

QTR3-2020

CONDENSED QUARTERLY ACCOUNTS (Un-audited)



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Balance Sheet as at September 30, 2020

	Note	Actual 30-Sep-2020	Actual 31-Dec-2019
ASSETS			
Balances with State Bank of Pakistan	1	1,488,118	1,822,011
Cash in hand and balances with banks	2	1,749,771	5,285,347
Lending to financial institutions	3	551,554	450,000
Investments - net of provisions	4	21,654,369	10,111,744
Advances - net of provisions	5	57,592,141	53,541,152
Operating fixed assets	6	3,654,374	3,612,304
Other assets	7	10,358,321	6,275,454
Deferred tax assets		369,460	395,116
Total Assets		97,418,108	81,493,128
LIABILITIES			
Deposits and other accounts	8	79,719,144	63,882,349
Borrowings	9	703,949	1,326,021
Subordinated debt	10	2,400,000	2,400,000
Other liabilities	11	4,646,976	4,486,108
Total Liabilities		87,470,069	72,094,478
NET ASSETS		9,948,039	9,398,650
REPRESENTED BY :			
CAPITAL			
Paid up capital	20	1,705,000	1,705,000
Capital and general reserves	12	1,845,038	1,808,531
Unappropriated profit		6,398,001	5,885,119
Total Capital		9,948,039	9,398,650

Profit and Loss Account for the quarter ended September 30, 2020

	Note	YTD - SEP - 20 Actual	YTD - SEP - 19 Actual
Mark up / Interest Income on advances	13	12,159,195	9,932,923
Mark up / Interest Income on investments/placements		1,362,021	1,278,060
Mark up / Interest earned		13,521,216	11,210,983
Mark up/Interest on borrowings/subordinated debt		356,107	308,005
Mark up/Interest on deposits		5,870,331	4,424,671
Mark up / Interest expensed		6,226,438	4,732,676
Net Mark up / Interest income		7,294,778	6,478,307
Micro Credit Processing Fees	14	818,120	1,032,440
Retail Banking Services Fees	15	81,782	93,835
Non Mark up/Interest Income		899,902	1,126,275
Gross Income Earned		8,194,680	7,604,582
OPERATING EXPENSES			
Salaries, wages & other benefits		2,433,336	2,115,951
Incentive on Asset and Liability Sales		99,472	102,403
Recruitment & Development		5,342	8,425
Management consultancy		249	1,301
IT Operations		232,417	213,818
Training		27,978	72,566
Operating Lease/Rent Expense	18	476,594	455,398
Meeting & Conferences		18,931	30,482
Utilities		160,180	151,359
Communication & Verification		74,171	69,208
Traveling & conveyance		12,783	19,616
Insurance	16	200,475	160,307
Repair & maintenance		54,351	56,111
Security services		54,577	65,886
Health Hygiene - COVID -19		12,311	-
Vehicle running & maintenance		232,265	238,908
Legal & Professional		13,933	12,016
Printing, stationery & office supplies		102,022	136,453
Subscription		5,039	4,120
Advertisement & business promotion		96,603	116,622
Financial charges		31,688	44,256
BB Channel Commission		1,833	10,078
ATM Operations		7,095	15,622
Depreciation and amortization		362,216	280,446
Other Expenses		6,258	13,371
Workers Welfare Fund		7,550	8,827
		4,729,669	4,403,550
Reimbursement of Social Mobilization Cost		49,796	87,404
		4,679,873	4,316,146
Net Provision against advances/other assets	17	2,541,760	1,365,306
Total operating expenses		7,221,633	5,681,452
OPERATING PROFIT/(LOSS)		973,047	1,923,130
OTHER INCOME			
Amortization of deferred grant		-	1,183
Gain/(Loss) on Disposal of Fixed Assets		(576)	14,066
Misc Income		601	1,301
Gain/(Loss) on Foreign Currency Transactions		-	-
		25	16,550
PROFIT/(LOSS) BEFORE TAXATION		973,072	1,939,680
Taxation - Current	19	267,791	603,689
- Prior Year	19	-	-
- Deferred		24,464	(137,105)
		292,255	466,584
PROFIT/(LOSS) AFTER TAXATION		680,817	1,473,096
Un-appropriated profit b/f		5,885,119	4,520,462
Profit available for appropriation		6,565,936	5,993,558
APPROPRIATIONS:			
Transfer to:			
Statutory Reserves		33,587	73,655
Microfinance Sector Development Fund		67,174	147,310
Risk Mitigation Fund		33,587	73,655
Depositors' Protection Fund		33,587	73,655
		167,935	368,275
UNAPPROPRIATED PROFIT c/f		6,398,001	5,625,283

Notes to the Accounts for the quarter ended September 30, 2020

1	BALANCES WITH SBP	Note	30-Sep-2020		31-Dec-2019	
			Rs. '000		Rs. '000	
	Balances with SBP	1.1	1,488,118	1,488,118	1,822,011	1,822,011
1.1	This represents balance held with State Bank of Pakistan to meet the requirement of maintaining minimum balance equivalent to 5% (2019: 5%) of the Bank's time and demand liabilities in accordance with the Regulation R - 3A.					
2	CASH IN HAND AND BALANCES WITH BANKS		30-Sep-2020		31-Dec-2019	
			Rs. '000		Rs. '000	
	Cash in hand		502,515		1,104,101	
	Current Account		706,998		726,446	
	Saving Account	2.1	540,258	1,749,771	3,454,800	5,285,347
2.1	This represents corporate accounts carry interest rates ranging from 4.50% to 5.85% (2019: 8.00% to 11.25%) per annum.					
3.	LENDING TO FINANCIAL INSTITUTIONS		30-Sep-2020		31-Dec-2019	
			Rs. '000		Rs. '000	
	Reverse Repo Lending	3.1	551,554		-	
	Call/Clean Lending	3.3	-	551,554	450,000	450,000
3.1	This represents reverse repo lending at the rate ranging from 7.00% to 7.15% per annum (2019: NIL) maturing on October 5, 2020 (2019: NIL).					
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 Bills/PIB's		585,000	-	585,000	-
			585,000	-	585,000	-
3.3	This represents call placement at the rate NIL per annum (2019: 13.00% per annum) maturing on NIL (2019: January 2, 2020.)					
4.	INVESTMENTS - NET OF PROVISIONS		30-Sep-2020		31-Dec-2019	
			Rs. '000		Rs. '000	
	Available for sale securities					
	Market Treasury Bills	4.1	12,418,989		5,412,542	
	Pakistan Investment Bonds	4.2	1,605,802		-	
	Held to maturity securities					
	Term Finance Certificates	4.3	150,000		150,000	
	Term Deposit Receipts/Placements	4.4	7,476,267		4,550,000	
			21,651,058		10,112,542	
	Surplus/(Deficit) on revaluation on T-Bills/PIB's	4.5	3,311		(798)	
			21,654,369		10,111,744	
4.1	This represents 3 months to 12 Months T-Bills purchased having yield at the rate ranging from 6.75% to 12.20% (2019: 13.40%) per annum. These T-Bills maturing on November 19, 2020.					
4.2	This represents 3 years PIB's having coupon rate of 8.27% per annum (2019: NIL) maturing on June 19, 2023.					
4.3	This represents 10,000 and 100 term finance certificates (TFC's) having face value of Rs.5,000/- and Rs.1,000,000/- each duly issued by Bank Al Habib Limited and Soneri Bank Limited respectively for perpetual tenor. These TFC's carrying profit @ 6 month KIBOR plus 1.50% and 2.00% respectively receivable on semi annual basis from the date of issue.					
4.4	This represents term deposit receipts and placements with commercial and microfinance banks carrying interest rate ranging from 7.50% to 16.50% (2019: 11.00% to 16.50%) per annum. These Placements/TDR's are due to mature on October 4, 2020 (2019: October 4, 2020)					
4.5	In compliance with the requirements of the Regulations (R-11C), available for sale investments have been valued on mark-to market basis and the resulting (deficit) / surplus is kept in a separate account and is charged through statement of comprehensive income.					
5.	ADVANCES - NET OF PROVISIONS	Note	30-Sep-2020		31-Dec-2019	
			No. of loans outstanding	Amount outstanding	No. of loans outstanding	Amount outstanding
	Gross advances :					
	General Loans					
	Secured	5.1	98,150	8,212,500	82,757	6,890,177
	Unsecured		720,012	39,109,189	746,079	39,965,365
			818,162	47,321,689	828,836	46,855,542
	Micro Enterprise Loans					
	Secured	5.2	33,995	8,348,586	22,133	5,162,367
	Unsecured	5.2	18,800	1,064,732	18,583	1,189,854
			52,795	9,413,318	40,716	6,352,221
	Micro Housing Loans					
	Unsecured		2,874	774,638	1,676	399,681
			873,831	57,509,645	871,228	53,607,444
	Less : provisions held					
	Specific provision		27,840	453,563	30,205	760,829
	General provision		812,037	723,321	827,634	495,841
				1,176,884		1,256,670
	Microcredit Advance - Net of Provisions			56,332,761		52,350,774
	Staff Loans - General Purpose	5.3	1,822	413,247	1,953	460,704
	Staff Loans - Housing Finance	5.4	182	846,133	153	729,674
	Staff Loans		2,004	1,259,380	2,106	1,190,378
	Advances - Net of Provisions		875,835	57,592,141	873,334	53,541,152
5.1	This includes microcredit loans amounting to Rs. 77.4 million (2019: Rs. 127.6 million) which are partially (50%) secured against own deposit lien marking with the Bank.					
5.2	This includes 45 (2019: 435) micro enterprise clients having aggregate outstanding amount of Rs. 4.56 million (2019: Rs. 28.09 million) which are 50% backed by Guarantee under the terms of Loan Portfolio Guarantee Agreement between USAID and the Bank on September 30, 2014. The Guarantee is effective from November 24, 2014					

- 5.3 This represents short to medium term general purpose loans to employees of the Bank carrying fixed interest at the rate of 5% per annum (2019: 5%) per annum. These loans are partially secured against employees' accrued terminal benefits.
- 5.4 This represents long term housing loans to eligible employees of the Bank for the period ranging from 5 to 20 years carrying fixed interest at the rate of 5% per annum (2019: 5%) per annum. These loans are secured against equitable mortgage over unencumbered property.

5.5 Particulars of non-performing advances

Non performing advances includes principal amount of Rs. 2,064.4 million and interest/markup amount of Rs. 357.8 million (2019: principal amount of Rs. 1,983.6 million and interest/markup amount of Rs. 559.9 million) which, as detailed below, have been placed under non performing status.

Category of classification	30-Sep-2020			31-Dec-2019		
	Amount out standing	Provision required	Provision held	Amount out standing	Provision required	Provision held
OAEM	983,998	-	-	845,324	-	-
Sub-standard	1,127,579	238,126	238,126	446,549	87,661	87,661
Doubtful	151,649	57,177	57,177	726,216	287,307	287,307
Loss	158,969	158,260	158,260	525,413	385,861	385,861
	2,422,194	453,563	453,563	2,543,502	760,829	760,829

5.6 Particulars of the provisions against non-performing advances

	30-Sep-2020			31-Dec-2019		
	Specific	General	Total	Specific	General	Total
Balance at the beginning of the year	760,829	495,841	1,256,670	214,024	507,275	721,299
Charge during the nine months	2,313,835	227,479	2,541,314	2,266,479	(11,434)	2,255,045
Less: Amount written off	2,621,101	-	2,621,101	1,719,674	-	1,719,674
Balance at end of the nine months	453,563	723,320	1,176,883	760,829	495,841	1,256,670

5.7 Particulars of write offs

	30-Sep-20	31-Dec-19
	Rs. '000	Rs. '000
Against provision		
Related to rescheduled advances	-	-
Related to other classified advances	2,621,101	1,719,674
	2,621,101	1,719,674
Directly charge to profit and loss account	16,366	4,338
	2,637,467	1,724,012

5.8 Portfolio quality report

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

Loans payment are applied first to any interest due, then to any installment of principal that is due but unpaid, beginning with the earliest such installment.

The number of days of delay is based on the due date of the earliest loan installment that has not been fully paid. Late payment surcharge/ penalty on overdue advances is not added to principal.

Normal Loans	Note	30-Sep-20		31-Dec-19	
		Portfolio at Risk	Amount Rs. '000	Portfolio at Risk	Amount Rs. '000
Current	5.8.1	0.00%	53,394,593	0.00%	49,557,942
1 - 4 days late		0.33%	190,876	0.55%	297,390
5 - 29 days late		3.23%	1,859,792	3.30%	1,768,518
30 - 59 days late		1.45%	835,765	1.24%	666,664
60 - 89 days late		1.66%	952,690	0.66%	353,617
90 - 179 days late		0.20%	117,439	1.08%	576,772
More than 179 days late		0.28%	158,490	0.72%	386,541
		7.16%	57,509,645	7.55%	53,607,444

5.8.1 COVID - 19 Affected Portfolio

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

	Borrowers	Gross Loan Outstanding
	Number	Amount '000
Deferrment (Rolled Over) of Loans under regulatory relief	104,725	6,025,634
Rescheduled Loans under regulatory relief	128,341	7,699,930
	233,066	13,725,564

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

	155,372	7,901,464
Rescheduled Loans - Relief provided to EMI borrowers		
Total Relief to Borrowers	388,438	21,627,028

6. OPERATING FIXED ASSETS

	Note	30-Sep-20	31-Dec-19
		Rs. '000	Rs. '000
Capital work-in-progress	6.1	222,842	48,165
Property and equipment	6.2	1,255,737	1,246,018
Intangible assets	6.2	537,220	500,478
Right of Use Assets	6.3	1,638,575	1,817,643
		3,654,374	3,612,304

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.

	30-Sep-20	31-Dec-19
	Rs. '000	Rs. '000
Opening Balance	48,165	350,703
Advances issued	366,868	508,174
Assets transferred	(192,191)	(810,712)
Closing Balance	222,842	48,165

6.2 Property and Equipment & Intangible Assets

	Leasehold Improvements	Vehicles	Furniture & Fixture	Electrical and Office Equipment	Computer Equipment	Total	Computer Software
Cost							
Balances as on January 1, 2020	282,043	369,315	511,523	651,875	753,026	2,567,782	750,467
Additions	32,100	92,765	21,770	31,414	121,502	299,551	111,226
Disposals	-	-	6,718	3,400	617	10,735	-
Balance as on September 30, 2020	314,143	462,080	526,575	679,889	873,911	2,856,598	861,693
Depreciation							
Balances as on January 1, 2020	114,395	212,810	176,893	413,787	403,879	1,321,764	249,989
Depreciation/Amortization Charge	45,507	47,008	36,567	63,325	95,325	287,732	74,484
Disposals	-	3	6,318	2,394	(80)	8,635	-
Balance as on September 30, 2020	159,902	259,815	207,142	474,718	499,284	1,600,861	324,473
Carrying Value							
As on September 30, 2020	154,241	202,265	319,433	205,171	374,627	1,255,737	537,220
As on December 31, 2019	167,648	156,505	334,630	238,088	349,147	1,246,018	500,478
Rate of Depreciation per annum	20.00%	25.00%	10.00%	20.00%	20% - 33.33%		33.33%

6.3 RIGHT OF USE ASSETS	Note	30-Sep-20		31-Dec-19	
		Rs. '000		Rs. '000	
Opening Right of Use Assets		2,158,593		1,908,109	
Asset Recognized/Derecognized during the nine months		90,344		250,484	
Total ROU Assets		2,248,937		2,158,593	
Accumulated Asset Depreciation		(610,362)		(340,950)	
Net Right of Use Assets		1,638,575		1,817,643	
7. OTHER ASSETS					
Markup/interest accrued on advances		9,512,480		5,561,130	
Less: Suspended Markup/interest on non performing advances		357,844		559,805	
		9,154,636		5,001,325	
Interest receivable on investments/placements		332,999		256,609	
Advances to staff		4,857		8,395	
Advances to Suppliers and Service Providers		9,990		12,335	
Prepayments & Security deposit		147,829		91,642	
Receivable from MSDF	7.1	27,253		250,358	
Insurance Claims Receivable		7,312		7,150	
Receivable from SBP		366,514		375,480	
Other receivables		378,650		312,929	
		10,430,040		6,316,223	
Less: Provision held against classified assets					
Opening Provision		40,769		39,219	
Provision Charge during the nine months		30,949		1,692	
Receivable written off against provision		1		142	
Closing Provision		71,719		40,769	
		10,358,321		6,275,454	

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	30-Sep-20		31-Dec-19	
		Number of accounts	Rupees	Number of accounts	Rupees
Time Liabilities:					
Term Deposits	8.2	69,183	55,896,604	60,976	41,892,758
Demand Liabilities:					
Saving Deposits	8.3	62,073	18,748,104	58,483	14,161,700
Current Deposits		2,269,801	5,025,778	2,210,980	7,773,724
Call Deposits (CDR)		523	48,658	567	54,167
		2,332,397	23,822,540	2,270,030	21,989,591
		2,401,580	79,719,144	2,331,006	63,882,349
8.1 Particulars of Deposits by ownership					
Individual Depositors		2,397,743	55,708,127	2,327,344	46,669,991
Institutions Depositors					
a) Corporations/Firms		3,737	17,093,111	3,590	10,027,594
a) Banks/Financial Institutions		100	6,917,906	72	7,184,764
		2,401,580	79,719,144	2,331,006	63,882,349

8.2 This represents term deposits having tenure of 3 to 36 months (2019: 1 to 36 months) carrying interest at rates ranging from 7.00% to 15.00% (2019: 7.00% to 15.00%) per annum. The term deposits amounting to Rs 434.09 Million (2019: Rs 498.55 Million) are lien marked against advances to borrowers.

8.3 This represents saving deposits carrying interest rates ranging from 5.00% to 11.50 % per annum (2019: 5.00% to 14.60%). The saving/current deposits amounting to Rs 113.66 million (2019: Rs 113.66 million) are lien marked against advances to borrowers.

9. BORROWINGS	Note	30-Sep-20	31-Dec-19
		Rs. '000	Rs. '000
Borrowings from banks/financial Institutions outside Pakistan			
Unsecured	9.1	362,281	634,354
Borrowings from banks/financial Institutions in Pakistan			
Secured	9.2	341,668	691,667
		703,949	1,326,021
9.1 Borrowings from Financial Institutions outside Pakistan			
Asian Development Bank	9.1.1	181,865	363,730
ECO Trade & Development Bank (TF-III)	9.1.2	180,416	270,624
		362,281	634,354

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 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 8.79% and 10.19% (2019: 6.95% and 8.79%) 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 in 6 equal semi annual installments starting on 18th month after the disbursement and interest is payable semi annually.

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

9.2	Borrowings from Financial Institutions in Pakistan	Note	30-Sep-20	31-Dec-19
			Rs. '000	Rs. '000
	Pak Oman Investment Company Limited (TF-II)	9.2.1	-	62,500
	Pak Oman Investment Company Limited (TF-III)	9.2.2	125,000	250,000
	Pak Oman Investment Company Limited (TF-IV)	9.2.3	187,500	312,500
	Bank Alfalah Limited (TF-I)	9.2.4	-	25,000
	Allied Bank Limited (TF-I)	9.2.5	29,168	41,667
			341,668	691,667

9.2.1 This represents interbank money market borrowing for 5 years with grace period of 12 months from draw down date carrying interest rate of 15.55% (2019: 7.82% to 12.90%) 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 8.74% to 15.67% (2019: 9.67% to 15.67%) 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 ranging from 8.88% to 15.73% (2019: 7.80% to 15.73%) 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 carrying interest rate of 14.79% (2019: 12.10% to 14.43%) 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.667 million.
- 9.2.5 This represents interbank money market borrowing carrying interest rate ranging from 8.91% to 15.20% (2019: 10.24% to 15.49%) per annum for a period of 5 years from the draw down date inclusive of grace period of 2 years. This borrowing is secured against charge over present and future assets of the Bank worth Rs.334 million.

10.	SUB-ORDINATED DEBT	Note	30-Sep-20	31-Dec-19
			Rs. '000	Rs. '000
	Term Finance Certificate (TFCs) - I	10.1	1,000,000	1,000,000
	Term Finance Certificate (TFCs) - II	10.2	1,400,000	1,400,000
			2,400,000	2,400,000
10.1	<p>This represents rated, unsecured, subordinated and privately placed term finance certificates of with Rs.100,000/- each fully subscribed on March 19, 2018. The issue is for a period of 8 years from the date of subscription and mature on March 19, 2026. The issue has assigned preliminary rating of single 'A' (Single A) with stable outlook.</p> <p>Profit is @ 6 months KIBOR plus 2.05% and repayable every six months in arrears while principal shall be redeemed in two equal semi annual installments falling on the end of 90th and 96th months.</p> <p>The issue has call option after 10th redumtion date, lockin clause and loss aborbency clause.</p>			
10.2	<p>This represents rated, unsecured, subordinated and privately placed term finance certificates of with Rs.100,000/- each fully subscribed on December 27, 2019. The issue is for a period of 8 years from the date of subscription and mature on December 27, 2027. The issue has assigned preliminary rating of single 'A' (Single A) with stable outlook.</p> <p>Profit is @ 3 months KIBOR plus 2.70% and repayable every three months in arrears while principal shall be redeemed in twelve equal quarterly installments commencing from the 63th month from the issue date.</p> <p>The issue has lockin and loss aborbency clause.</p>			
11.	OTHER LIABILITIES	Note	30-Sep-20	31-Dec-19
			Rs. '000	Rs. '000
	Markup/ interest payable on borrowing		19,516	91,251
	Markup/return payable on deposits		1,356,336	1,057,857
	Bills Payable		75,753	130,554
	Accrued expenses		469,749	390,259
	Payable to defined benefit plan - Gratuity/EOBI		181,799	92,137
	Contribution payable to funds		134,350	367,233
	Payable to suppliers and service providers		131,834	143,461
	Provision for workers welfare fund		57,850	50,300
	Sundry deposits		5,731	6,934
	Right of Use Liability		1,865,227	1,870,331
	Taxation Payable		132,660	115,288
	Dividend Payable		150,244	150,244
	Other Payables		65,927	20,259
			4,646,976	4,486,108
12.	CAPITAL AND GENERAL RESERVES			
	Statutory Reserve		1,818,432	1,784,843
	Capital Reserve		24,255	24,255
	Net Surplus/(Deficit) on revaluation of available for sale securities		2,351	(567)
			1,845,038	1,808,531
13.	MARKUP/INTEREST ON ADVANCES		30-Sep-20	30-Sep-19
			Rs. '000	Rs. '000
	Markup/Interest on Advances - General Loans		10,499,510	8,925,360
	Markup/Interest on Advances - Micro Enterprise Loans		1,525,053	947,504
	Markup/Interest on Advances - Micro Housing Loans		97,176	33,442
	Markup/Interest on Advances - Staff Loans		37,456	26,617
			12,159,195	9,932,923
14.	MICROCREDIT PROCESSING FEES			
	Micro Credit Processing Fee - General Loans		711,082	984,867
	Micro Credit Processing Fee - Micro Enterprise Loans		100,948	45,848
	Micro Credit Processing Fee - Micro Housing Loans		6,090	1,725
			818,120	1,032,440
15.	RETAIL BANKING SERVICES FEES			
	Banking Services Fee		59,024	74,851
	Remittance Services Fee		4,563	4,477
	Bancassurance Services Fee		18,044	13,093
	BB Channel Services Fee		151	1,414
			81,782	93,835
16.	INSURANCE			
	Insurance - Advances		175,705	144,569
	Insurance - Deposits		8,180	6,249
	Insurance - Operating Fixed Assets & Others		16,590	9,489
			200,475	160,307

17. NET PROVISION AGAINST ADVANCES/OTHER ASSETS	Note	30-Sep-20 Rs. '000	30-Sep-19 Rs. '000						
Provision against advances									
Specific Provision	5.7	2,313,835	1,456,746						
General Provision	5.7	227,479	(51,182)						
		2,541,314	1,405,564						
Bad Debts Written off Directly		16,366	4,085						
Bad Debts Recovered		(46,869)	(45,293)						
Net Provision against advances		2,510,811	1,364,356						
Provision against Other Assets									
Provision against other assets	7	30,949	950						
Recovery against other assets		-	-						
		30,949	950						
		2,541,760	1,365,306						
18. OPERATING LEASE									
Interest Expense - Operating Lease Liability		193,158	201,798						
Depreciation - Right of Use Assets		269,413	244,081						
Rent Expense		14,023	9,519						
		476,594	455,398						
19. TAXATION									
The bank has provided for corporate tax at the rate of 29% (2019: 29%) for the year with minimum tax being limited to 1.50% of non exempt turnover.									
20. SHARE CAPITAL	Note	30-Sep-20 Rs. '000	31-Dec-19 Rs. '000						
20.1 Authorized Capital	18.1.1	6,000,000	6,000,000						
20.1.1	The Bank's authorized share capital is 600 million ordinary shares of Rs.10/- each.								
20.2 Issued, Subscribed and Paid up Capital	18.2.1	1,705,000	1,705,000						
20.2.1	The Bank's issued, subscribed and fully paid up capital for consideration other than cash is 170.5 million ordinary shares of Rs.10/- each as follows:								
United Bank Limited		506,285	506,285						
Rural Impulse Fund II S.A. SICAV-FIS (Incofin Investment Management Comm. VA)		417,057	417,057						
MultiConcept Fund Management Company S.A (responsibility Global Microfinance Fund)		339,295	339,295						
ShoreCap II Limited (Equator Capital Partners LLC)		243,568	243,568						
ASN Mikroredietpool (Tripple Jump B.V)		168,795	168,795						
Bank Al Habib Limited		30,000	30,000						
		1,705,000	1,705,000						
21. GENERAL INFORMATION		30-Sep-20	31-Dec-19						
21.1 Number of Employees		Number	Number						
Credit Sales Staff									
Permanent		2,644	2,446						
Banking/Support Staff									
Permanent		1,867	2,025						
Contractual		921	905						
		2,788	2,930						
Total number of employees at the end of the nine months		5,432	5,376						
21.1.1 Credit Sales Staff - MSME		359	430						
21.1.2 Female Staff		495	496						
21.1.3 Managers		109	102						
21.2 Network Outreach		30-Sep-20	31-Dec-19						
		Branches	Service Center	Permanent Booth	Total Outlets	Branches	Service Center	Permanent Booth	Total Outlets
21.2.1 At the Beginning of the year		186	13	27	226	161	28	8	197
Opened/Converted during the nine months		6	-	12	18	25	-	19	44
Closed/merged during the nine months		-	(11)	-	(11)	-	(15)	-	(15)
At the end of the nine months		192	2	39	233	186	13	27	226