



**Un-Audited Condensed Interim  
Financial Statement for the  
Nine Months Ended September 30, 2016**



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# Corporate Information

## Board of Directors

Mr. Ali Riaz Chaudhry	Chief Executive Officer & President
Mr. Irfan Wahab Khan	Director
Mr. Roar Bjaerum	Director
Mr. Salim Raza	Independent Director
Mr. Aslam Hayat	Director
Mr. Henning Thronsen	Director

## Company Secretary

Ms. Sana Tariq

## Chief Financial Officer

Mr. Murtaza Ali

## People Committee

Mr. Irfan Wahab Khan	Chairman
Mr. Salim Raza	Member

## Audit Sub-Committee

Mr. Salim Raza	Chairman
Mr. Roar Bjaerum	Member
Mr. Henning Thronsen	Member

## Risk Management Sub-Committee

Mr. Salim Raza	Chairman
Mr. Roar Bjaerum	Member
Mr. Henning Thronsen	Member

## Auditor

KPMG Taseer Hadi & Co., Chartered Accountants

## Legal Advisor

Ali & Ali, Barristers & Corporate Consultants

## Registered Head Office

Tameer Micro Finance Bank Limited  
15-A Block 7-8, Central Commercial Area,  
K.C.H.S. Union, Karachi - 75350, Pakistan  
Tel: +92-21-111-111-004  
Website: <http://www.tameerbank.com>  
Email: [info@tameerbank.com](mailto:info@tameerbank.com)

# Director's Review

The Board of Directors is pleased to present the unaudited condensed interim financial information of the Bank for the period ended September 30, 2016.

## Financial Highlights

	Nine months ended September 30, 2016	Nine Months ended September 30, 2015
	----- (Rupees in 000's) -----	
<b>Profit before provisions and taxation</b>	<b>1,089,504</b>	967,955
Provision against loans and advances	<b>(42,122)</b>	(37,472)
Bad debts written off directly	<b>(17,260)</b>	(30,328)
	<b>(59,382)</b>	(67,800)
<b>Profit before taxation</b>	<b>1,030,122</b>	900,155
Taxation	<b>(360,367)</b>	(313,560)
<b>Profit After Taxation</b>	<b>669,755</b>	586,594
<b>Earnings per share</b>	<b>4.97</b>	4.36

During the nine months ended September 30, 2016, the Bank's profit before taxation stood at Rs. 1,030.122 Mn as compared to Rs. 900.155 Mn for the previous comparable period, registering an increase of 14%. Net interest income of the bank increased by 23% to reach at Rs. 2,492.058 Mn as compared to Rs. 2,025.444 Mn in corresponding period last year.

Gross Advances increased by 20% to reach Rs. 14,673.175 Mn as at September 30, 2016. Whereas PAR>30 stand at 1.56% at the end of September 30, 2016.

In terms of funding, the deposit portfolio of the Bank expanded by 83% to reach Rs.28,658.032 Mn, backed by high CASA ratio of 56%. The deposits consist of Rs.16,101.453 Mn CASA deposits which grew by 45% during the period.

## Change in Ownership

During the period, Telenor Group (Telenor Pakistan B.V a joint stock company based in Amsterdam) has acquired 49% shareholding of the bank from its minority shareholders. The Group eventually plan to transfer its existing shareholding (51%) from Telenor Pakistan (Private) Limited to Telenor Pakistan B.V., to make it 100% wholly owned subsidiary, subject to regulatory approvals.

## Credit Rating

Based on the results for the year ended December 31, 2015, PACRA and JCR-VIS, credit rating companies maintained the long-term entity rating of Tameer Microfinance Bank Limited (TMBL) to "A+" (Single A Plus) while maintaining the short-term rating at "A1" (A One).

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The ratings of TMBL reflect its strengthening position in the microfinance industry. The bank's key strengths include high quality loan book, healthy liquidity, increasing deposit base, and sustainable capitalization level. The ratings denote a low expectation of credit risk. The capacity for timely payments of financial commitments is considered strong.

## **Appreciation & Acknowledgment**

The Board would like to thank our valued customers for their continued patronage and support, the State Bank of Pakistan, Securities Exchange commission of Pakistan and other regulatory authorities for their continuous guidance and support with whom we enjoy a very cordial relationship. The Board would like to place on record its appreciation for the hard work, dedication, professionalism and sincere efforts of employees of the Bank levels.

On behalf of the Board



**Ali Riaz Chaudhry**

President & Chief Executive Officer

Date: 8 November 2016

Place: Karachi

## ملکیت میں تبدیلی

اس عرصے میں ٹیلی نارگروپ (ٹیلی نار پاکستان BV، ایک جوائنٹ اسٹاک کمپنی ہے جس کا ایمسٹرڈم سے تعلق ہے) نے بینک کے اقلیتی حصص یافتگان سے بینک کے 49% حصص حاصل کر لیے ہیں۔ گروپ نے ارادہ کیا ہے کہ اپنی موجودہ شرہ برائے حصص (51%) ٹیلی نار پاکستان (پرائیویٹ) لمیٹڈ سے ٹیلی نار پاکستان BV کو دے دی جائے تاکہ انتظامیہ کی رضامندی سے اسے 100% ذاتی کمپنی بنا دیا جائے۔

## کریڈٹ ریٹنگ

31 دسمبر 2015ء کے اختتامی نتائج کی بنیاد پر PACRA اور JCR-VIS، کریڈیٹ کی ریٹنگ کمپنیز نے تعمیر مائیکرو فنانس بینک لمیٹڈ (TMBL) کی طویل المدت ریٹنگ کو "A+" اور مختصر المدت ریٹنگ کو "A-1" پر برقرار رکھا۔

تعمیر مائیکرو فنانس بینک لمیٹڈ (TMBL) کی ریٹنگ مائیکرو فنانس صنعت میں مستحکم مقام کی عکاسی کرتی ہے۔ بینک کی مضبوط صلاحیتوں میں اعلیٰ معیار کے قرضے، مستحکم لیکوڈیٹی، بڑھتے ہوئے ڈپازٹس اور مستحکم سرمایہ کار شامل ہیں۔ یہ ریٹنگ خدشہ برائے وصولی قرض میں واضح کمی کو ظاہر کرتی ہے۔ علاوہ مالیاتی ازیں قرضوں کی وقت پر ادائیگی کی صلاحیت کا فی مضبوط مانی جاتی ہے۔

## قدر شناسی اور قبولیت

بورڈ اپنے گراں قدر صارفین کا شکریہ ادا کرتا ہے کہ بینک کو ان کی مستقل سرپرستی اور حمایت حاصل رہی۔ بورڈ، اسٹیٹ بینک آف پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر انتظامی حکام کا شکریہ ادا کرتا ہے کہ ان کی مستقل رہنمائی اور حمایت بینک کے شامل حال رہی اور ان کے ساتھ بہترین تعلقات سے ہم لطف اندوز ہوتے ہیں۔ بورڈ اپنے ملازمین کی ان تھک محنت، پیشہ وارانہ صلاحیتوں اور ان کی مخلصانہ کاوشوں کو ملحوظ خاطر قدر کی نظروں سے دیکھتا ہے۔

منجانب بورڈ

  
علی ریاض چوہدری

صدر اور چیف ایگزیکٹو آفیسر

تاریخ: 8 نومبر 2016ء

مقام: کراچی۔

## ڈائریکٹرز کا تبصرہ

بورڈ آف ڈائریکٹرز کو 30 ستمبر 2016ء کو ختم ہونے والے بینک کے غیر آڈٹ شدہ مختصر، سہاہی، مالیاتی گوشوارے پیش کرتے ہوئے انتہائی مسرت محسوس ہو رہی ہے۔

### کارکردگی کی جھلکیاں

9 ماہ کی اختتامی مدت 30 ستمبر 2015ء	9 ماہ کی اختتامی مدت 30 ستمبر 2016ء
000 میں روپے	
967,955	1,089,504
(17,260)	(42,122)
(30,328)	(17,260)
(67,800)	(59,382)
900,155	1,030,122
(313,560)	(360,367)
586,594	669,755
4.36	4.97

### منافع قبل از ٹیکس اور ٹیکس

ٹیکس برائے قرضات

خسارہ برائے منسوخ شدہ قرضے

### قبل از ٹیکس منافع

ٹیکسیشن

### بعد از ٹیکس منافع

آمدنی فی حصص

9 ماہ کے دوران جو کہ 30 ستمبر 2016ء کو اختتام پذیر ہوا، بینک کا قبل از ٹیکس منافع 1,030.122 ملین (پاکستانی روپے) کی سطح پر رہا جبکہ گذشتہ سال 2015ء کی اسی مدت میں منافع 900.155 ملین (پاکستانی روپے) کی سطح پر رہا تھا۔ اسی طرح 2016ء میں منافع میں 14% فیصد اضافہ رونما ہوا۔ بینک کی مارک اپ خالص آمدنی میں 23% فیصد تک کا اضافہ ہوا اور یہ آمدنی 2,492.058 ملین (پاکستانی روپے) کی سطح تک پہنچی جبکہ گذشتہ سال 2015ء کی اسی مدت میں یہ آمدنی 2,025.444 ملین (پاکستانی روپے) تک پہنچ سکی تھی۔

30 ستمبر 2016ء پر کل قرضات کا 20% فیصد کے اضافے کے ساتھ 14,673.175 ملین (پاکستانی روپے) کی سطح تک پہنچے۔ جبکہ 30 ستمبر 2016ء کو PAR > 30% 1.56 فیصد پر ہے۔

فنڈنگ کی مد میں بینک کے ڈپازٹس کے 83% فیصد کے اضافے کے ساتھ 28,658.032 ملین (پاکستانی روپے) کی سطح پر پہنچے اسی اضافے کو 56% فیصد تناسب برائے CASA نے استحکام دیا۔ کل ڈپازٹس میں 16,101.453 ملین (پاکستانی روپے) CASA ڈپازٹس شامل ہیں جو اس عرصے میں 45% تک بڑھے۔



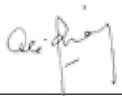
# Condensed Interim Balance sheet (Un-audited)

As at September 30, 2016

	September 30, 2016 (Un-Audited)	December 31, 2015 (Audited)
	Note	
	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Cash and balances with State Bank of Pakistan and National Bank of Pakistan	6	1,588,338
Balances with other banks	7	1,118,190
Lending to financial institutions		346,702
Investments	8	3,784,189
Advances- net of provisions	9	12,125,628
Operating fixed assets	10	645,474
Other assets		1,433,577
Deferred tax assets - net		16,025
		<b>21,058,123</b>
		<b>35,282,578</b>
<b>LIABILITIES</b>		
Deposits and other accounts	11	15,678,541
Borrowings	12	85,474
Subordinated debt		-
Other liabilities		1,604,825
Deffered tax liabilities		-
		<b>17,368,840</b>
		<b>30,937,084</b>
<b>NET ASSETS</b>		
		<b>3,689,283</b>
<b>REPRESENTED BY:</b>		
Share capital		1,346,939
Reserves		1,050,952
Accumulated Profit		1,260,896
		<b>3,658,787</b>
Surplus on revaluation of assets - net of tax		(836)
Deffered Grants		31,332
		<b>4,345,494</b>
		<b>4,345,494</b>

## MEMORANDUM / OFF BALANCE SHEET ITEMS

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



President &  
Chief Executive Officer



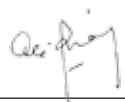
Director

# Condensed Interim Profit and Loss Account (Un-audited)

For the Nine months ended September 30, 2016

	Note	Nine months ended September 30, 2016	Quarter ended September 30, 2016	Nine months ended September 30, 2015	Quarter ended September 30, 2015
----- (Rupees in '000) -----					
Mark-up / return / interest earned	13	3,182,030	1,176,228	2,541,333	921,904
Mark-up / return / interest expensed	14	(689,972)	(360,360)	(515,890)	(169,713)
<b>Net mark-up / return / interest income</b>		<b>2,492,058</b>	<b>815,868</b>	<b>2,025,444</b>	<b>752,191</b>
Provision against non-performing loans and advances		(42,122)	(16,125)	(37,472)	(16,913)
Provision for diminution in the value of investments - net		-	-	-	-
Bad debts written off directly		(17,260)	(3,572)	(30,328)	(9,891)
<b>Net mark-up / return / interest income after provisions</b>		<b>2,432,676</b>	<b>796,171</b>	<b>1,957,644</b>	<b>725,386</b>
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee, commission and brokerage income	15	1,081,361	343,076	1,060,977	363,209
Dividend income		-	-	-	-
Other income		100,159	31,115	127,736	53,152
<b>Total non mark-up / interest income</b>		<b>1,181,520</b>	<b>374,191</b>	<b>1,188,713</b>	<b>416,361</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>		<b>2,563,048</b>	<b>(887,456)</b>	<b>(2,227,873)</b>	<b>(835,909)</b>
Administrative expenses		(2,563,048)	(887,456)	(2,227,873)	(835,909)
Other provisions / write-offs		-	-	-	-
Other charges		(21,026)	(5,661)	(18,329)	(6,076)
<b>Total non mark-up / interest expenses</b>		<b>(2,584,074)</b>	<b>(893,117)</b>	<b>(2,246,202)</b>	<b>(841,985)</b>
<b>Profit before taxation</b>		<b>1,030,122</b>	<b>277,245</b>	<b>900,155</b>	<b>299,762</b>
Extraordinary / unusual items		-	-	-	-
<b>Profit before taxation</b>		<b>1,030,122</b>	<b>277,245</b>	<b>900,155</b>	<b>299,762</b>
<b>TAXATION</b>					
- Current		(307,722)	(86,888)	(320,326)	(96,036)
- Prior years		(38,813)	-	-	-
- Deferred		(13,832)	-	6,766	-
<b>PROFIT AFTER TAXATION</b>		<b>669,755</b>	<b>190,357</b>	<b>586,594</b>	<b>203,726</b>
----- Rupees -----					
<b>Basic and diluted earnings per share</b>		<b>4.97</b>	<b>1.41</b>	<b>4.36</b>	<b>1.51</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



President &  
Chief Executive Officer




Director

# Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Nine months ended September 30, 2016

	Nine months ended September 30, 2016	Quarter ended September 30, 2016	Nine months ended September 30, 2015	Quarter ended September 30, 2015
----- (Rupees in '000) -----				
Net profit for the period	669,755	190,357	586,594	203,726
Other comprehensive income not to be reclassified to profit and loss account in subsequent periods				
Actuarial loss on defined benefit plan	11,491	-	(4,619)	-
Effect of taxation	(3,447)	-	1,432	-
	8,044	-	(3,187)	-
<b>Total comprehensive income / (loss) for the period</b>	<b>677,799</b>	<b>190,357</b>	<b>583,407</b>	<b>203,726</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**President &  
Chief Executive Officer**



**Director**

# Interim Condensed Cash Flow Statment (*Un-audited*)


For the Nine months ended September 30, 2016

	September 30, 2016	September 30, 2015
	----- (Rupees in '000) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,030,122	900,155
Adjustments:		
Depreciation and amortisation	160,606	124,826
Grant income recognised	(20,063)	(21,591)
Reversal / provision against non-performing advances	59,382	67,800
Loss/ (Gain) on sale of operating fixed asset	(3,250)	(2,543)
Amortisation of discount on investments	(191,891)	(257,813)
Finance charges on leased assets	675	821
Loss on derrivative financial instruments	-	-
Provision for gratuity fund	20,982	31,824
Other provisions	-	1,022
	26,441	(55,653)
<b>(Increase) / decrease in operating assets</b>		
Lending to financial institutions	(5,132,055)	(150,000)
Advances	(2,515,726)	(2,253,784)
Other assets (excluding advance taxation)	(421,182)	(382,678)
	(8,068,963)	(2,786,462)
<b>Increase / (decrease) in operating liabilities</b>		
Deposits and other accounts	12,979,491	2,983,152
Other liabilities (excluding current taxation)	691,195	1,558,902
	13,670,686	4,542,054
Income tax paid Advance Tax	(401,534)	(282,444)
Payment to employee gratuity fund	(50,246)	(51,097)
Net cash flow from operating activities	6,206,506	2,266,551
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of investments in available-for-sale securities	(21,061,244)	(23,528,702)
Investments in operating fixed assets	(293,427)	(219,181)
Sale proceed from disposal of available-for-sale securities	18,108,929	22,162,237
Sale proceed from disposal of operating fixed assets	10,724	9,678
Net cash flow from investing activities	(3,235,017)	(1,575,968)

# Interim Condensed Cash Flow Statment (*Un-audited*)

For the Nine months ended September 30, 2016

	September 30, 2016	September 30, 2015
	----- (Rupees in '000) -----	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments of lease obligation	-	(5,461)
Borrowing from financial institution - repaid	(74,363)	(109,541)
Grant received	-	39,602
Net cash flow from financing activities	(74,363)	(75,400)
	<b>2,897,126</b>	<b>615,182</b>
Cash and cash equivalents at beginning of the period	<b>2,706,528</b>	<b>2,088,802</b>
Cash and cash equivalents at end of the period	<b>5,603,654</b>	<b>2,703,984</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and balances with SBP and NBP	<b>2,312,376</b>	<b>1,677,374</b>
Balances with other Banks	<b>3,291,278</b>	<b>1,026,611</b>
	<b>5,603,654</b>	<b>2,703,984</b>



President &  
Chief Executive Officer



Director

# Interim Condensed Statement of Changes In Equity (Un-audited)


For the Nine months ended September 30, 2016

	Share capital	Capital reserves			Accumulated profit	Total
		Share premium	Statutory reserve	Depositors' protection fund		
----- (Rupees in '000) -----						
<b>Balance as at 01 January 2015</b>	1,346,939	343,469	369,711	114,962	646,831	2,821,912
Net Profit / (loss) for the year	-	-	-	-	586,594	586,594
Other comprehensive income / (loss)	-	-	-	-	(3,187)	(3,187)
Total comprehensive income / (loss) for the year	-	-	-	-	583,407	583,407
Transfer to statutory reserve *			117,319		(117,319)	-
Contribution to Depositors' Protection Fund **				36,589	(36,589)	-
<b>Balance as at 30 Sep 2015</b>	<b>1,346,939</b>	<b>343,469</b>	<b>487,030</b>	<b>151,551</b>	<b>1,076,331</b>	<b>3,405,319</b>
Net Profit / (loss) for the year	-	-	-	-	265,146	265,146
Other comprehensive income / (loss)	-	-	-	-	(11,678)	(11,678)
Total comprehensive income / (loss) for the year	-	-	-	-	253,468	253,468
Transfer to statutory reserve *			53,029		(53,029)	-
Contribution to Depositors' Protection Fund **				15,873	(15,873)	-
<b>Balance as at 31 Dec 2015</b>	<b>1,346,939</b>	<b>343,469</b>	<b>540,059</b>	<b>167,424</b>	<b>1,260,896</b>	<b>3,658,787</b>
Net Profit / (loss) for the period	-	-	-	-	669,755	669,755
Other comprehensive income	-	-	-	-	8,044	8,044
Total comprehensive income for the period	-	-	-	-	677,799	677,799
Transfer to statutory reserve *	-	-	133,951	-	(133,951)	-
Contribution to Depositors' Protection Fund **	-	-	-	42,204	(42,204)	-
<b>Balance as at 30 Sep 2016</b>	<b>1,346,939</b>	<b>343,469</b>	<b>674,010</b>	<b>209,628</b>	<b>1,762,540</b>	<b>4,336,586</b>

\* In accordance with the requirements of the Microfinance Institution Ordinance, 2001 and the Prudential Regulations for Microfinance Banks issued by the SBP (Prudential Regulations), the Bank has transferred an amount equivalent to 20% of profit after tax to the statutory reserve.

\*\* In accordance with the requirements of the Microfinance Institution Ordinance, 2001 and the Prudential Regulations, the Bank has transferred an amount equivalent to 5% of profit after tax to the Depositors' Protection Fund, plus the return earned on such funds.

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



**President &  
Chief Executive Officer**



**Director**

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# Notes To The Interim Condensed Financial Statements

*For the Nine months ended September 30, 2016*

## 1. STATUS AND NATURE OF BUSINESS

- 1.1** Tameer Micro Finance Bank Limited (the Bank) was incorporated in Pakistan on 01 August 2005 as a public limited company under the Companies Ordinance, 1984. The Bank obtained Microfinance banking license from the SBP on 05 August 2005 to operate on a nationwide basis and received the certificate of commencement of business from the Securities and Exchange Commission of Pakistan (SECP) on 05 September 2005. The Bank is a subsidiary of Telenor Pakistan (Private) Limited (the holding company) which owns 51% shareholding in the Bank. The Bank's registered office is situated at 15-A, Block 7 & 8, KCHS, Union, Karachi. The Bank's principal business is to provide micro finance banking and related services to the poor and undeserved segment of the society with a view to alleviate poverty under the Microfinance Institution Ordinance, 2001. In 2009, the Bank also started Branchless Banking services with the holding company under the Branchless Banking license from the SBP.
- 1.2** During the period, Telenor Group (Telenor Pakistan B.V. a joint stock company based in Amsterdam) has acquired 49% shareholding of the Bank from its minority shareholders. The Group eventually plan to transfer its existing shareholding (51%) from Telenor Pakistan (Private) Limited to Telenor Pakistan B.V.), to make it 100% wholly owned subsidiary, subject to regulatory approvals.

## 2. BASIS OF PRESENTATION

These financial statements have been presented in accordance with the requirements of Banking Surveillance Department Circular No. 11 dated 30 December 2003 issued by the State Bank of Pakistan (SBP).

## 3. STATEMENT OF COMPLIANCE

- 3.1** These condensed interim financial statements of the Bank 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 Institution 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.
- 3.2** 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 Securities and Exchange Commission of Pakistan (SECP) has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments : Disclosures' through its notification S.R.O.2 411(I)/2008 dated 28 April 2008. Accordingly, 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 through various circulars / regulations.

#### 4. BASIS OF MEASUREMENT

- 4.1 These condensed interim financial statements have been prepared under the historical cost convention except for 'available for sale investments which are measured at fair value.
- 4.2 These condensed interim financial statements have been presented in Pakistani Rupees, which is the Bank's functional and presentation currency.
- 4.3 The preparation of these condensed interim financial statements in conformity with approved accounting standards 'requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and 'liabilities and income and expenses. It also requires management to exercise judgment 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. These estimates and assumptions are reviewed 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.

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

#### 5. SIGNIFICANT ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

- 5.1 The accounting policies adopted in the preparation of these 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 in the annual financial statements of the bank for the year ended 31 December 2015.

	Note	September 30, 2016 (Un-Audited)	December 31, 2015 (Audited)
----- (Rupees in '000) -----			
<b>6 CASH AND BALANCE WITH SBP &amp; NBP</b>			
Cash in Hand - Local Currency		907,371	659,883
Balance with State Bank of Pakistan	6.1	1,353,275	872,087
Balance with National Bank of Pakistan	6.1	51,730	56,368
		<b>2,312,376</b>	<b>1,588,338</b>

- 6.1 Represent current accounts maintained with SBP and NBP to meet the minimum balance requirement equivalent to 5% as cash reserve and 10% as liquidity reserve of the Bank's time and demand liabilities in accordance with the Prudential Regulations.



	Note	September 30, 2016 (Un-Audited)	December 31, 2015 (Audited)
----- (Rupees in '000) -----			
<b>7 BALANCE WITH OTHER BANKS / NBFIs/MFBs</b>			
In Pakistan			
- Current accounts		9,720	14,926
- PLS deposit accounts		1,581,558	903,264
- Term deposit accounts		1,700,000	200,000
		<b>3,291,278</b>	<b>1,118,190</b>

## 8 INVESTMENTS

### Federal Government Securities - available-for-sale

Market Treasury Bills	8.1	6,941,047	3,785,401
Deficit on revaluation of assets		(2,504)	(1,212)
		<b>6,938,543</b>	<b>3,784,189</b>

8.1 These carry interest rates ranging between 5.75% to 5.86% (2015: 6.25% to 6.95%) per annum and will mature upto Jan 2017. These securities have an aggregate face value of Rs. 7,000 million (2015: Rs. 3,813 million).

	Note	September 30, 2015 (Un-Audited)		December 31, 2015 (Audited)	
		Number of loans	(Rupees in '000)	Number of loans	(Rupees in '000)
<b>9 ADVANCES</b>					
Micro credit					
- Secured		100,519	6,267,525	101,947	6,399,122
- Unsecured		262,561	8,405,651	185,338	5,786,968
		<b>363,080</b>	<b>14,673,175</b>	<b>287,285</b>	<b>12,186,090</b>
Less: Provision held					
- Specific	9.1	286	(6,785)	214	(2,619)
- General		-	(83,989)	-	(57,843)
			<b>(90,774)</b>		<b>(60,462)</b>
			<b>14,582,401</b>		<b>12,125,628</b>

9.1 Advances include Rs. 228.976 million (31 December 2015: Rs. 56.788 million) which have been placed under non-performing status as detailed below:

	September 30, 2016			December 31, 2015		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
----- (Rupees in '000) -----						
<b>OAEM</b>	<b>87,763</b>	<b>-</b>	<b>-</b>	32,964	-	-
Substandard	54,462	1,233	1,233	18,397	178	178
Doubtful	77,892	3,581	3,581	4,278	1,536	1,536
Loss	8,860	1,971	1,971	1,149	905	905
	<b>228,976</b>	<b>6,785</b>	<b>6,785</b>	<b>56,788</b>	<b>2,619</b>	<b>2,619</b>

	<b>September 30, 2016 (Un-Audited)</b>	<b>December 31, 2015 (Audited)</b>
<b>10 OPERATING FIXED ASSETS</b>	----- (Rupees in '000) -----	
Property and equipment	666,039	565,060
Intangible assets	32,072	28,048
Capital work-in-progress - advance against purchase of fixed assets	81,177	52,366
	<b>779,288</b>	<b>645,474</b>
	----- (Rupees in '000) -----	
	<b>September 30, 2016 (Un-Audited)</b>	<b>September 30, 2015 (Un-audited)</b>
<b>10.1 Addition during the period - at cost</b>	----- (Rupees in '000) -----	
Improvements to leasehold buildings	27,256	34,095
Furniture and Fixtures	20,418	27,435
Electrical, office and computer equipments	111,361	88,010
Vehicles-owned	81,398	35,493
Intangible assets	24,183	5,452
	<b>264,616</b>	<b>190,484</b>
	----- (Rupees in '000) -----	
<b>10.2 Deletion during the period - at cost</b>	----- (Rupees in '000) -----	
Electrical, office and computer equipments	508	20
Vehicles-owned	37,853	11,873
Vehicles-Leased	1,422	5,828
	<b>39,783</b>	<b>17,721</b>
	----- (Rupees in '000) -----	
	<b>September 30, 2016 (Un-Audited)</b>	<b>December 31, 2015 (Audited)</b>
<b>11 DEPOSITS AND OTHER ACCOUNTS</b>	----- (Rupees in '000) -----	
Current deposits	13,443,476	9,529,917
Fixed deposits	12,556,579	4,602,374
Saving deposits	2,657,978	1,546,250
	<b>28,658,032</b>	<b>15,678,541</b>

**September 30,  
2016  
(Un-Audited)**

**December 31,  
2015  
(Audited)**

----- (Rupees in '000) -----

### 11.1 Particulars of deposits by ownership

Individual depositors	<b>14,942,133</b>	12,004,424
Institutional depositors		
- Corporations / firms etc	<b>11,057,835</b>	3,610,325
- Banks / financial institutions	<b>2,658,064</b>	63,792
	<b>28,658,032</b>	15,678,541

### 12 BORROWINGS

Banks / financial Institutions inside Pakistan	<b>11,111</b>	85,474
	<b>11,111</b>	85,474

#### Detail of borrowings

#### Unsecured

Microfinance Credit Guarantee Facility (MCGF)	12.1	<b>11,111</b>	85,972
Unamortised transaction cost		-	(498)
		<b>11,111</b>	85,474

**12.1** This represents financing from commercial banks under the MCGF scheme introduced by the SBP to facilitate and promote channelization of funds from banks / DFIs to Microfinance institutions. These carry mark-up rate of 6 months' KIBOR plus 2% (2015: 6 months' KIBOR plus 2%) and are repayable in fixed installments over a period of 2-5 years.

Note	Nine months ended September 30, 2016	Quarter ended September 30, 2016	Nine months ended September 30, 2015	Quarter ended September 30, 2015
	(Un-Audited)		(Un-Audited)	
	----- (Rupees in '000) -----			

### 13 MARK-UP / RETURN / INTEREST EARNED

On loans and advances	2,858,011	1,008,387	2,180,635	793,960
On available for sale investments	191,891	104,825	257,813	94,831
On deposits with financial institutions	74,994	38,049	49,535	16,261
On call money lendings	23,428	10,346	27,262	8,239
On repurchase agreement lendings	33,706	14,621	26,088	8,613
	<b>3,182,030</b>	<b>1,176,228</b>	<b>2,541,333</b>	<b>921,904</b>

### 14 MARK-UP / RETURN / INTEREST EXPENSED

On Deposits	685,406	359,714	499,803	165,748
On Borrowings	4,566	646	16,088	3,965
	<b>689,972</b>	<b>360,360</b>	<b>515,890</b>	<b>169,713</b>

### 15 FEE, COMMISSION AND BROKERAGE INCOME

Loan processing fee		279,927	96,641	257,389	83,842
Income from branchless banking	15.1	789,568	242,989	791,390	275,496
Others		11,866	3,446	12,198	3,870
		<b>1,081,361</b>	<b>343,076</b>	<b>1,060,977</b>	<b>363,209</b>

**15.1** Represents income from branchless banking operations (Easy Paisa) carried out by the Bank together with the holding company under the SBP's Branchless Banking Regulations. As per the agreement with the holding company, income from Easy Paisa is shared between the Bank and the holding company in the ratio of 14% and 86% (2015: 14% and 86%) respectively.

### 16 RELATED PARTY TRANSACTIONS

Related parties of the Bank comprise of subsidiaries, associates (including entities having directors in common with the Bank), retirement benefit funds, major share holders, 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 Interim Condensed financial statements, are summarised as follows:

September 30, 2016				December 31, 2015			
Holding company	Directors and key management personnel	Others	Total	Holding company	Directors and key management personnel	Others	Total
(Un-Audited)				(Audited)			

----- (Rupees in '000) -----

#### Advances

At 01 January	-	47,787	-	47,787	-	33,526	-	33,526
Given during the period	-	7,257	-	7,257	-	33,300	-	33,300
Repaid during the period	-	(48,543)	-	(48,543)	-	(19,039)	-	(19,039)
At 30th Sep / 31st Dec	-	6,501	-	6,501	-	47,787	-	47,787

#### Deposits

At 01 January	282,853	10,614	407,440	700,907	75,979	5,787	318,856	400,622
Received during the period	45,110,838	128,375	613,149	45,852,362	59,094,533	285,583	588,271	59,968,387
Withdrawn during the period	(44,853,296)	(120,789)	(594,362)	(45,568,448)	(58,887,659)	(280,756)	(499,687)	(59,668,102)
At 30th Sep / 31st Dec	540,395	18,200	426,226	984,821	282,853	10,614	407,440	700,907

#### Other Liabilities

Payable against branchless banking transactions	262,809	-	-	262,809	195,692	-	-	195,692
Mark-up payable	-	25	31,054	31,079	-	-	33,120	33,120
Accrued Expenses	27,279	-	-	27,279	83,224	-	-	83,224
At 30th Sep / 31st Dec	290,088	25	31,054	321,167	278,916	-	33,120	312,036

#### Other Assets

Other receivable	83,114	-	-	83,114	51,591	-	11	51,602
At 30th Sep / 31st Dec	83,114	-	-	83,114	51,591	-	11	51,602

#### September 30, 2016 (Un-Audited)

#### September 30, 2015 (Un-Audited)

----- (Rupees in '000) -----

#### Expenses

Mark-up expense	-	324	40,952	41,277	-	-	35,321	35,321
Communication expenses	545	-	-	545	2,246	-	-	2,246
Deposit Mobilization Commission	90,483	-	-	90,483	117,936	-	-	117,936
Contribution to defined contribution plan	-	-	44,205	44,205	-	-	29,870	29,870
Charge for defined benefit plan	-	-	20,982	20,982	-	-	31,824	31,824
Period ended 30 Sep	91,028	324	106,140	197,492	120,182	-	97,016	217,198

## 17 GENERAL

### 17.1 Figures have been rounded off to the nearest thousand rupees

## 18 DATE OF AUTHORISATION

These interim condensed financial statements were authorised for issue by the Board of Directors in their meeting held on 8 November 2016.



**President &  
Chief Executive Officer**



**Director**





*To “improve lives in every home”*

**Tameer Micro Finance Bank Limited**

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