

Balance Sheet as at June 30, 2017

	Note	30-Jun-2017	31-Mar-2017
ASSETS			
Balances with State Bank of Pakistan	1	798,431	739,192
Cash in hand and balances with banks	2	1,588,869	703,413
Lending to financial institutions	3	1,222,855	406,773
Investments - net of provisions	4	5,831,222	4,100,056
Advances - net of provisions	5	28,242,626	25,952,878
Operating fixed assets	6	851,748	733,950
Other assets	7	3,631,484	3,437,702
Deferred tax assets		173,939	143,638
Total Assets		42,341,174	36,217,602
LIABILITIES			
Deposits and other accounts	8	29,806,044	22,618,583
Borrowings	9	5,378,982	6,777,632
Other liabilities	10	1,467,525	1,537,844
Total Liabilities		36,652,551	30,934,059
NET ASSETS		5,688,623	5,283,543
REPRESENTED BY :			
CAPITAL			
Paid up capital	17	1,705,000	1,705,000
Capital and general reserves	11	1,052,957	951,982
Unappropriated profit		2,929,430	2,626,561
		5,687,387	5,283,543
Deferred Grants	18	1,236	-
Total Capital		5,688,623	5,283,543

Profit & Loss Account for the half year ended June 30, 2017

	Note	YTD - JUN - 17	Q1 - 17
Mark up / Interest on advances	12	8,483,480	1,734,682
Micro Credit Processing Fee	13	537,504	251,892
Retail Banking Service Fee	14	48,738	23,871
		4,269,718	1,890,148
Return on Investments/bank accounts		879,483	72,041
		4,449,148	2,042,325
Interest on borrowings		220,434	117,078
Interest on deposits		899,873	398,129
		1,119,797	489,447
		3,329,349	1,578,779
OPERATING EXPENSES			
Salaries, wages & other benefits		841,434	440,820
Incentive on Asset and Liability Sales		84,880	28,531
Recruitment & Development		5,500	7,365
Management consultancy		10,277	6,809
IT Operations		71,044	83,882
Training		26,980	14,491
Rent, rates & taxes		128,834	64,482
Meeting & Conferences		15,023	6,798
Utilities		43,930	16,508
Communication & Verification		34,280	17,889
Traveling & conveyance		9,240	4,729
Insurance		38,880	28,693
Repairs & maintenance		27,482	10,726
Security services		26,795	13,783
Vehicle running & maintenance		78,718	86,266
Legal & Professional		7,878	3,999
Printing, Stationery & office supplies		52,864	28,158
Subscription		1,972	1,397
Advertisement & business promotion		73,367	50,314
Financial charges		49,880	12,701
ATM Operations		3,488	428
Depreciation and amortisation		104,282	84,288
Other Expenses		5,646	1,982
Workers Welfare Fund		9,280	2,158
		1,860,987	803,872
Reimbursement of Social Mobilisation Cost		69,668	39,862
		1,791,374	843,640
Net Provision against advances/other assets	15	288,749	130,550
Total operating expenses		2,079,223	974,260
CONTRIBUTORY PROFIT (LOSS)		1,249,723	589,519
OTHER INCOME			
Amortisation of deferred grant		-	-
Gain/(Loss) on Disposal of Fixed Assets		(1,463)	1,884
Misc Income		4,801	78
Gain/(Loss) on Foreign Currency Transactions		(87)	0
		2,827	1,438
PROFIT BEFORE TAXATION		1,242,092	591,947
Taxation - Current	16	840,418	85,782
- Prior Year		-	-
- Deferred		(36,037)	(8,748)
		804,381	100,034
PROFIT AFTER TAXES, ON		437,691	432,908
Un-appropriated profit b/f		2,866,816	2,844,814
Profit available for appropriation		3,304,507	2,799,724
APPROPRIATIONS:			
Transfer to:			
Statutory Reserve		187,888	86,582
Microfinance Sector Development Fund		98,769	43,231
Risk Mitigation Fund		44,885	25,445
Depositors' Protection Fund		66,885	21,645
		379,077	173,888
UNAPPROPRIATED PROFIT - I		2,925,430	2,625,836

Financial Statements

Notes to the Accounts for the half year ended June 30, 2017

	Note	30-Jun-2017		31-Mar-2017			
1 BALANCES WITH SBP							
Balances with SBP	1.1	785,431		739,152			
		<u>785,431</u>		<u>739,152</u>			
1.1 This represents balance held with State Bank of Pakistan to meet the requirement of maintaining minimum balance equivalent to 1% (2016: 1%) of the Bank's time and demand liabilities in accordance with the Regulation R-5A.							
2 CASH IN HAND AND BALANCES WITH BANKS		30-Jun-2017		31-Mar-2017			
Cash in hand		49,785		31,181			
Current Account		539,863		22,858			
Saving Account	2.1	392,221		18,864			
		<u>1,381,869</u>		<u>73,893</u>			
2.1 This represents balances held in corporate accounts of which Rs. 465.0 million (2016: Rs. 82.6 million) is held for the purpose of cash management with a view to meeting Bank's operations and lending to borrowers. Corporate accounts carry interest rates ranging from 1.71% to 7.80% (2016: 1.71% to 7.75%) per annum.							
3 LENDING TO FINANCIAL INSTITUTIONS		30-Jun-2017		31-Mar-2017			
Reverse Repo Lending	3.1	1,072,853		406,773			
Call/Clean Lending	3.2	80,000		-			
		<u>1,152,853</u>		<u>406,773</u>			
3.1 This represents reverse repo lending at the rate ranging from 5.82% to 5.85% per annum (2016: 5.75% to 5.92% per annum) maturing on July 4, 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 Bills/BIS's		1,080,000	-	1,080,000	410,000	-	410,000
		<u>1,080,000</u>	<u>-</u>	<u>1,080,000</u>	<u>410,000</u>	<u>-</u>	<u>410,000</u>
3.3 This represents call/clean placement at the rate of 8% per annum (2016: NIL) for 4 days maturing on July 4, 2017.							
4 INVESTMENTS - NET OF PROVISIONS		30-Jun-2017		31-Mar-2017			
Available for sale securities							
Market Treasury Bills	4.1	1,775,370		1,470,740			
Held to maturity securities							
Term Deposits/Placements	4.2	4,055,656		2,829,847			
		<u>5,831,026</u>		<u>4,300,587</u>			
Surplus/(Deficit) on revaluation on T-Bills	4.3	(4)		(9)			
		<u>5,831,022</u>		<u>4,300,586</u>			
4.1 This represents T-Bills purchased for the period of 84 days (2016: 84 days to 182 days) having yield interest ranging from 1.95% to 1.99% (2016: 1.85% to 1.97%) per annum.							
4.2 This represents term deposits and placements carrying interest at the rate ranging from 6.25% to 9.25% (2016: 6.25% to 11.00%) per annum. These TDRs are due to mature on January 14, 2018 (2016: March 08, 2017).							
4.3 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-Jun-2017		31-Mar-2017			
		No. of loans outstanding	Amount outstanding	No. of loans outstanding	Amount outstanding		
Own advances:							
General Loans							
Secured	5.1	48,537	1,810,476	44,876	1,873,814		
Unsecured	5.2	543,802	28,180,814	333,349	21,280,438		
		609,339	26,940,790	377,125	23,154,252		
Micro Enterprise Loans							
Secured	5.3	5,276	1,187,881	4,038	866,516		
Unsecured	5.3	4,026	299,962	3,392	330,426		
		9,302	1,487,843	7,430	1,196,942		
Micro Housing Loans							
Unsecured		37	10,470	25	6,308		
		609,676	28,438,633	384,577	24,351,644		
Less: provisions held							
Specific provision		6,827	103,585	6,114	104,665		
General provision		885,044	243,860	373,252	265,808		
		<u>891,871</u>	<u>347,445</u>	<u>379,366</u>	<u>370,473</u>		
Microcredit Advance - Net of Provisions			27,991,488		26,741,168		
Staff Loans - General Purpose	5.4	419	47,847	256	16,474		
Staff Loans - Housing Finance	5.5	65	209,281	38	178,386		
		484	267,128	294	194,860		
5.1 This includes microcredit loans amounting to Rs. 1,022.1 million (2016: Rs. 841.0 million) which are partially (50%) secured against own deposit lien marking with the Bank.							
5.2 This includes 19,399 (2016: 12,813) micro finance clients having aggregate outstanding amount of Rs. 244.2 million (2016: Rs. 105.2 million) which are 50% backed by Guarantees under the State Bank of Pakistan's scheme for small and marginalized farmers. The Guarantees is effective from April 01, 2016.							

Notes to the Accounts for the half year ended June 30, 2017

5.3 This includes 6,888 (2016: 5,594) micro enterprise clients having aggregate outstanding amount of Rs. 1,292.6 million (2016: Rs. 1,049.2 million) which are 50% backed by Guarantees under the terms of Loan Portfolio Guarantee Agreement between USAID and the Bank on September 30, 2014. The Guarantees 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 3 months KIBOR plus 100 bps (2016: 104%) per annum. These loans are partially secured against employees' accrued terminal benefits.

5.5 This represents long term housing loans to eligible employees of the Bank for the period ranging from 5 to 20 years carrying interest at the rate of 3 months KIBOR Less 100bps (2016: average cost of funds plus 50bps) per annum. These loans are secured against equitable mortgage over unencumbered property.

5.6 Particulars of non-performing advances:

Non performing advances included principal amount of Rs. 424.4 million and interest/markup amount of Rs.71.8 million (2016: principal amount of Rs. 347.4 million and interest/markup amount of Rs.74.8 million) which as detailed below, have been placed under non performing status.

Category of classification	30-Jun-2017			31-Mar-2017		
	Amount out standing	Provision required	Provision held	Amount out standing	Provision required	Provision held
QAEM	225,081	-	-	197,525	-	-
Sub-standard	76,183	14,216	14,216	92,116	17,740	17,740
Doubtful	118,289	88,278	88,278	161,106	69,287	69,287
Loss	43,676	34,027	34,027	22,482	17,688	17,688
	498,899	136,515	136,515	473,689	104,688	104,688

5.7 Particulars of the provisions against non-performing advances:

	30-Jun-2017			31-Mar-2017		
	Specific	General	Total	Specific	General	Total
Balance at the beginning of the year	147,248	222,204	369,451	147,248	222,204	369,451
Charge during the half year/year	201,482	121,884	323,366	118,431	88,602	207,033
Amount written off	245,212	-	245,212	158,021	-	158,021
Balance at end of the half year/year	103,518	243,988	347,506	104,688	240,806	345,494

5.8 Particulars of write off:

	30-Jun-17	31-Mar-17
Against provision		
Related to rescheduled advances	-	-
Related to other classified advances	245,212	158,021
	245,212	158,021
Directly charge to profit and loss account	6,903	4,345
	252,115	162,366

5.9 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 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 Loan	30-Jun-17		31-Mar-17	
	Portfolio at Risk	Amount	Portfolio at Risk	Amount
Current	0.00%	27,471,274	0.00%	25,884,171
1 - 29 days late	1.91%	542,907	0.79%	205,738
30 - 59 days late	0.66%	194,307	0.48%	128,390
60 - 89 days late	0.24%	68,769	0.31%	79,906
90 - 179 days late	0.48%	128,308	0.57%	148,648
More than 179 days late	0.12%	32,804	0.07%	18,788
	1.40%	28,638,669	2.19%	26,526,641

6. OPERATING FIXED ASSETS

	Note	30-Jun-17	31-Mar-17
Capital work-in-progress	6.1	198,814	90,884
Property and equipment	6.2	623,617	601,086
Intangible assets	6.3	24,888	40,881
		847,319	732,851

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.

	30-Jun-17	31-Mar-17
Opening Balance	48,081	48,081
Advances issued during the half year/year	149,452	63,360
Assets transferred during the half year/year	87,187	37,867
Closing Balance	184,660	149,308

Notes to the Accounts for the half year ended June 30, 2017

6.2 Property and Equipment & Intangible Assets

	Household Improvements	Vehicle	Furniture & Futlure	Leased/Leasehold Office Equipment	Computer Equipment	Other	Carrying Value
Cost							
Balance as on January 1, 2017	92,641	190,759	312,108	421,516	910,534	1,327,548	161,765
Additions	42,107	-	19,057	10,537	24,201	89,702	25,079
Disposals	3,058	-	4,761	1,004	87	8,910	-
Balance as on June 30, 2017	131,690	190,759	326,404	430,049	934,696	1,406,340	186,844
Depreciation							
Balance as on January 1, 2017	7,448	118,938	106,162	224,802	239,039	696,373	138,261
Depreciation/Amortisation Charge	10,668	15,095	14,580	32,211	19,159	92,314	13,766
Disposals	518	-	2,540	1,036	88	4,164	-
Balance as on June 30, 2017	17,598	134,029	118,202	255,995	258,099	794,723	152,029
Carrying Value							
As on June 30, 2017	114,092	55,930	208,202	174,054	76,599	623,617	34,815
As on March 31, 2017	92,619	55,095	198,363	183,446	64,961	603,085	40,531
Rate of Depreciation per annum	20.00%	25.00%	10.00%	20.00%	20% - 33.33%		33.33%

7. OTHER ASSETS

	Note	30-Jun-17	31-Mar-17
Markup/Interest accrued on advances		2,248,591	2,226,311
Less: Suspended Markup/Interest on non performing advances		71,775	64,451
		2,176,816	2,161,860
Interest receivable on investments/placements		37,642	22,830
Loans & advances to staff		104,637	101,329
Advances to Suppliers and Service Providers		2,423	4,794
Security deposit		8,062	8,025
Prepayments		167,321	161,774
Receivable from MSDF	7.1	428,060	343,418
Insurance Claims Receivable		11,953	7,524
Sales Tax/Federal Excise Duty		167,057	165,740
Receivable from SBP		338,467	489,047
Other receivables		26,856	22,585
		3,664,306	3,460,924
Less: Provision held against classified assets			
Opening Provision		22,832	22,832
Provision Charge for the half year/year		9,990	390
Receivable written off against provision		-	-
Closing Provision		32,822	23,222
		3,631,484	3,437,702

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 #R06 between ADB and Islamic Republic of Pakistan.

8. DEPOSITS

	Note	30-Jun-17		31-Mar-17	
		Number of accounts	Rupees	Number of accounts	Rupees
Time Liabilities					
Term Deposits	8.2	23,249	18,287,371	14,621	12,667,948
Demand Liabilities:					
Saving Deposits	8.3	43,827	7,424,795	41,419	6,989,726
Current Deposits		1,448,887	4,093,918	1,966,989	2,950,912
		1,492,714	11,518,673	1,408,406	9,990,638
		1,515,963	29,806,044	1,423,029	22,618,583
8.1 Particulars of Deposits by ownership					
Individual Depositors		1,513,463	20,158,566	1,420,601	14,024,662
Institutional Depositors					
a) Corporations/Firms		2,454	7,920,157	2,384	6,990,676
b) Banks/Financial Institutions		44	1,727,321	44	1,609,245
		1,515,963	29,806,044	1,423,029	22,618,583

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 74.77 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 92.05 million (2016: Rs 490.94 million) are lien marked against advances to borrowers.

9. BORROWINGS	Note	30-Jun-17	31-Mar-17
Borrowings from banks/financial institutions outside Pakistan			
Unsecured	9.1	1,792,553	1,974,418
Borrowings from banks/financial institutions in Pakistan			
Secured	9.2	3,586,429	4,803,214
		<u>3,578,983</u>	<u>6,777,632</u>
9.1 Borrowings from Financial Institutions outside Pakistan			
Asian Development Bank	9.1.1	1,273,053	1,454,918
ECO Trade & Development Bank (TF-II)	9.1.2	519,500	519,500
		<u>1,792,553</u>	<u>1,974,418</u>

9.1.1 This represents loan received under the Subsidized 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 5 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 3.92% and 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 2.5% 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. 103.95 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 unquoted basis commencing from date of disbursement.

9.2. Borrowings from Financial Institutions in Pakistan	Note	30-Jun-17	31-Mar-17
Pak Oman Investment Company Limited (TF-I)	9.2.1	375,000	437,500
Pak Oman Investment Company Limited (TF-II)	9.2.2	500,000	500,000
Pak Oman Investment Company Limited (TF-IV)	9.2.3	500,000	500,000
United Bank Limited (TF-I)	9.2.4	100,000	100,000
Askari Bank Limited (TF-I)	9.2.5	120,000	160,000
Sonnet Bank Limited (TF-IV)	9.2.6	225,000	225,000
Syndicated Term Finance (JS Bank Ltd, Askari Bank Ltd and PAIR)	9.2.7	1,071,429	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	225,000
Bank Alfalah Limited (TF-I)	9.2.10	100,000	-
Allied Bank Limited (TF-I)	9.2.11	50,000	-
JS Bank Limited (RF)	9.2.12	-	475,000
United Bank Limited (RF)	9.2.13	-	175,000
NIB Bank Limited (RF)	9.2.14	-	400,000
		<u>3,586,429</u>	<u>4,803,214</u>

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 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 7.63% (2016: 7.54% 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 fixed future micro loans of Rs.400 million.

9.2.5 This represents interbank money market borrowing for 5 years with the grace period of 6 months from draw down date carrying interest rate ranging 7.61% to 7.63% (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 fixed future micro loans of Rs.320 million.

Notes to the Accounts for the half year ended June 30, 2017

- 9.2.6 This represents term finance facility of Rs.300 million carrying interest rate of 7.63% (2016: 7.56% to 8.58%) for a period of 5 year 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.300 million.
- 9.2.7 This represents syndicated term finance facility of Rs.1.5 billion carrying interest rate of 7.45% (2016: 7.35% 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 PPAF extended Rs.1,500 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.
- 9.2.9 This represents interbank money market borrowing carrying interest rate of 7.89% (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.300 million.
- 9.2.10 This represents interbank money market borrowing carrying interest rate of 7.44% (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.667 million.
- 9.2.11 This represents interbank money market borrowing carrying interest rate of 7.80% (2016: NIL) 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.384 million.
- 9.2.12 This represents running finance facility of Rs.500 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.
- 9.2.13 This represents running finance facility of Rs.173 million carrying interest rate of 6.87% (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.
- 9.2.14 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	30-Jun-17	31-Mar-17
Markup/ Interest payable on borrowings		63,643	11,720
Markup/return payable on deposits		370,282	560,688
Bills Payable		82,816	72,035
Accrued expenses		313,590	248,652
Payable to defined benefit plan - Gratuity/EOBI		25,982	23,716
Contribution payable to funds		187,538	341,129
Payable to suppliers and service providers		190,916	158,178
Provision for workers welfare fund		22,281	20,147
Sundry deposits		8,530	12,753
Corporate Tax Payable		156,170	163,824
Other Payables		19,175	15,603
		<u>1,467,523</u>	<u>1,397,844</u>
11. CAPITAL AND GENERAL RESERVES			
Statutory Reserve		1,028,705	927,748
Capital Reserve		24,255	24,255
Net Surplus/(Deficit) on revaluation of available for sale securities		(30)	(22)
		<u>1,052,937</u>	<u>951,982</u>
12. MARKUP/INTEREST ON ADVANCES		YTD Jun-2017	YTD Mar-2017
Markup/Interest on Advances - General Loans		3,487,699	1,644,600
Markup/Interest on Advances - MSME Loans		189,270	86,228
Markup/Interest on Advances - Staff Home Loans		5,686	3,383
Markup/Interest on Advances - Staff General Purpose Loans		831	431
		<u>3,683,486</u>	<u>1,734,642</u>
13. MICRO CREDIT PROCESSING FEES			
Micro Credit Processing Fee - General Loans		524,101	223,114
Micro Credit Processing Fee - MSME Loans		13,403	6,478
		<u>537,504</u>	<u>229,592</u>
14. RETAIL BANKING SERVICES FEES			
Banking Services Fee		36,971	16,445
Remittance Services Fee		733	341
Bancassurance Services Fee		6,460	3,389
ATM Services Fee		4,889	1,786
		<u>48,723</u>	<u>23,911</u>

Notes to the Accounts for the half year ended June 30, 2017

			YTD Jun-2017	YTD Mar-2017
15.	NET PROVISION AGAINST ADVANCES/OTHER ASSETS	Note		
	Provision against advances			
	Specific Provision	5.7	201,482	115,421
	General Provision	5.7	121,354	36,602
			322,836	154,023
	Bad Debts Written off Directly		8,905	4,545
	Bad Debts Recovered		(52,960)	(28,108)
	Net Provision against advances		278,781	130,240
	Provision against Other Assets			
	Provision against other assets	7	9,990	990
	Recovery against other assets		-	-
			9,990	990
			288,771	131,230
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	30-Jun-17	31-Mar-17
17.1	Authorized Capital	17.1	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		506,285	506,285
	Rural Impulse Fund II S.A. SICAV-FIS (Incofin Investment Management Comm. VA)		417,057	417,057
	Responsibility Global Microfinance Fund (Credit Suisse Fund Management Company)		339,295	339,295
	ShareCap II Limited (Equator Capital Partners LLC)		245,568	245,568
	ASN-NOVIB Mikroreditfond (Tripple Jump B.V)		168,795	168,795
	Bank Al Habib Limited		30,000	30,000
			1,705,000	1,705,000
18.	DEFERRED GRANTS			
	This represents MoU between Market Development Fund (Australian Department for Foreign Affairs and Trade), Shokarganj Food Products Limited and Khushkhal Microfinance Bank Limited to collaborate on providing financial services to the farmers in the Shokarganj milk collection area in Pakistan. MDF will cost share to help by investing in the van which would serve as "Bank on Wheels" and Shokarganj will facilitate farmer access. The Bank will provide financial services (credit, savings and micro insurance) initially to Shokarganj client farmers and also targets microfinance clients. Currently, this project is in its pilot phase.			
19.	GENERAL INFORMATION		30-Jun-17	31-Mar-17
19.1	Number of Employees		Number	Number
	Credit Sales Staff			
	Permanent		1,735	1,515
	Banking/Support Staff			
	Permanent		1,464	1,974
	Contractual		600	570
			3,054	1,944
	Total number of employees at the end of the half year/year		3,799	3,439
19.1.1	Credit Sales Staff - MSME		327	242
19.1.2	Female Staff		343	334
19.1.3	Managers		83	86
19.2	Network Outreach		30-Jun-17	31-Mar-17
			No. of SC	No. of Branches
19.2.1	At the Beginning of the year	2	139	2
	Opened during the half year/year	16	6	16
	Closed/merged during the half year/year	-	-	-
	At the end of the half year/year	18	142	18
19.2.2	Total Outlets		147	160