupon Rate	7.75%	7.75%
-Yield	7.16%	7.16%
Face Value	2,000,000	2,000,000
Premium / (Discount)	22,271	24,745
Net Value	<b>2,022,271</b>	<b>2,024,745</b>
<b><u>Pakistan Investment Bond 4 (DPF)</u></b>		
-Date of Issue :	29-Dec-16	29-Dec-16
-Date of Maturity :	29-Dec-21	29-Dec-21
-Coupon Rate	7.75%	7.75%
-Yield	8.03%	8.03%
Face Value	4,000,000	4,000,000
Premium / (Discount)	(27,630)	(29,822)
Net Value	<b>3,972,370</b>	<b>3,970,178</b>
<b>TOTAL</b>	<b>11,019,669</b>	<b>11,051,636</b>

<b>Fixed Assets &amp; Capital Work in Progress</b>
<i>As at March 31, 2019</i>

**6 OPERATING FIXED ASSETS**

	<i>March 2019</i>	<i>Dec 2018</i>
	----- Rupees -----	
- Capital work-in-progress	-	-
- Property and equipment	49,894,448	50,702,004
- Intangible assets	3,194,620	1,616,747
	<b>53,089,068</b>	<b>52,318,751</b>

**6.1 Property and equipment**

	COST			DEPRECIATION			Book value as at 31 March 2019	Rate of depreciation
	As at 01 January 2019	Additions / (disposals) / adjustments	As at 31 March 2019	As at 01 January 2019	Charge for the year / (disposals)	As at 31 March 2019		
	----- (Rupees) -----							%
<b>Owned</b>								
Leasehold improvemen (Building's fixtures)	15,147,084	461,278	15,608,362	4,945,344	737,231	5,682,575	9,925,787	20%
Office equipment	11,222,353	1,046,462	12,268,815	4,450,877	438,938	4,889,816	7,378,999	20%
Furniture and fixture	13,262,839	585,576 (65,488)	13,782,927	5,765,581	500,480 (65,488)	6,200,573	7,582,354	20%
Computers	23,613,363	2,675,289	26,288,652	18,406,045	1,010,114	19,416,159	6,872,493	33%
Vehicles	37,071,598	- (2,537,286)	34,534,312	16,047,386	1,739,649 (1,387,539)	16,399,496	18,134,814	20%
	<b>100,317,237</b>	<b>4,768,605 (2,602,774)</b>	<b>102,483,068</b>	<b>49,615,233</b>	<b>4,426,413 (1,453,027)</b>	<b>52,588,619</b>	<b>49,894,448</b>	

	2018						Book value as at 31 December 2018	Rate of depreciation
	COST			DEPRECIATION				
	As at 01 January 2018	Additions / (disposals) / adjustments	As at 31 December 2018	As at 01 January 2018	Charge for the year / (disposals)	As at December 31 2018		
----- (Rupees) -----							%	
<b>Owned</b>								
Leasehold improvements (Building's fixtures)	5,532,800	9,635,184 (20,900)	15,147,084	3,501,257	1,464,987 (20,900)	4,945,344	10,201,740	20%
Office equipment	4,622,394	6,625,845 (25,886)	11,222,353	3,563,261	911,152 (23,536)	4,450,877	6,771,476	20%
Furniture and fixture	6,166,279	7,391,458 (294,898)	13,262,839	4,888,124	1,166,492 (289,035)	5,765,581	7,497,258	20%
Computers	20,265,608	3,347,755	23,613,363	15,668,909	2,737,136	18,406,045	5,207,318	33%
Vehicles	34,319,934	5,998,314 (3,246,650)	37,071,598	13,234,294	5,228,987 (2,415,895)	16,047,386	21,024,212	20%
	<b>70,907,015</b>	<b>32,998,556</b> <b>(3,588,334)</b>	<b>100,317,237</b>	<b>40,855,845</b>	<b>11,508,754</b> <b>(2,749,366)</b>	<b>49,615,233</b>	<b>50,702,004</b>	

## 6.2 Intangible assets

	COST			AMORTISATION			Book value as at 31 December	Rate of amortisation
	As at 01 January	Additions / Transfers	As at 31 December	As at 01 January	Charge for the year	As at 31 December		
	----- (Rupees) -----							
Computer software								
<b>2019</b>	<b>9,520,537</b>	<b>1,995,479</b>	<b>11,516,016</b>	<b>7,903,790</b>	<b>417,606</b>	<b>8,321,396</b>	<b>3,194,620</b>	<b>33%</b>
<b>2018</b>	<b>8,260,373</b>	<b>1,260,164</b>	<b>9,520,537</b>	<b>7,353,465</b>	<b>550,325</b>	<b>7,903,790</b>	<b>1,616,747</b>	<b>33%</b>

<b>Other Assets</b>
<i>As at March 31, 2019</i>

**Note 7**

	March 2019	December 2018
<b>7.1 <u>Advance for Expenses</u></b>		
-Advances for Business purpose (Staff)	2,618,784	1,813,319
-Advance against Salary	-	-
	<b>2,618,784</b>	<b>1,813,319</b>
<b>7.2</b>		
<b><u>Advance to Suppliers</u></b>	2,464,831	3,092,577
	<b>2,464,831</b>	<b>3,092,577</b>
<b>7.3 <u>Deposits</u></b>		
-Security Deposit Rent	3,158,416	3,158,416
-BRR - Locker	3,000	3,000
-Drinking Water	7,800	7,800
-Club	4,030	4,030
-Central Depository Company Ltd.	83,215	83,215
	<b>3,256,461</b>	<b>3,256,461</b>
<b>7.4 <u>Accrued Income</u></b>		
-Advances	37,156,031	23,161,223
-Pakistan Investment Bonds	249,389	23,773
-Bank Profit	1,771,774	-
-Investments in TDRs	3,900,654	28,912,723
	<b>43,077,848</b>	<b>52,097,719</b>
<b>7.5 <u>Pre-payments &amp; others</u></b>		
-Rent	15,082,231	14,451,747
-Insurance	4,470,690	1,017,543
-Others	7,779,071	1,097,663
	<b>27,331,992</b>	<b>16,566,953</b>
<b>7.6 <u>Loan to Staff</u></b>		
-House Loan	5,971,463	6,086,925
-Vehicle Loan	1,238,976	1,290,950
-Personal Loan	2,761,577	2,641,065
	<b>9,972,016</b>	<b>10,018,940</b>
<b>7.7 <u>Others Receivables</u></b>	-	210,806
<b>7.8 <u>UBL Omni Receivable</u></b>	2,792,757	425,301
<b>7.9 <u>Receivable from LOLC</u></b>	962,423	630,423
<b>7.10 <u>Insurance Claim Receivable</u></b>	1,561,368	1,868,134
<b>Grand Total</b>	<b>94,038,480</b>	<b>89,980,633</b>



— Pak Oman —  
**Microfinance Bank Limited**  
پاک عمان مائیکرو فنانس بینک لمیٹڈ

**Deposits**

*As at March 31, 2019*

**Note 9**

**Type of Deposits**

- Current Accounts
- Saving Accounts
- Certificates of Deposit

**Total**

	<b>March 2019</b>	<b>Dec 2018</b>
	6,601,761	6,603,709
	63,288	60,592
	120,000	120,000
	<b>6,785,049</b>	<b>6,784,301</b>



**Pak Oman**  
**Microfinance Bank Limited**  
 پاك عمان مائڪرو فنانس بينڪ لميٽڊ

<b>Other Liabilities</b>
<b>As at March 31, 2019</b>

**Note 10**

**Other Liabilities**

	<b>March 2019</b>	<b>Dec 2018</b>
Payable to Vendors & others	14,454,097	2,318,480
Payable to LOLC	8,416,588	8,416,588
Bank Charges Payable	600,000	-
Auditor's Remuneration	179,826	595,623
Funeral Charges payable	10,000	10,000
Profit on Deposits	90,952	75,955
Compensated Absences	4,665,355	4,665,355
Advance from Customer (Funding Account)	77,731,554	76,171,390
Gratuity	7,078,737	7,078,737
Insurance premium payable-Cr.Life	414,723	250,000
Leave Fare Assistance	1,609,038	1,875,286
Sales tax/Withholding Taxes payable	12,909,609	7,983,850
Current taxation (provisions less payments)	1,539,024	2,357,646
Borrowers' Death Protection Fund	4,852,284	3,719,919
SUPREME COURT PAK- DBSHA/MHND DAM FUND AC	-	100
<b>Total</b>	<b>134,551,787</b>	<b>116,426,732</b>

<b>Break Down of Administrative Expenses</b>
<b>For the Period ended March 31, 2019</b>

**Note 12**

	<b>Administrative Expenses</b>	<b>March 2019</b>	<b>Dec 2018</b>
12.1	<b>SALARIES &amp; OTHER BENEFITS</b>	52,334,733	173,765,399
12.2	<b>OTHER ADMINISTRATIVE EXPENSES</b>		
	Rent Expenses	10,411,968	24,972,454
	Repairs/ Maintenance & Renovation	1,940,259	6,077,605
	Vehicle Running	1,304,301	951,455
	Traveling & Boarding	4,237,192	15,423,584
	Advertisement & Publicity	356,737	1,444,144
	Communication	1,306,074	6,169,694
	Insurance	1,686,674	8,631,128
	Electricity / Water	867,932	5,050,543
	Printing and Stationery and Photocopy	1,567,360	4,412,889
	Software, Internet & IT Supplies	4,522,817	7,729,068
	Office Supplies	181,958	1,006,499
	Training	2,372,978	8,470,820
	Sales Promotion Expense	750,000	7,898,240
	Consultancy Charges	362,175	1,933,061
	Depreciation	4,426,413	11,508,754
	Amortization	417,606	550,325
	Legal & Professional	957,080	2,716,262
	Auditors remuneration	377,787	1,706,889
	Rates, taxes & Others	361,956	1,387,604
	Director Fee	452,400	775,000
	Archiving Expense	141,716	581,547
	Office Security expenses	3,466,170	11,935,385
	Entertainment expenses	149,415	1,280,164
	Bank charges and others	1,873,981	3,236,578
	Membership Fees & Subscription * 12.2.1	354,589	934,915
	Other ** 12.2.2	3,012,155	7,926,961
	<b>Total</b>	<b>47,859,693</b>	<b>144,711,568</b>
		<b>100,194,426</b>	<b>318,476,967</b>
12.2.1	<b>Membership Fees &amp; Subscription *</b>		
	News Papers and magazine charges	6,248	349,004
	Club subscription	18,010	61,770
	CDC fee	56,499	357,827
	Membership Fee	273,832	127,289
	SECP charges	-	39,025
	<b>Total</b>	<b>354,589</b>	<b>934,915</b>
12.2.2	<b>Other Expenses **</b>		
	Kitchen expenses	621,269	2,020,050
	Borrowers' Death Protection	1,132,365	3,719,919
	Nadra Verificayion	100,873	610
	Other expenses	1,157,648	2,186,382
	<b>Total</b>	<b>3,012,155</b>	<b>7,926,961</b>