

Balance Sheet as at March 31, 2016

	Note	31-Mar-2016	31-Dec-2015
ASSETS			
Balances with State Bank of Pakistan	1	570,441,979	509,603,126
Cash in hand and balances with banks	2	1,012,673,224	1,435,627,928
Lending to financial institutions	3	2,806,634,340	2,383,352,710
Investments - net of provisions	4	1,571,666,084	1,847,825,070
Advances - net of provisions	5	18,004,494,358	17,246,531,575
Operating fixed assets	6	627,857,605	548,979,304
Other assets	7	3,078,764,737	2,616,868,449
Deferred tax assets		133,717,736	107,557,987
Total Assets		27,806,250,063	26,696,346,149
LIABILITIES			
Deposits and other accounts	8	16,952,017,619	15,583,727,129
Borrowings	9	5,507,897,392	5,890,397,392
Other liabilities	10	1,215,675,876	1,270,731,541
Total Liabilities		23,675,590,887	22,744,856,062
NET ASSETS		4,130,659,176	3,951,490,087
REPRESENTED BY :			
CAPITAL			
Paid up capital	18	1,705,000,000	1,705,000,000
Capital and general reserves	11	658,086,042	611,088,643
Unappropriated profit		1,750,537,674	1,618,313,938
		4,113,623,716	3,934,402,581
Deferred grants	12	17,035,460	17,087,506
Total Capital		4,130,659,176	3,951,490,087

Profit & Loss Account for the quarter ended March 31, 2016

	Note	YTD	
		01-Mar-16	31-Mar-15
Mark up / Interest on advances	13	1,262,386,395	990,500,004
Micro credit Processing Fees	14	135,687,743	100,663,182
Retail Banking Services Fees	15	11,870,888	14,814,433
		1,409,945,026	1,047,988,619
Return on Investments/bank accounts		67,586,326	25,854,018
		1,477,531,352	1,073,819,962
Interest on borrowings		108,424,819	92,708,352
Interest on deposits		317,357,095	159,532,659
		425,781,914	252,240,991
		1,050,749,438	821,578,971
OPERATING EXPENSES			
Salaries, wages & other benefits		349,351,497	302,750,074
Incentive on Asset and Liability Sales		27,436,329	20,327,882
Recruitment & Development		1,877,817	3,616,089
Management consultancy		402,592	114,000
IT Operations		18,472,688	14,898,058
Training		10,439,084	9,054,313
Rent, rates & taxes		52,878,116	38,482,809
Meeting & Conferences		7,681,877	4,277,040
Utilities		13,932,260	11,798,181
Communication & Verification		24,568,217	19,636,303
Traveling & conveyance		3,286,790	8,705,580
Insurance		17,159,536	13,659,955
Repair & Maintenance		9,288,595	5,506,303
Security services		12,408,412	10,308,886
Vehicle running & maintenance		27,271,072	23,928,421
Legal & Professional		1,946,548	1,052,275
Printing, stationery & office supplies		17,848,201	20,822,989
Subscription		3,808,211	548,187
Advertisement & business promotion		4,799,547	5,849,148
Financial charges		10,624,511	2,128,234
ATM Operations		3,201,118	30,223
Depreciation and amortization		38,945,181	28,560,839
MISME Branches Refurbishment		(189,196)	
Other Expenses		1,888,781	2,493,769
Workers Welfare Fund		6,200,841	5,652,154
		654,563,265	543,827,524
Net Provision against advances/other assets	16	111,570,904	39,105,888
Total operating expenses		766,134,169	582,933,224
		284,615,473	288,645,747
OTHER INCOME			
Amortization of deferred grant		52,046	117,769
Reimbursement of Social Mobilization Cost		26,639,600	29,992,300
Gain/(Loss) on Disposal of Fixed Assets		(1,540,312)	19,891,779
Misc Income		111,110	1
Gain/(Loss) on Foreign Currency Transactions		194,114	17,568
		25,416,558	49,981,411
		310,032,031	282,807,158
Taxation - Current	17	117,127,480	92,537,980
- Deferred		(27,458,344)	(20,651,471)
		89,669,136	71,886,479
		220,372,895	210,720,679
Un-appropriated profit b/y		1,618,313,938	1,134,321,734
Profit available for appropriation		1,838,686,833	1,845,042,413
APPROPRIATIONS:			
Transfer to:			
Statutory Reserves		44,074,579	42,144,336
Microfinance Sector Development Fund		22,087,290	21,072,068
Risk Mitigation Fund		11,018,645	10,536,034
Depositors' Protection Fund		11,018,645	10,536,034
		88,149,159	84,288,472
		1,750,537,674	1,760,754,141

Notes to the Accounts for the quarter ended March 31, 2018

1. BALANCES WITH SBP	Year	31-Mar-2018	31-Dec-2017
Balances with SBP	1.1	570,493,870	508,601,128
		<u>570,493,870</u>	<u>508,601,128</u>

1.1 This represents balance held with State Bank of Pakistan to meet the requirement of maintaining minimum balance equivalent to 3% (2017: 3%) of the bank's time and demand liabilities in accordance with the Regulation R-33.

2. CASH IN HAND AND BALANCES WITH BANKS		31-Mar-2018	31-Dec-2017
Cash in hand		328,728,368	480,889,180
Current Account		270,065,072	643,041,154
Saving Account	2.2	623,881,758	502,739,875
		<u>1,222,675,200</u>	<u>1,626,669,209</u>

2.1 The requirement is to hold in corporate accounts of which Rs. 211.4 million (2017: Rs. 466.8 million) is held for the purpose of cash management with as meeting bank's operations and lending to borrowers. Also included is a balance of \$100 million (2017: \$1.4 million) held with FIB Bank Ltd, an international agency. Corporate accounts carry interest rate ranging from 4.00% to 6.25% (2017: 4.00% to 6.25%) per annum.

3. LENDING TO FINANCIAL INSTITUTIONS		31-Mar-2018	31-Dec-2017
Reverse Repo Lending	3.1	2,828,884,840	2,833,352,716
		<u>2,828,884,840</u>	<u>2,833,352,716</u>

3.1 This represents reverse repo lending at the rate ranging from 5.85% to 6.20% per annum (2017: 6.00% to 6.35% per annum) maturing on April 16, 2018 (2017: January 4, 2018)

4.2 Securities held as collateral against lending to financial institutions - Reverse Repo	31-Mar-2018			31-Dec-2017		
	Hold by Bank	Further given as collateral	Total	Hold by Bank	Further given as collateral	Total
Market Treasury Bills/TDRs	2,457,000,000	-	2,457,000,000	2,457,000,000	-	2,457,000,000
	<u>2,457,000,000</u>	<u>-</u>	<u>2,457,000,000</u>	<u>2,457,000,000</u>	<u>-</u>	<u>2,457,000,000</u>

4. INVESTMENTS - NET OF PROVISIONS		31-Mar-2018	31-Dec-2017
Available for sale securities			
Market Treasury Bills	4.1	1,047,130,100	1,047,510,600
Mutual Funds	4.2	500,000,000	500,000,000
Hold to maturity securities			
Term Deposit Receipt	4.3	500,000,000	500,000,000
		<u>1,047,130,100</u>	<u>1,047,510,600</u>
Impairment/(Reversal) on re-valuation of TDRs	4.4	24,842	(15,850)
Scripture/(Debit) on re-valuation of Mutual Funds	4.5	4,521,872	529,800
		<u>1,076,682,814</u>	<u>1,561,184,550</u>

4.1 This represents T-Bills purchased for the period from 180 days to 360 days (2017: 90 days to 360 days) having yield (interest) ranging from 4.18% to 6.87% (2017: 4.81% to 6.45%) per annum.

4.2 This represents units held in money market mutual funds as calculated below:

	Physical Money Market Fund	USA Liquidity Plus Fund	HAFI Monev Fund
Units Purchased	953,753	768,113	0,000,000
Units Written	-	-	-
Units held at the end of quarter	<u>953,753</u>	<u>768,113</u>	<u>0,000,000</u>
Purchase price per unit	100.76	104.37	10.11
Market value per unit at the end of quarter	105.31	104.47	10.29

4.3 This represents term deposit receipt (TDR) carrying (HAFI) at the rate 7.00% (2017: 7.75%) per annum. These TDRs are due to mature on April 21, 2018 (2017: January 14, 2018)

4.4 In compliance with the requirements of the Regulation (R-33C), available for sale investments have been valued at market value and the resulting (debit)/credit is kept in a separate account and is charged through statement of comprehensive income.

5. ADVANCES - NET OF PROVISIONS	Note	31-Mar-2018		31-Dec-2017	
		No. of loans outstanding	Amount outstanding	No. of loans outstanding	Amount outstanding
 loans advanced :					
General Loans					
Secured		44,819	5,188,705,425	44,644	4,870,484,542
Unsecured		14,627	14,783,293,417	15,321	14,646,268,887
		<u>59,446</u>	<u>19,972,000,000</u>	<u>60,000</u>	<u>19,516,753,429</u>
Mortgage Loans					
Secured	5.1	188	58,158,712	156	46,382,824
Unsecured	5.2	1,284	189,860,970	1,095	118,172,502
		<u>1,472</u>	<u>248,019,682</u>	<u>1,251</u>	<u>164,555,326</u>
		<u>60,918</u>	<u>20,220,554,542</u>	<u>61,251</u>	<u>20,181,308,755</u>
 loans provisions held					
Specific provision		16,123	160,111,860	4,130	72,898,517
General provision		523,248	155,000,000	481,870	147,413,478
		<u>539,371</u>	<u>315,111,860</u>	<u>485,999</u>	<u>220,311,995</u>
 Advanced Advances - Net of Provisions			<u>19,904,942,682</u>		<u>19,160,996,760</u>
Staff Loans - General Purpose	5.3	212	15,869,146,862	212	16,170,620
Staff Loans - Housing Finance	5.4	31	79,484,301	34	89,870,018
		<u>243</u>	<u>16,048,631,163</u>	<u>246</u>	<u>16,260,490,638</u>

5.1 This includes 2,795 (2017: 2,292) micro enterprises loans having aggregate outstanding amount of Rs. 426.19 million (2017: Rs. 287.90 million) which are 50% backed by guarantee under the terms of Loan Portfolio Guarantee Agreement between USAC and the Bank on September 30, 2014. The Guarantee is effective from November 14, 2014

5.2 This represents short to medium term general purpose loans to employees of the Bank carrying interest at the rate of 12% (2017: 12%) per annum. These loans are secured against employees' accrued term of benefits

5.3 This represents long term housing loans to eligible employees of the Bank for the period ranging from 5 to 30 years carrying interest at the rate of average cost of funds plus 90bps (2017: average cost of funds plus 50bps) per annum. These loans are secured against equitable mortgage over unencumbered property.

5.4 Particulars of non-performing advances:

Non-performing advances include principal amount of Rs. 415.02 million and interest/expense amount of Rs. 137.86 million (2017: principal amount of Rs. 487.09 million and interest/expense amount of Rs. 107.19 million) which, as detailed below, have been placed under non-performing status.

Category of classification	31-Mar-2018			31-Dec-2017		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
DAEM	184,887,276	-	-	203,843,155	-	-
Substandard	18,622,720	15,878,389	15,878,389	15,012,751	13,985,715	13,985,715
Doubtful	247,883,074	80,884,000	80,884,010	15,418,207	32,428,247	32,323,247
Loss	1,171,883	18,268,883	18,268,883	15,213,843	26,009,288	24,831,655
	<u>532,565,053</u>	<u>114,131,160</u>	<u>114,131,160</u>	<u>439,488,055</u>	<u>72,423,257</u>	<u>71,840,627</u>

5.5 Particulars of the provisions against non-performing advances

	31-Mar-2018			31-Dec-2017		
	Specific	General	Total	Specific	General	Total
Balance at the beginning of the year	77,884,337	147,433,270	225,317,607	16,323,049	101,242,943	117,565,992
Change for the quarter/year	138,136,696	7,495,782	145,632,478	150,846,316	44,172,218	195,018,534
Amount written off	85,418,218	-	85,418,218	187,075,908	-	187,075,908
Balance at end of the quarter/year	<u>130,602,815</u>	<u>154,929,052</u>	<u>285,531,867</u>	<u>179,093,457</u>	<u>145,415,161</u>	<u>324,508,618</u>

Notes to the Accounts for the quarter ended March 31, 2016

	31-Mar-16	31-Dec-15
5.6 Particulars of write-offs		
Against provision		
Related to rescheduled advances	-	-
Related to other classified advances	61,363,283	187,075,908
	<u>61,363,283</u>	<u>187,075,908</u>
Directly charge to profit and loss account	1,064,199	4,085,475
	<u>62,427,482</u>	<u>191,161,383</u>

5.7 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 allowances for non-performing advances. Loans are considered overdue if any payment has fallen due and remained unpaid. 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 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	31-Mar-16		31-Dec-15	
	Portfolio at Risk	Amount	Portfolio at Risk	Amount
Current	0.00%	17,359,185,196	0.00%	18,897,745,487
1 - 29 days late	1.21%	220,178,479	0.86%	153,898,115
30 - 59 days late	0.73%	133,501,012	1.05%	183,316,758
60 - 89 days late	0.38%	70,039,075	0.34%	88,513,191
90 - 179 days late	1.03%	187,317,829	0.89%	68,190,942
More than 179 days late	0.13%	24,164,951	0.15%	26,771,972
	3.49%	18,184,356,542	2.83%	17,888,896,423

6. OPERATING FIXED ASSETS

	Note	31-Mar-16	31-Dec-15
Capital work-in-progress	6.1	114,613,623	61,403,196
Property and equipment	6.2	486,390,524	457,882,006
Intangible assets	6.2	26,893,458	29,694,102
		<u>627,897,605</u>	<u>548,979,304</u>

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-16	31-Dec-15
Opening Balance	63,403,196	29,107,487
Advances Issued during the quarter/year	126,827,739	299,632,180
Assets transferred during the quarter/year	73,417,306	267,336,481
Closing Balance	<u>114,613,623</u>	<u>61,403,196</u>

6.2 Property and Equipment & Intangible Assets

	Vehicles	Furniture & Office Equipment	Electric and Office Equipment	Computer Equipment	Total	% of Total Portfolio
Cost						
Balances as on January 1, 2016	186,040,108	232,298,574	350,053,281	267,077,344	1,035,469,077	149,517,159
Additions	-	47,704,829	17,133,839	756,000	65,594,668	1,130,500
Disposals	54,274	5,625,416	1,444,746	232,340	7,356,816	-
Balances as on March 31, 2016	<u>131,765,834</u>	<u>274,377,987</u>	<u>365,742,374</u>	<u>267,600,784</u>	<u>1,039,486,979</u>	<u>150,647,659</u>
Depreciation						
Balances as on January 1, 2016	95,828,443	87,429,600	184,768,282	209,560,747	577,587,072	119,823,097
Depreciation/Amortization Change	7,330,311	5,917,244	13,529,118	8,197,894	34,974,007	3,871,144
Disposals	6,784	5,576,595	1,408,129	232,366	8,223,874	-
Balances as on March 31, 2016	<u>102,151,970</u>	<u>87,770,249</u>	<u>196,889,271</u>	<u>217,526,275</u>	<u>603,337,765</u>	<u>123,794,241</u>
Carrying Value	<u>29,613,864</u>	<u>186,607,738</u>	<u>168,853,103</u>	<u>50,074,509</u>	<u>436,149,214</u>	<u>28,853,418</u>
As on December 31, 2015	<u>30,211,665</u>	<u>144,868,974</u>	<u>165,284,948</u>	<u>57,516,417</u>	<u>497,882,005</u>	<u>29,694,102</u>
Rate of Depreciation per annum	25%	10%	20%	33.33%		32.33%

7. OTHER ASSETS

	Note	31-Mar-16	31-Dec-15
Markup/Interest accrued on advances		2,091,899,909	1,739,411,252
Less: Suspended Markup/Interest on non performing advances		117,844,779	90,594,243
		<u>1,974,055,130</u>	<u>1,648,817,009</u>
Interest receivable on Investments/placements		18,916,264	14,725,549
Loans & advances to staff		79,449,340	83,238,617
Advances to Suppliers and Service Providers		9,339,704	11,281,483
Security deposit		7,310,215	7,310,215
Prepayments		129,585,480	97,907,982
Receivable from MSDF	7.1	566,326,719	516,144,118
Insurance Claim Receivable		11,429,597	8,749,956
Sales Tax/Federal Excise Duty		148,169,697	119,580,532
Other receivables		164,569,885	134,187,791
		<u>3,103,942,040</u>	<u>2,641,903,252</u>
Less: Provision held against classified assets			
Opening Provision		25,034,803	18,674,466
Provision Change for the quarter/year		142,500	17,137,394
Receivable written off against provision		-	10,776,997
Closing Provision		<u>25,177,303</u>	<u>25,034,803</u>
		<u>3,078,764,737</u>	<u>2,616,868,449</u>

Notes to the Accounts for the quarter ended March 31, 2016

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

6. DEPOSITS	Note	31-Mar-16		31-Dec-15	
		Number of accounts	Rupees	Number of accounts	Rupees
Time Liabilities:					
Term Deposits	8.2	7,929	9,103,454,479	6,661	7,632,993,625
Demand Liabilities:					
Saving Deposits	8.3	34,366	5,371,376,909	32,986	4,554,629,061
Current Deposits		1,119,334	2,477,186,287	1,089,254	3,594,164,413
		1,159,700	7,649,563,140	1,122,240	7,950,799,504
		1,161,629	18,953,017,619	1,128,901	15,583,727,129
8.1 Particulars of Deposits by ownership					
Individual Depositors		1,159,518	8,865,825,627	1,126,811	9,091,840,377
Institutional Depositors					
a) Corporations/Firms		2,086	8,818,869,024	2,064	5,364,045,088
a) Banks/Financial Institutions		25	1,469,322,968	25	1,127,641,664
		1,161,629	18,953,017,619	1,128,901	15,583,727,129

8.2 This represents term deposits having tenure of 3 to 36 months (2015: 3 to 36 months) carrying interest at rates ranging from 6.25% to 14.00% (2015: 6.25% to 14.00%) per annum. The term deposits amounting to Rs 36.88 Million (2015: Rs 34.92 Million) are lien marked against advances to borrowers.

8.3 This represents saving deposits carrying interest rates ranging from 5.00% to 9.00% per annum (2015: 5.00% to 10.25%). The saving deposits amounting to Rs 347.91 million (2015: Rs 287.39 million) are lien marked against advances to borrowers.

9. BORROWINGS	Note	31-Mar-16	31-Dec-15
Borrowings from banks/financial institutions outside Pakistan			
Unsecured	9.1	2,845,397,392	2,845,397,392
Borrowings from banks/financial institutions in Pakistan			
Secured	9.2	2,662,500,000	3,045,000,000
		5,507,897,392	5,890,397,392
9.1 Borrowings from Financial Institutions outside Pakistan			
Asiar Development Bank	9.1.1	1,818,647,392	1,818,647,392
ECO Trade & Development Bank (TF-I)	9.1.2	507,250,000	507,250,000
ECO Trade & Development Bank (TF-II)	9.1.3	519,500,000	519,500,000
		2,845,397,392	2,845,397,392

9.1.1 This represents loan received under the Subsidiary Loan and Grant Agreement entered between the Bank and the Government of Pakistan (GOP). The loan #1806 has been extended as part of Microfinance Sector Development Project between Asiar Development Bank & Islamic Republic of Pakistan.

The Bank is liable to repay the principal amount of the loan to GOP, over a period of 20 years including a grace period of 8 years. Repayment of loan commenced from May 1, 2009, through bi-annual equal installments. The principal repayable is the aggregate equivalent of the amounts drawn by the Bank from the loan account for sub-loan expressed in PKR, determined as of the respective dates of the withdrawal, while the GOP shall bear the foreign exchange risk.

The interest is being paid on bi-annual basis charged at the rate equal to weighted average cost of deposits during the preceding six months in the banking industry as calculated by SBP. The interest rate used for bi-annual payments during the quarter was determined to be 5.11% and 6.27% (2015: 5.11% and 6.27%) per annum.

9.1.2 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 on maturity after 2 years and interest is payable semi annually.

The Bank has entered into Cross Currency SWAP agreement with United Bank Limited for the borrowing. Under such arrangement US\$5 million were translated at the exchange rate of Rs. 102.45 and the repayment will be on maturity. The interest is payable at the rate of six months KIBOR plus spread of 1% and payable semi annually commencing from date of disbursement.

9.1.3 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 2.0% per 360 days. The repayment of borrowing will be in 5 equal semi annual installments starting on 24th 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. 103.90 and the repayment will be in 5 equal semi annual installments starting on 24th month after the disbursement. The interest is payable at the fixed rate 10.47% actual/365 on unadjusted basis commencing from date of disbursement.

9.2 Borrowings from Financial Institutions in Pakistan	Note	31-Mar-16	31-Dec-15
Pak Oran Investment Company Limited (TF-I)	9.2.1	162,500,000	325,000,000
Pak Oran Investment Company Limited (TF-II)	9.2.2	500,000,000	500,000,000
United Bank Limited (TF-I)	9.2.3	300,000,000	400,000,000
Askari Bank Limited (TF-I)	9.2.4	320,000,000	360,000,000
Sonari Bank Limited (TF-IV)	9.2.5	300,000,000	300,000,000
Synco-ered Term Finance (JS Bank Ltd, Askari Bank Ltd and PAIR)	9.2.6	100,000,000	100,000,000
Pakistan Poverty Alleviation Fund (TF-II)	9.2.7	980,000,000	1,060,000,000
JS Bank Limited (RF)	9.2.8	-	-
United Bank Limited (RF)	9.2.9	-	-
		2,662,500,000	3,045,000,000

9.2.1 This represents interbank money market borrowings for 2 years with grace period of 6 months from draw down date carrying interest rate ranging 8.79% to 11.94% (2015: 8.79% to 11.94%) per annum and repayable in 8 equal installments. These borrowings are secured against charge over current and future assets of Rs.650 million.

9.2.2 This represents interbank money market borrowings for 5 years with grace period of 12 months from draw down date carrying interest rate ranging 8.26% to 9.64% (2015: 8.26% to 9.64%) per annum and repayable in 8 semi annual equal installments. These borrowings are secured against charge over current and future assets of Rs.667 million.

9.2.3 This represents interbank money market borrowings for 3 years with the grace period of 6 months from draw down date carrying interest rate ranging 8.12% to 11.69% (2015: 8.12% to 11.69%) per annum and repayable in 5 equal installments. These borrowings are secured against 40% partial Microfinance Credit Guarantee Facility (MCGF) by SBP and charge over current and future micro-loans of Rs.400 million.

Notes to the Accounts for the quarter ended March 31, 2016

- 9.2.4 This represents interbank money market borrowings for 3 years with the grace period of 6 months from draw down date carrying interest rate ranging 6.10% to 10.03% (2015: 6.10% to 10.03%) per annum and repayable in 10 equal quarterly instalments. These borrowings are secured against 40% partial Microfinance Credit Guarantee Facility (MCGF) by SBP and charge over current and future micro loans of Rs.320 million.
- 9.2.5 This represents term finance facility of Rs.300 million carrying interest rate ranging 9.03% to 9.53% (2015: 9.03% to 9.53%) for a period of 3 years with grace period of 1 year from the draw down date. These borrowings are secured against 40% partial Microfinance Credit Guarantee Facility and charge over present and future assets of the Bank worth Rs.300 million.
- 9.2.6 This represents syndicated term finance facility of Rs.1.5 billion carrying interest rate 7.81% (2015: 7.81%) for a period of 4 year from the draw down date inclusive of grace period of 6 months. These borrowings are secured against charge over present and future assets of the Bank worth Rs.2 billion and 40% partial Microfinance Credit Guarantee Facility.
- 9.2.7 This represents interbank money market borrowings carrying interest rate ranging 6.05% to 11.11% (2015: 6.05% to 11.11%) per annum. The PPAF extended Rs.3,500 million financing facility, hypothecated against receivable created out of financing. The Bank is liable to repay the principal amount to PPAF in 5 equal quarterly instalments after the expiry of one year as grace period. Further, PPAF extended the facility till Jun 30, 2016.
- 9.2.8 This represents running finance facility of Rs.300 million carrying interest rate ranging 8.35% to 11.32% (2015: 8.35% to 11.32%) for a period of 1 year from the draw down date. These borrowings are secured against charge over present and future assets of the Bank worth Rs.400 million.
- 9.2.9 This represents running finance facility of Rs.75 million carrying interest rate ranging 7.35% to 7.76% (2015: 7.35% to 7.76%) for a period of 1 year from the draw down date. These borrowings are secured against charge over present and future assets of the Bank worth Rs.100 million.

10. OTHER LIABILITIES	Note	31-Mar-16	31-Dec-15
Markup/ Interest payable on borrowing		142,401,936	117,970,587
Markup/return payable on deposits		346,581,109	288,780,712
Bills Payable		42,047,065	42,080,689
Accrued expenses		129,627,147	228,679,859
Payable to defined benefit plan - Gratuity/EOBI		9,586,294	80,568,150
Contribution payable to funds		206,907,572	164,882,892
Payable to suppliers and service providers		81,657,409	121,789,197
Provision for workers welfare fund		67,831,202	61,330,561
Sundry deposits		14,599,364	14,967,501
Corporate Tax Payable		149,200,346	135,039,618
Other Payables		23,540,232	21,691,581
		<u>1,215,675,876</u>	<u>1,270,731,541</u>
11. CAPITAL AND GENERAL RESERVES		31-Mar-16	31-Dec-15
Statutory Reserve		630,694,158	586,619,579
Capital Reserve		24,285,224	24,255,224
Net Surplus/(Deficit) on revaluation of available for sale securities		3,136,660	218,840
		<u>658,116,042</u>	<u>611,093,643</u>
12. DEFERRED GRANTS			
Grant from GoP	12.1	251,589,232	251,589,232
Less: Grant amortized			
Up to December 31, 2015		(251,529,789)	(251,523,789)
Up to March 31, 2016		17,451	-
		<u>(251,541,240)</u>	<u>(251,523,789)</u>
		47,992	65,443
Grant from USAID	12.2	98,374,901	98,374,901
Less: Grant amortized			
Up to December 31, 2015		(98,188,242)	(98,188,242)
Up to March 31, 2016		18,595	-
		<u>(98,222,837)</u>	<u>(98,188,242)</u>
		152,064	166,659
Grant from Endusa (Shore Bank International)	12.3	43,681,321	43,681,321
Less: Grant amortized			
Up to December 31, 2015		(26,845,917)	(26,845,917)
Up to March 31, 2016		-	-
		<u>(26,845,917)</u>	<u>(26,845,917)</u>
		16,835,404	16,835,404
		<u>17,085,460</u>	<u>17,087,506</u>
12.1 This represents grant from GoP for assets acquired for institutional strengthening of the Bank, under subsidiary loan and grant agreement entered with GoP and ADB			
12.2 This represents grant from USAID for assets acquired for Bank's operations to develop non bankable territories for financial services in Sindh, Balochistan and FATA areas from Sep-2003 to Sep-2009.			
12.3 This represents grant for interim retail banking application Bank Essential awarded by Endusa (Formerly Shore Bank International Limited) to improve the capacity of the Bank for delivering saving products more effectively, profitably and at the enhanced scale. Further, as an addendum to sub grant agreement, the period of grant is extended till May 31, 2016 for implementation of nationwide marketing campaign to promote awareness of alternative delivery channels and build customer uptake of the Bank's branchless banking services.			

Notes to the Accounts for the quarter ended March 31, 2016

	Note	31-Mar-16	31-Mar-15
13. MARKUP/INTEREST ON ADVANCES			
Markup/Interest on Advances - General Loans		1,238,655,855	928,353,843
Markup/Interest on Advances - MSME Loans		26,956,150	2,011,869
Markup/Interest on Advances - Staff Home Loans		1,431,470	-
Markup/Interest on Advances - Staff General Purpose Loans		342,920	334,592
		<u>1,267,386,395</u>	<u>930,700,304</u>
14. MICRO CREDIT PROCESSING FEES			
Micro Credit Processing Fee - General Loans		193,939,413	102,405,692
Micro Credit Processing Fee - MSME Loans		1,748,920	263,500
		<u>195,688,333</u>	<u>102,669,192</u>
15. RETAIL BANKING SERVICES FEES			
Banking Services Fee		\$ 179,840	12,275,246
Remittance Services Fee		615,048	433,287
Bancassurance Services Fee		2,257,800	1,428,750
ATM Services Fee		818,300	75,200
		<u>11,870,888</u>	<u>14,212,483</u>
16. NET PROVISION AGAINST ADVANCES/OTHER ASSETS			
Provision against advances			
Specific Provision	5.5	118,596,696	34,411,582
General Provision	5.5	7,685,782	8,695,269
		126,282,478	43,106,851
Bad Debts Written off Directly		1,064,199	256,740
Bad Debts Recovered		(15,124,341)	(8,684,523)
Net Provision against advances		112,172,336	34,699,068
Provision against Other Assets			
Provision against other assets	7	142,500	6,116,342
Recovery against other assets		(783,932)	(1,709,712)
		<u>(601,432)</u>	<u>4,406,630</u>
		<u>111,570,904</u>	<u>39,105,698</u>
17. TAXATION			
The bank has provided for corporate tax at the rate of 32% (2015: 32%) for the quarter/year with minimum tax being limited to 1% of non-exempt turnover.			
18. SHARE CAPITAL	Note	31-Mar-16	31-Dec-15
18.1 Authorized Capital	18.1.1	6,000,000,000	6,000,000,000
18.1.1 The Bank's authorized share capital is 600 million ordinary shares of Rs.10/- each.			
18.2 Issued, Subscribed and Paid up Capital	18.2.1	1,705,000,000	1,705,000,000
18.2.1 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		506,285,280	506,285,280
Rural Impulse Fund II S.A. SICAV-FIS		417,056,630	417,056,630
Responsibility Global Microfinance Fund (Credit Suisse Fund Management Company)		339,294,990	339,294,990
ShareCap II Limited		243,568,080	243,568,080
ASN-NOVIB Microcreditfond (Triple Jump)		168,795,020	168,795,020
Bank Al Habib Limited		30,000,000	30,000,000
		<u>1,705,000,000</u>	<u>1,705,000,000</u>
19. GENERAL INFORMATION		31-Mar-16	31-Dec-15
19.1 Number of Employees		Number	Number
Credit Sales Staff			
Permanent		1,231	1,221
Banking/Support Staff			
Permanent		1,083	1,045
Contractual		503	803
		<u>1,586</u>	<u>1,848</u>
Total number of employees at the end of the quarter/year		<u>2,817</u>	<u>3,069</u>
19.1.1 Credit Sales Staff - MSME		106	77
19.1.2 Female Staff		263	264
19.1.3 Managers		77	78
19.2 Number of Branches/Permanent Booths			
Total branches/Permanent Booth at the beginning of the quarter/year		129	118
Opened during the quarter/year		-	11
Closed/merged during the quarter/year		-	-
Total branches/Permanent Booth at the end of quarter/year		<u>129</u>	<u>129</u>