

**Balance Sheet as at March 31, 2017**

	Nota	31-Mar-2017	31-Dec-2016
<b>ASSETS</b>			
Balances with State Bank of Pakistan	1	739,192	853,359
Cash in hand and balances with banks	2	3,032,760	1,834,994
Lending to financial institutions	3	406,773	1,544,066
Investments - net of provisions	4	1,770,709	2,967,965
Advances - net of provisions	5	25,952,878	22,939,532
Operating fixed assets	6	733,950	719,730
Other assets	7	3,437,702	2,775,893
Deferred tax assets		143,638	137,941
<b>Total Assets</b>		<b>36,217,602</b>	<b>33,773,480</b>
<b>LIABILITIES</b>			
Deposits and other accounts	8	22,618,583	21,179,404
Borrowings	9	6,777,632	6,199,882
Other liabilities	10	1,537,844	1,457,098
<b>Total Liabilities</b>		<b>30,934,059</b>	<b>28,836,384</b>
<b>NET ASSETS</b>		<b>5,283,543</b>	<b>4,937,096</b>
<b>REPRESENTED BY :</b>			
<b>CAPITAL</b>			
Paid up capital	17	1,705,000	1,705,000
Capital and general reserves	11	951,982	865,280
Unappropriated profit		2,626,561	2,366,816
<b>Total Capital</b>		<b>5,283,543</b>	<b>4,937,096</b>

Profit & Loss Account for the quarter ended March 31, 2017

	Note	YTD	
		31-Mar-17	31-Dec-16
Mark up / Interest on advances	12	1,734,642	1,848,498
Micro Credit Processing Fee	13	231,882	340,978
Retail Banking Services Fee	14	23,911	26,887
		1,990,435	1,916,363
Return on investments/bank accounts		72,081	110,728
		2,062,516	2,027,091
Interest on borrowings		117,018	102,431
Interest on deposits		369,428	572,048
		486,446	674,479
		1,576,070	1,352,612
<b>OPERATING EXPENSES</b>			
Salaries, wages & other benefits		480,820	424,918
Provision on Asset and Liability Sales		29,881	34,554
Recruitment & Development		7,884	1,914
Management consultancy		6,809	2,904
IT Operations		33,352	28,144
Training		14,491	12,828
Rent, rates & taxes		64,452	60,820
Meeting & Conferences		4,792	4,589
Utilities		10,804	17,432
Communication & Verification		17,699	19,482
Traveling & conveyance		4,729	3,220
Insurance		28,093	23,398
Repair & maintenance		10,725	9,398
Security services		13,733	14,100
Vehicle running & maintenance		36,256	29,937
Legal & Professional		3,999	5,891
Printing, stationery & office supplies		24,864	22,940
Subscription		1,387	381
Advertisement & business promotion		80,344	22,295
Financial charges		12,701	24,580
ATM Operations		449	2,796
Depreciation and amortization		34,288	49,153
Other Expenses		1,912	1,381
Workers Welfare Fund		2,156	(64,806)
		828,472	732,495
Reimbursement of Social Mobilization Cost		29,862	45,668
		858,334	778,163
Net Provision against advances/other assets	15	180,460	173,158
Total operating expenses		1,038,794	951,321
<b>OPERATING PROFIT BEFORE TAXES</b>		537,276	475,291
<b>OTHER INCOME</b>			
Amortization of deferred grant		-	18,431
Gain/(Loss) on Disposal of Fixed Assets		1,334	2,431
Misc Income		78	146
Gain/(Loss) on Foreign Currency Transactions		11	180
		1,423	21,188
<b>PROFIT BEFORE TAXATION</b>		538,699	496,479
Taxation - Current	16	82,782	178,812
- Prior Year		-	-
- Deferred		(8,746)	(2,078)
		74,036	176,734
<b>PROFIT AFTER TAXATION</b>		464,663	319,745
Un-appropriated profit b/f		2,344,816	2,061,078
Profit available for appropriation		2,799,479	2,380,823
<b>APPROPRIATIONS</b>			
Transfer to			
Statutory Reserves		84,882	30,918
Microfinance Sector Development Fund		43,381	80,858
Risk Mitigation Fund		21,645	25,478
Depositors' Protection Fund		21,645	25,478
		171,553	162,732
<b>UNAPPROPRIATED PROFIT b/f</b>		2,627,926	2,218,091

Notes to the Accounts for the quarter ended March 31, 2017

	Note	31-Mar-2017		31-Dec-2016			
<b>1. BALANCES WITH SBP</b>							
Balances with SBP	1.1	739,892		683,399			
		<u>739,892</u>		<u>683,399</u>			
1.1	This represents balance held with State Bank of Pakistan to meet the requirement of maintaining minimum balance equivalent to 5% (2016: 5%) of the Bank's time and demand liabilities in accordance with the Regulation R - 5A.						
<b>2. CASH IN HAND AND BALANCES WITH BANKS</b>		31-Mar-2017		31-Dec-2016			
Cash in hand		316,181		445,291			
Current Account		723,868		684,295			
Saving Account	2.1	2,492,711		793,626			
		<u>3,092,760</u>		<u>1,804,954</u>			
2.1	This represents balances held in corporate accounts of which Rs. 75.2 million (2016: Rs. 52.4 million) is held for the purpose of cash management such as meeting Bank's operations and lending to borrowers. Also included is a balance of approximately Rs. 2,417.5 million (2016: Rs. 702.4 million) held with Banks as institutional savings. Corporate accounts carry interest rates ranging from 3.75% to 7.75% (2016: 3.75% to 7.75%) per annum.						
<b>3. LENDING TO FINANCIAL INSTITUTIONS</b>		31-Mar-2017		31-Dec-2016			
Reverse Repo Lending	3.1	406,773		1,844,066			
		<u>406,773</u>		<u>1,844,066</u>			
3.1	This represents reverse repo lending at the rate ranging from 5.85% to 5.95% per annum (2016: 5.75% to 5.90% per annum) maturing on April 3, 2017 (2016: January 6, 2017).						
3.2	Securities held as collateral against lending to financial institutions - Reverse Repo						
		Held by Bank	Further given as collateral	Total	Held by Bank	Further given as collateral	Total
Market Treasury Bill/PIB's		410,000	-	410,000	1,850,000	-	1,850,000
		<u>410,000</u>	<u>-</u>	<u>410,000</u>	<u>1,850,000</u>	<u>-</u>	<u>1,850,000</u>
<b>4. INVESTMENTS - NET OF PROVISIONS</b>		31-Mar-2017		31-Dec-2016			
Available for sale securities							
Market Treasury Bills	4.1	1,470,740		1,468,166			
Held to maturity securities							
Term Deposit Receipt	4.2	300,000		1,300,000			
		<u>1,770,740</u>		<u>2,968,166</u>			
Surplus/(Deficit) on revaluation on T-Bills	4.3	(11)		(209)			
		<u>1,770,709</u>		<u>2,967,968</u>			
4.1	This represents T-Bills purchased for the period ranging from 64 days to 182 days (2016: 64 days to 182 days) having yield interest ranging from 3.90% to 3.93% (2016: 3.90% to 3.97%) per annum.						
4.2	This represents term deposit receipt (TDRs) carrying interest at the rate of 9.25% (2016: 8.25% to 11.50%) per annum. The TDR is due to mature on September 18, 2017 (2016: March 08, 2017)						
4.3	In compliance with the requirements of the Regulations (R-10), 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.						
<b>5. ADVANCES - NET OF PROVISIONS</b>	Note	31-Mar-2017		31-Dec-2016			
		No. of loans outstanding	Amount outstanding	No. of loans outstanding	Amount outstanding		
<b>Gross advances:</b>							
General Loans							
Secured	5.1	44,876	8,572,814	44,748	3,494,339		
Unsecured	5.2	552,249	21,290,439	503,981	16,888,991		
Micro Enterprise Loans							
Secured	5.3	4,098	988,586	2,847	708,416		
Unsecured	5.5	3,889	180,629	3,411	391,987		
Micro Housing Loans							
Unsecured	5.6	7,827	1,377,041	6,088	1,700,409		
		<u>604,777</u>	<u>28,728,841</u>	<u>886,747</u>	<u>33,333,633</u>		
<b>Less: provisions held</b>							
Specific provision		8,194	104,888	7,193	147,244		
General provision		573,052	260,808	624,028	772,206		
		<u>581,246</u>	<u>365,696</u>	<u>631,221</u>	<u>919,450</u>		
<b>Microcredit Advances - Net of Provisions</b>			23,761,189		22,744,183		
Staff Loans - General Purpose	5.4	256	16,474	261	19,201		
Staff Loans - Housing Finance	5.5	88	78,256	34	19,518		
		<u>605,068</u>	<u>23,962,878</u>	<u>597,062</u>	<u>22,989,832</u>		
5.1	This includes microcredit loans amounting to Rs. 940.06 million (2016: Rs. 840.1 million) which are partially (50%) secured against own deposit lien marking with the Bank.						
5.2	This includes 14,749 (2016: 12,887) micro finance clients having aggregate outstanding amount of Rs. 29,295.8 million (2016: Rs. 28,212 million) which are 100% backed by Guarantees under the State Bank of Pakistan's scheme for small and marginalised farmers. The Guarantees is effective from April 01, 2016.						

Notes to the Accounts for the quarter ended March 31, 2017

5.2 This includes 5,391 (2016: 5,394) micro enterprise clients having aggregate outstanding amount of Rs. 1,504.13 million (2016: Rs. 1,049.17 million) which are 100% 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.

5.4 This represents short to medium term general purpose loans to employees of the Bank carrying interest at the rate of 10% (2016: 10%) per annum. These loans are secured against employees' accrued terminal benefits.

5.3 This represents long term housing loans to eligible employees of the Bank for the period ranging from 3 to 20 years carrying interest at the rate of funds plus 50bps (2016: average cost of funds plus 50bps) per annum. These loans are secured against equitable mortgage over unencumbered property.

5.5 Particulars of non-performing advances

Non performing advances include principal amount of Rs. 508.73 million and interest/markup amount of Rs.84.44 million (2016: principal amount of Rs. 347.57 million and interest/markup amount of Rs.74.78 million) which are detailed below, have been placed under non performing status.

Category of classification	31-Mar-2017			31-Dec-2016		
	Amount out standing	Provision required	Provision held	Amount out standing	Provision required	Provision held
QAEM	137,923	-	-	16,334	-	-
Sub-standard	92,180	17,740	17,740	62,463	12,278	12,278
Doubtful	28,403	69,237	69,237	181,790	50,789	30,789
Loss	23,483	17,688	17,688	11,684	84,380	84,380
	<u>433,989</u>	<u>104,645</u>	<u>104,645</u>	<u>472,131</u>	<u>147,344</u>	<u>147,344</u>

5.7 Particulars of the provisions against non-performing advances:

	31-Mar-2017			31-Dec-2016		
	Specific	General	Total	Specific	General	Total
Balance at the beginning of the year	147,248	323,206	369,481	72,959	147,413	220,882
Change for the quarter/year	113,421	38,602	154,023	598,725	74,798	678,314
Amount written off	186,001	-	186,001	324,419	-	324,419
Balance at end of the quarter/year	<u>104,658</u>	<u>269,808</u>	<u>369,473</u>	<u>147,248</u>	<u>222,206</u>	<u>369,451</u>

5.8 Particulars of write off:

	31-Mar-17	31-Dec-16
Against provision		
Related to rescheduled balances	-	-
Related to other classified advances	158,001	324,419
	<u>158,001</u>	<u>324,419</u>
Directly charge to profit and loss account	4,345	11,289
	<u>162,346</u>	<u>336,708</u>

3.9 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 overdue. For each of such class of loans, 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	31-Mar-17		31-Dec-16	
	Portfolio at Risk	Amount	Portfolio at Risk	Amount
Current	0.00%	25,354,171	0.00%	23,583,023
1 - 29 days late	0.78%	209,738	0.89%	191,235
30 - 59 days late	0.46%	121,890	0.43%	100,436
60 - 89 days late	0.31%	79,905	0.23%	88,828
90 - 179 days late	0.97%	148,648	0.47%	108,411
More than 179 days late	0.07%	81,788	0.37%	88,004
	<u>2.69%</u>	<u>26,024,641</u>	<u>2.89%</u>	<u>23,993,682</u>

6. OPERATING FIXED ASSETS

Note	31-Mar-17	31-Dec-16
Capital work-in-progress	6.1	90,834
Property and equipment	6.2	608,085
Intangible assets	6.3	40,291
	<u>739,210</u>	<u>739,210</u>

6.1 Capital Work-in-progress

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

	31-Mar-17	31-Dec-16
Opening Balance	68,051	64,403
Advances billed during the quarter/year	46,890	239,208
Assets transferred during the quarter/year	87,857	229,560
Closing Balance	<u>192,838</u>	<u>66,061</u>

Note to the Accounts for the quarter ended March 31, 2017

6.2 Property and Equipment & Intangible Assets

	Leasehold Improvements	Vehicles	Yankee & Indus	Electrical and Civil Equipment	General Equipment	Total	Carrying Value
<b>Cost</b>							
Balance as on January 1, 2017	92,641	190,759	312,108	421,516	310,524	1,327,548	161,763
Addition	12,491	-	1,501	3,058	2,741	19,791	23,079
Disposal	-	-	3,455	504	II	3,970	-
Balance as on March 31, 2017	105,132	190,759	310,154	424,070	313,254	1,343,369	166,844
<b>Depreciation</b>							
Balance as on January 1, 2017	7,448	118,938	106,162	224,802	299,028	696,378	138,261
Depreciation/Amortization Charge	5,065	8,130	7,239	16,326	9,276	46,086	6,252
Disposal	-	-	1,610	504	II	2,125	-
Balance as on March 31, 2017	12,513	127,068	111,791	240,624	248,298	740,284	146,518
<b>Carrying Value</b>							
As on March 31, 2017	92,619	63,696	198,363	183,446	64,961	603,085	40,331
As on December 31, 2016	83,193	71,826	205,944	196,714	71,496	633,173	33,504
Rate of Depreciation per annum	20.00%	25.00%	10.00%	20.00%	20% - 33.33%		38.53%

7. OTHER ASSETS

	Note	31-Mar-17	31-Dec-16
Markup/Interest accrued on advances		2,226,311	1,714,099
Less: Suspended Markup/Interest on non performing advances		64,451	74,760
		2,161,860	1,639,339
Interest receivable on Investments/placements		22,850	59,843
Loans & advances to staff		101,329	99,102
Advances to Suppliers and Service Providers		4,794	2,587
Security deposit		8,023	8,023
Prepayments		161,774	120,038
Receivable from MSDF	7.1	345,418	267,139
Insurance Claim Receivable		7,324	7,324
Sales Tax/Federal Excise Duty		169,740	155,412
Other receivables		461,690	445,717
		3,460,924	2,798,723
Less: Provision held against classified assets		23,832	23,035
Opening Provision		290	8,236
Provision Charge for the quarter/year		-	10,439
Receivable written off against provision		23,222	22,832
Closing Provision		3,437,702	2,775,893

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.

8. DEPOSITS

	Note	31-Mar-17		31-Dec-16	
		Number of accounts	Rupees	Number of accounts	Rupees
<b>Time Liabilities:</b>					
Term Deposits	8.2	14,621	12,667,945	11,049	10,013,213
<b>Demand Liabilities:</b>					
Saving Deposits	8.3	41,419	6,989,726	40,056	7,086,186
Current Deposits		1,366,969	2,960,912	1,317,902	4,078,055
		1,408,406	9,950,638	1,357,998	11,164,191
		1,423,029	22,618,583	1,369,007	21,179,404
<b>8.1 Particular of Deposits by ownership</b>					
Individual Depositors		1,420,601	14,024,662	1,566,644	12,877,783
Institutional Depositors					
a) Corporations/Firms		2,984	6,990,676	2,328	6,903,670
a) Banks/Financial Institutions		44	1,603,245	85	1,397,951
		1,423,029	22,618,583	1,369,007	21,179,404

8.2 This represents term deposits having tenure of 3 to 36 months (2016: 3 to 36 months) carrying interest at rates ranging from 5.25% to 14.00% (2016: 5.25% to 14.00%) per annum. The term deposits amounting to Rs 68.17 Million (2016: Rs 59.16 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 (2016: 5.00% to 9%). The saving deposits amounting to Rs 357.85 million (2016: Rs 490.94 million) are lien marked against advances to borrowers.

Notes to the Accounts for the quarter ended March 31, 2017

9.	BORROWINGS	Note	31-Mar-17	31-Dec-16
	Borrowings from banks/financial institutions outside Pakistan			
	Unsecured	9.1	1,974,418	2,481,668
	Borrowings from banks/financial institutions in Pakistan			
	Secured	9.2	4,803,214	3,718,214
			<u>6,777,632</u>	<u>6,199,882</u>
9.1	Borrowings from Financial Institutions outside Pakistan			
	Asian Development Bank	9.1.1	1,454,918	1,454,918
	ECO Trade & Development Bank (TF-I)	9.1.2	-	507,250
	ECO Trade & Development Bank (TF-II)	9.1.3	519,500	519,500
			<u>1,974,418</u>	<u>2,481,668</u>
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 #1826 has been extended as part of Microfinance Sector Development Project between Asian 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 period was determined to be 4.1% (2016: 4.1% and 4.52%) 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 2.9% 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. 101.45 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 2.9% 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.			
		Note	31-Mar-17	31-Dec-16
9.2	Borrowings from Financial Institutions in Pakistan			
	Pak Oman Investment Company Limited (TF-II)	9.2.1	437,500	437,500
	Pak Oman Investment Company Limited (TF-III)	9.2.2	500,000	500,000
	Pak Oman Investment Company Limited (TF-IV)	9.2.3	500,000	-
	United Bank Limited (TF-I)	9.2.4	100,000	200,000
	Ascent Bank Limited (TF-I)	9.2.5	160,000	200,000
	Soneri Bank Limited (TF-IV)	9.2.6	225,000	500,000
	Syndicated Term Finance (JS Bank Ltd, Ahsan Bank Ltd and PAIR)	9.2.7	1,285,714	1,285,714
	Pakistan Poverty Alleviation Fund (TF-II)	9.2.8	320,000	320,000
	The Bank of Punjab (TF-I)	9.2.9	225,000	-
	JS Bank Limited (RF)	9.2.10	473,000	-
	United Bank Limited (RF)	9.2.11	175,000	175,000
	NIB Bank Limited (RF)	9.2.12	400,000	300,000
			<u>4,803,214</u>	<u>3,718,214</u>
9.2.1	This represents interbank money market borrowing for 3 years with grace period of 12 months from draw down date carrying interest rate of 7.70% (2016: 7.70% to 8.01%) per annum and repayable in 8 semi annual equal installments. 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 7.63% to 7.76% (2016: 7.63% to 7.70%) per annum and repayable in 8 semi annual equal installments. This borrowing is secured against charge over current and future assets of Rs.667 million.			
9.2.3	This represents interbank money market borrowing for 5 years with grace period of 12 months from draw down date carrying interest rate of 7.78% (2016: Nil) per annum and repayable in 8 semi annual equal installments. This borrowing is secured against charge over current and future assets of Rs.667 million.			
9.2.4	This represents interbank money market borrowing for 3 years with the grace period of 6 months from draw down date carrying interest rate ranging 7.56% to 7.65% (2016: 7.56% to 8.12%) per annum and repayable in 5 equal installments. This borrowing is secured against 40% partial Microfinance Credit Guarantee Facility (MCGF) by SBP and charge over current and future micro loans of Rs.400 million.			
9.2.5	This represents interbank money market borrowing for 3 years with the grace period of 6 months from draw down date carrying interest rate of 7.62% (2016: 7.54% to 7.55%) per annum and repayable in 10 equal quarterly installments. This borrowing is secured against 40% partial Microfinance Credit Guarantee Facility (MCGF) by SBP and charge over current and future micro loans of Rs.320 million.			

Notes to the Accounts for the quarter ended March 31, 2017

- 9.2.6 This represents term finance facility of Rs.900 million carrying interest rate of 7.65% (2016: 7.56% to 8.53%) for a period of 3 years with grace period of 1 year from the draw down date. This borrowing is secured against 40% partial Microfinance Credit Guarantee Facility and charge over present and future assets of the Bank worth Rs.900 million.
- 9.2.7 This represents syndicated term finance facility of Rs.1.5 billion carrying interest rate of 7.45% (2016: 7.36% to 7.45%) for a period of 4 year from the draw down date inclusive of grace period of 6 months. This borrowing is secured against charge over present and future assets of the Bank worth Rs.2 billion and 40% partial Microfinance Credit Guarantee Facility.
- 9.2.8 This represents interbank money market borrowing carrying interest rate of 9% (2016: 5.11% to 9%) per annum. The PPAP extended Rs.1,500 million financing facility, hypothecated against receivable created out of financing. The Bank is liable to repay the principal amount to PPAP in 5 equal quarterly instalments after the expiry of one year as grace period.
- 9.2.9 This represents interbank money market borrowing carrying interest rate of 7.69% (2016: NIL) per annum for a period of 3 years from the draw down date inclusive of grace period of 1 year. This borrowing is secured against charge over present and future assets of the Bank worth Rs.900 million.
- 9.2.10 This represents running finance facility of Rs.300 million carrying interest rate of 7.87% (2016: 7.79% to 8.24%) for a period of 1 year from the draw down date. This borrowing is secured against charge over present and future assets of the Bank worth Rs.667 million.
- 9.2.11 This represents running finance facility of Rs.173 million carrying interest rate of 6.85% (2016: 6.85% to 7.35%) for a period of 1 year from the draw down date. This borrowing is secured against charge over present and future assets of the Bank worth Rs.234 million.
- 9.2.12 This represents running finance facility of Rs.400 million carrying interest rate of 7.62% (2016: 7.35% to 7.54%) for a period of 1 year from the draw down date. This borrowing is secured against charge over present and future assets of the Bank worth Rs.334 million.

10. OTHER LIABILITIES	Note	31-Mar-17	31-Dec-16
Markup/Interest payable on borrowing		111,720	100,741
Markup/return payable on deposits		360,665	305,210
Bills Payable		72,035	78,394
Accrued expenses		248,652	240,517
Payable to defined benefit plan - Gratuity/EOB		23,116	16,292
Contribution payable to funds		341,129	284,547
Payable to suppliers and service providers		153,178	233,041
Provision for workers welfare fund		20,147	17,991
Sundry deposits		12,753	12,841
Corporate Tax Payable		189,626	161,422
Other Payables		15,608	93,989
		<u>1,537,844</u>	<u>1,457,098</u>
11. CAPITAL AND GENERAL RESERVES			
Statutory Reserve		927,749	841,155
Capital Reserve		24,255	24,255
Net Surplus/(Deficit) on revaluation of available for sale securities		(22)	(41)
		<u>951,982</u>	<u>865,269</u>
12. MARKUP/INTEREST ON ADVANCES		Q 1-2017	Q 4-2016
Markup/Interest on Advances - General Loans		1,644,000	1,475,025
Markup/Interest on Advances - MSME Loans		86,228	65,281
Markup/Interest on Advances - Staff Home Loans		3,363	2,774
Markup/Interest on Advances - Staff General Purpose Loans		431	419
		<u>1,734,642</u>	<u>1,548,499</u>
13. MICRO CREDIT PROCESSING FEES			
Micro Credit Processing Fee - General Loans		225,114	333,974
Micro Credit Processing Fee - MSME Loans		6,478	7,002
		<u>231,592</u>	<u>340,976</u>
14. RETAIL BANKING SERVICES FEES			
Banking Services Fee		18,443	20,651
Remittance Services Fee		341	366
Bancassurance Services Fee		5,399	2,325
ATM Services Fee		1,786	3,345
		<u>25,911</u>	<u>26,687</u>

15. NET PROVISION AGAINST ADVANCES/OTHER ASSETS	Note	Q 1-2017	Q 4-2016
Provision against advances			
Specific Provision	5.7	115,421	144,999
General Provision	5.7	38,602	52,519
		154,023	197,518
Bad Debts Written off Directly		4,345	3,564
Bad Debts Recovered		(28,108)	(33,450)
Net Provision against advances		130,260	167,592
Provision against Other Assets			
Provision against other assets	7	390	7,566
Recovery against other assets		-	-
		390	7,566
		130,650	175,158

16. TAXATION

The bank has provided for corporate tax at the rate of 30% (2016: 31%) for the year with minimum tax being limited to 1% of non exempt turnover.

17. SHARE CAPITAL	Note	31-Mar-17	31-Dec-16
17.1 Authorized Capital	17.1.1	6,000,000	6,000,000
17.1.1 The Bank's authorized share capital is 600 million ordinary shares of Rs.10/- each.			
17.2 Issued, Subscribed and Paid up Capital	17.2.1	1,705,000	1,705,000
17.2.1 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		506,288	506,288
Rural Impulse Fund II S.A. SICAV-FIS (Incefin Investment Management Comm. VA)		417,057	417,057
Responsibility Global Microfinance Fund (Credit Suisse Fund Management Company)		339,295	339,295
ShoreCap II Limited (Equator Capital Partners LLC)		243,568	243,568
ASN-NOVIB Microcreditfonds (Tripple Jump B.V)		168,795	168,795
Bank Al Habib Limited		30,000	30,000
		1,705,000	1,705,000

18. GENERAL INFORMATION

18.1 Number of Employees	31-Mar-17	31-Dec-16
Credit Sales Staff	Number	Number
Permanent	1,515	1,396
Banking/Support Staff		
Permanent	1,374	1,312
Contractual	570	558
	1,944	1,870
Total number of employees at the end of the period/year	3,459	3,266
18.1.1 Credit Sales Staff - MSME	243	204
18.1.2 Female Staff	334	296
18.1.3 Managers	96	80

18.2 Network Outreach	31-Mar-17		31-Dec-16	
	No. of SC	No. of Branches	No. of SC	No. of Branches
18.2.1 At the Beginning of the year	2	89	-	129
Opened during the quarter/year	16	3	2	10
Closed/merged during the quarter/year	-	-	-	-
At the end of the quarter/year	18	142	2	139
18.2.2 Total Outlets		160		141