

QTR3-19

CONDENSED QUARTERLY ACCOUNTS (Un-audited)



Table of Contents

Balance Sheet as at September 30, 2019	3
Profit and Loss Account for the quarter ended September 30, 2019.....	4
Notes to the Accounts for the quarter ended September 30, 2019.....	5

Balance Sheet as at September 30, 2019

	Note	Unaudited 30-Sep-2019	Audited 31-Dec-2018
ASSETS			
Balances with State Bank of Pakistan	1	1,445,214	1,284,356
Cash in hand and balances with banks	2	1,117,144	8,006,739
Lending to financial institutions	3	-	1,837,749
Investments - net of provisions	4	12,031,126	8,915,710
Advances - net of provisions	5	49,278,490	43,500,532
Operating fixed assets	6	3,763,090	1,353,528
Other assets	7	7,406,231	5,311,313
Deferred tax assets		399,226	262,025
Total Assets		75,440,521	70,471,952
LIABILITIES			
Deposits and other accounts	8	58,839,208	56,017,988
Borrowings	9	1,904,047	2,964,872
Subordinated debt	10	1,000,000	1,000,000
Other liabilities	11	4,576,512	2,290,825
Total Liabilities		66,319,767	62,273,685
NET ASSETS		9,120,754	8,198,267
REPRESENTED BY :			
CAPITAL			
Paid up capital	20	1,705,000	1,705,000
Capital and general reserves	12	1,790,480	1,717,055
Unappropriated profit		5,625,274	4,776,212
Total Capital		9,120,754	8,198,267

Profit and Loss Account for the quarter ended September 30, 2019

	Note	YTD - SEP - 19 Actual	YTD - SEP - 18 Actual
Mark up / Interest Income on advances	13	9,932,923	7,755,675
Mark up / Interest Income on investments/placements		1,278,060	847,778
Mark up / Interest earned		11,210,983	8,603,453
Mark up/Interest on borrowings/subordinated debt		308,005	268,800
Mark up/Interest on deposits		4,424,671	3,070,044
Mark up / Interest expensed		4,732,676	3,338,844
Net Mark up / Interest income		6,478,307	5,264,609
Micro Credit Processing Fees	14	1,032,440	875,188
Retail Banking Services Fees	15	93,835	79,355
Non Mark up/Interest Income		1,126,275	954,543
Gross Income Earned		7,604,582	6,219,152
OPERATING EXPENSES			
Salaries, wages & other benefits		2,115,951	1,747,224
Incentive on Asset and Liability Sales		102,403	156,199
Recruitment & Development		8,425	6,250
Management consultancy		1,301	3,298
IT Operations		213,818	158,968
Training		72,566	44,557
Operating Lease/Rent Expense	18	286,731	239,318
Meeting & Conferences		30,482	25,478
Utilities		151,359	113,047
Communication & Verification		69,208	54,066
Traveling & conveyance		19,616	18,970
Insurance	16	160,307	119,778
Repair & maintenance		56,111	44,032
Security services		65,886	48,406
Vehicle running & maintenance		238,908	152,197
Legal & Professional		12,016	9,971
Printing, stationery & office supplies		136,453	90,527
Subscription		4,120	3,176
Advertisement & business promotion		116,622	108,382
Financial charges		44,256	56,322
BB Channel Commission		10,078	71,807
ATM Operations		15,622	12,821
Depreciation and amortization		280,446	204,245
Other Expenses		13,371	9,078
Workers Welfare Fund		8,827	8,822
		4,234,883	3,506,939
Reimbursement of Social Mobilization Cost		87,404	85,933
		4,147,479	3,421,006
Net Provision against advances/other assets	17	1,365,306	559,612
Total operating expenses		5,512,785	3,980,618
OPERATING PROFIT/(LOSS) BEFORE IFRS 16		2,091,797	2,238,534
Operating Lease Expense IFRS - 16	18	168,667	-
OPERATING PROFIT/(LOSS)		1,923,130	2,238,534
OTHER INCOME			
Amortization of deferred grant		1,183	323
Gain/(Loss) on Disposal of Fixed Assets		14,066	687
Misc Income		1,301	3,210
Gain/(Loss) on Foreign Currency Transactions		-	(885)
		16,550	3,335
PROFIT BEFORE TAXATION		1,939,680	2,241,869
Taxation - Current	19	603,689	693,297
- Prior Year	19	-	72,022
- Deferred		(137,105)	(52,365)
		466,584	712,954
PROFIT AFTER TAXATION		1,473,096	1,528,915
Un-appropriated profit b/f		4,520,462	3,333,366
Profit available for appropriation		5,993,558	4,862,281
APPROPRIATIONS:			
Transfer to:			
Statutory Reserves		73,657	305,783
Microfinance Sector Development Fund		147,313	152,892
Risk Mitigation Fund		73,657	76,446
Depositors' Protection Fund		73,657	76,446
		368,284	611,567
UNAPPROPRIATED PROFIT c/f		5,625,274	4,250,714

Notes to the Accounts for the quarter ended September 30, 2019

1	BALANCES WITH SBP	Note	30-Sep-2019		31-Dec-2018			
			Rs. '000		Rs. '000			
	Balances with SBP	1.1	1,445,214		1,284,356			
			1,445,214		1,284,356			
1.1	This represents balance held with State Bank of Pakistan to meet the requirement of maintaining minimum balance equivalent to 5% (2018: 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-2019		31-Dec-2018			
			Rs. '000		Rs. '000			
	Cash in hand		657,280		507,221			
	Current Account		459,864		1,013,345			
	Saving Account	2.1	-		6,486,173			
			1,117,144		8,006,739			
2.1	This represents corporate accounts carry interest rates ranging from 8.00% to 12.25% (2018: 3.75% to 8.50%) per annum.							
3.	LENDING TO FINANCIAL INSTITUTIONS		30-Sep-2019		31-Dec-2018			
			Rs. '000		Rs. '000			
	Reverse Repo Lending	3.1	-		1,337,749			
	Call/Clean Lending	3.3	-		500,000			
			-		1,837,749			
3.1	This represents reverse repo lending at the rate of NIL% per annum (2018: 10.10% per annum) maturing on NIL (2018: January 2, 2019).							
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		-	-	-	1,338,489	-	1,338,489
			-	-	-	1,338,489	-	1,338,489
3.3	This represents call/clean placement at the rate NIL % per annum (2018: 11.25% per annum) maturing on NIL (2018: January 3, 2019).							
4.	INVESTMENTS - NET OF PROVISIONS		30-Sep-2019		31-Dec-2018			
			Rs. '000		Rs. '000			
	Available for sale securities							
	Market Treasury Bills	4.1	5,150,782		3,916,037			
	Held to maturity securities							
	Term Finance Certificates	4.2	150,000		150,000			
	Term Deposit Receipts/Placements	4.3	6,731,003		4,850,000			
			12,031,785		8,916,037			
	Surplus/(Deficit) on revaluation on T-Bills	4.4	(659)		(327)			
			12,031,126		8,915,710			
4.1	This represents T-Bills purchased for the period of 84 days (2018: 70 to 84 days) having yield return ranging from 13.73% to 13.75% (2018: 8.72% to 10.27%) per annum.							
4.2	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.							
4.3	This represents term deposit receipts and placements with commercial and microfinance banks carrying interest at the rate ranging from 11.00% to 15.00% (2018: 8.70% to 13.00%) per annum. These Placements/TDR's are due to mature on December 28, 2019 (2018: December 28, 2019)							
4.4	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-2019		31-Dec-2018			
			No. of loans outstanding	Amount outstanding	No. of loans outstanding	Amount outstanding		
	Gross advances :							
	General Loans							
	Secured	5.1	74,008	5,993,550	41,024	3,096,695		
	Unsecured		729,016	37,790,805	716,128	36,245,134		
			803,024	43,784,355	757,152	39,341,829		
	Micro Enterprise Loans							
	Secured	5.2	19,461	4,445,945	14,051	3,209,463		
	Unsecured	5.2	16,310	986,824	12,848	859,772		
			35,771	5,432,769	26,899	4,069,235		
	Micro Housing Loans							
	Unsecured		1,203	260,244	429	50,171		
			839,998	49,477,368	784,480	43,461,235		
	Less : provisions held							
	Specific provision		35,930	821,055	9,630	214,024		
	General provision		798,717	456,093	743,904	507,275		
				1,277,148		721,299		
	Microcredit Advance - Net of Provisions			48,200,220		42,739,936		
	Staff Loans - General Purpose	5.3	1,824	445,118	934	238,492		
	Staff Loans - Housing Finance	5.4	133	633,152	120	522,104		
	Staff Loans		1,957	1,078,270	1,054	760,596		
	Advances - Net of Provisions		841,955	49,278,490	785,534	43,500,532		
5.1	This includes microcredit loans amounting to Rs. 158.5 million (2018: Rs. 301.2 million) which are partially (50%) secured against own deposit lien marking with the Bank.							
5.2	This includes 985 (2018: 2,395) micro enterprise clients having aggregate outstanding amount of Rs. 91.4 million (2018: Rs. 520.9 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 (2018: 3 months KIBOR plus 100bps) 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 (2018: 3 months KIBOR Less 100bps) 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. 1,973.6 million and interest/markup amount of Rs. 445.9 million (2018: principal amount of Rs. 512.2 million and interest/markup amount of Rs.115.6 million) which, as detailed below, have been placed under non performing status.

Category of classification	30-Sep-2019			31-Dec-2018		
	Amount out standing	Provision required	Provision held	Amount out standing	Provision required	Provision held
OAEM	376,644	-	-	179,021	-	-
Sub-standard	242,240	49,817	49,817	111,999	21,485	21,485
Doubtful	1,591,086	611,963	611,963	175,029	70,758	70,758
Loss	209,578	159,275	159,275	161,782	121,781	121,781
	2,419,549	821,055	821,055	627,831	214,024	214,024

- 5.6 Particulars of the provisions against non-performing advances

	30-Sep-2019			31-Dec-2018		
	Specific	General	Total	Specific	General	Total
Balance at the beginning of the year	214,024	507,275	721,299	105,978	491,773	597,751
Charge during the nine months	1,456,746	(51,182)	1,405,564	723,236	15,502	738,738
Less: Amount written off	849,715	-	849,715	615,190	-	615,190
Balance at end of the nine months	821,055	456,093	1,277,148	214,024	507,275	721,299

- 5.7 Particulars of write offs

	30-Sep-19	31-Dec-18
	Rs. '000	Rs. '000
Against provision		
Related to rescheduled advances	-	-
Related to other classified advances	849,715	615,190
	849,715	615,190
Directly charge to profit and loss account	4,085	39,492
	853,800	654,682

- 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	30-Sep-19		31-Dec-18	
	Portfolio at Risk	Amount Rs. '000	Portfolio at Risk	Amount Rs. '000
Current	0.00%	46,346,906	0.00%	42,393,098
1 - 4 days late	0.77%	379,242	0.23%	98,367
5 - 29 days late	1.57%	777,659	1.05%	457,544
30 - 59 days late	0.76%	376,644	0.34%	146,731
60 - 89 days late	0.42%	207,308	0.21%	92,261
90 - 179 days late	2.49%	1,230,018	0.34%	147,290
More than 179 days late	0.32%	159,591	0.29%	125,944
	6.33%	49,477,368	2.46%	43,461,235

6. OPERATING FIXED ASSETS

	Note	30-Sep-19	31-Dec-18
		Rs. '000	Rs. '000
Capital work-in-progress	6.1	208,137	350,703
Property and equipment	6.2	1,113,384	920,731
Intangible assets	6.2	499,474	82,094
Right of Use Assets	6.3	1,942,095	-
		3,763,090	1,353,528

- 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-19	31-Dec-18
	Rs. '000	Rs. '000
Opening Balance	350,703	436,853
Advances issued during the nine months	167,701	356,799
Assets transferred during the nine months	310,267	442,949
Closing Balance	208,137	350,703

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, 2019	190,586	305,089	428,115	526,946	576,485	2,027,221	263,905
Additions	75,193	29,201	71,869	100,808	150,866	427,937	464,693
Disposals	-	23,219	11,085	3,753	4,482	42,539	403
Balance as on September 30, 2019	265,779	311,071	488,899	624,001	722,869	2,412,619	728,195
Depreciation							
Balances as on January 1, 2019	67,398	189,868	149,896	350,757	348,571	1,106,490	181,811
Depreciation/Amortization Charge	33,174	37,479	32,195	58,639	72,048	233,535	46,911
Disposals	8	23,223	8,973	3,879	4,707	40,790	1
Balance as on September 30, 2019	100,564	204,124	173,118	405,517	415,912	1,299,235	228,721
Carrying Value							
As on September 30, 2019	165,215	106,947	315,781	218,484	306,957	1,113,384	499,474
As on December 31, 2018	123,188	115,221	278,219	176,189	227,914	920,731	82,094
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-19 Rs. '000	31-Dec-18 Rs. '000
Opening Right of Use Assets		-	-
Asset Recognized during the period		2,186,176	-
Accumulated Asset Depreciation		(244,081)	-
Closing Right of Use Assets		1,942,095	-

7. OTHER ASSETS

Markup/interest accrued on advances		6,485,360	3,971,074
Less: Suspended Markup/interest on non performing advances		507,079	115,582
		5,978,281	3,855,492
Interest receivable on investments/placements		133,476	103,662
Advances to staff		11,795	5,466
Advances to Suppliers and Service Providers		9,391	12,608
Prepayments & Security deposit		163,324	284,258
Receivable from MSDF	7.1	253,653	208,743
Insurance Claims Receivable		6,124	7,443
Receivable from SBP		487,485	606,023
Other receivables		402,730	266,837
		7,446,259	5,350,532
Less: Provision held against classified assets			
Opening Provision		39,219	33,767
Provision Charge for the nine months		950	5,452
Receivable written off against provision		(141)	-
Closing Provision		40,028	39,219
		7,406,231	5,311,313

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

	Note	30-Sep-19		31-Dec-18	
		Number of accounts	Rupees	Number of accounts	Rupees
Time Liabilities:					
Term Deposits	8.2	58,408	38,219,602	52,456	36,211,113
Demand Liabilities:					
Saving Deposits	8.3	56,889	15,974,211	52,313	11,949,867
Current Deposits		2,072,977	4,610,999	1,957,793	7,816,597
Call Deposits (CDR)		517	34,396	427	40,411
		2,130,383	20,619,606	2,010,533	19,806,875
		2,188,791	58,839,208	2,062,989	56,017,988
8.1 Particulars of Deposits by ownership					
Individual Depositors		2,185,529	42,381,868	2,060,246	43,962,455
Institutions Depositors					
a) Corporations/Firms		3,211	8,971,079	2,677	7,590,396
a) Banks/Financial Institutions		51	7,486,261	66	4,465,137
		2,188,791	58,839,208	2,062,989	56,017,988

8.2 This represents term deposits having tenure of 3 to 36 months (2018: 3 to 36 months) carrying interest at rates ranging from 6.25% to 14.25% (2018: 5.75% to 13.50%) per annum. The term deposits amounting to Rs 381.26 Million (2018: Rs 322.52 Million) are lien marked against advances to borrowers.

8.3 This represents saving deposits carrying interest rates ranging from 5.00% to 12.25% per annum (2018: 5.00% to 8%). The saving deposits amounting to Rs 113.66 million (2018: Rs 165.55 million) are lien marked against advances to borrowers.

9.	BORROWINGS	Note	30-Sep-19 Rs. '000	31-Dec-18 Rs. '000
	Borrowings from banks/financial Institutions outside Pakistan			
	Unsecured	9.1	906,428	1,386,301
	Borrowings from banks/financial Institutions in Pakistan			
	Secured	9.2	997,619	1,578,571
			1,904,047	2,964,872
9.1	Borrowings from Financial Institutions outside Pakistan			
	Asian Development Bank	9.1.1	545,594	727,459
	ECO Trade & Development Bank (TF-II)	9.1.2	-	207,800
	ECO Trade & Development Bank (TF-III)	9.1.3	360,834	451,042
			906,428	1,386,301
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 4.41% and 7.50% (2018: 3.93% and 4.41%) 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 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 18th month after the disbursement. The interest is payable at the fixed rate 10.47% actual/365 on unadjusted basis commencing from date of disbursement.			
9.1.3	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 2.5% 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 5 equal semi annual installments starting on 24th 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.			
		Note	30-Sep-19 Rs. '000	31-Dec-18 Rs. '000
9.2	Borrowings from Financial Institutions in Pakistan			
	Pak Oman Investment Company Limited (TF-II)	9.2.1	125,000	187,500
	Pak Oman Investment Company Limited (TF-III)	9.2.2	250,000	375,000
	Pak Oman Investment Company Limited (TF-IV)	9.2.3	312,500	437,500
	Syndicated Term Finance (JS Bank Ltd, Askari Bank Ltd and PAIR)	9.2.4	214,286	428,571
	Bank Alfalah Limited (TF-1)	9.2.5	50,000	100,000
	Allied Bank Limited (TF-1)	9.2.6	45,833	50,000
			997,619	1,578,571
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 ranging from 7.82% to 12.90% (2018: 7.82% to 10.66%) 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 9.67% to 15.67% (2018: 7.80% to 9.67%) 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 7.80% to 15.73% (2018: 7.80% to 9.70%) 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.			

9.2.4 This represents syndicated term finance facility of Rs.1.5 billion carrying interest rate from 12.09% to 14.41% (2018: 7.51% to 12.09%) per annum 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.

9.2.5 This represents interbank money market borrowing carrying interest rate ranging from 12.10% to 14.43% (2018: 7.51% to 9.89%) 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.

9.2.6 This represents interbank money market borrowing carrying interest rate ranging from 10.24% to 15.49% (2018: 7.81% to 10.24%) 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-19 Rs. '000	31-Dec-18 Rs. '000
	Term Finance Certificate (TFCs) - I	10.1	1,000,000	1,000,000
			<u>1,000,000</u>	<u>1,000,000</u>
10.1	This represents rated, unsecured, subordinated and privately placed term finance certificates of worth 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. 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. The issue has call option after 10th redemption date, lockin clause and loss absorbency clause.			
11.	OTHER LIABILITIES	Note	30-Sep-19 Rs. '000	31-Dec-18 Rs. '000
	Markup/ interest payable on borrowing		65,432	89,578
	Markup/return payable on deposits		879,752	683,833
	Bills Payable		258,053	74,548
	Accrued expenses		361,138	369,703
	Payable to defined benefit plan - Gratuity/EOBI		79,926	19,418
	Contribution payable to funds		294,628	491,757
	Payable to suppliers and service providers		313,087	144,740
	Provision for workers welfare fund		47,300	38,472
	Sundry deposits		6,810	6,934
	Right of Use Liability		2,004,160	
	Taxation Payable		247,009	299,410
	Dividend Payable		0	61,942
	Other Payables		19,217	10,490
			<u>4,576,512</u>	<u>2,290,825</u>
12.	CAPITAL AND GENERAL RESERVES			
	Statutory Reserve		1,766,693	1,693,035
	Capital Reserve		24,255	24,255
	Net Surplus/(Deficit) on revaluation of available for sale securities		(468)	(235)
			<u>1,790,480</u>	<u>1,717,055</u>
13.	MARKUP/INTEREST ON ADVANCES		30-Sep-19 Rs. '000	30-Sep-18 Rs. '000
	Markup/Interest on Advances - General Loans		8,925,360	7,276,606
	Markup/Interest on Advances - Micro Enterprise Loans		947,504	455,191
	Markup/Interest on Advances - Micro Housing Loans		33,442	5,346
	Markup/Interest on Advances - Staff Loans		26,617	18,532
			<u>9,932,923</u>	<u>7,755,675</u>
14.	MICROCREDIT PROCESSING FEES			
	Micro Credit Processing Fee - General Loans		984,867	839,889
	Micro Credit Processing Fee - Micro Enterprise Loans		45,848	35,097
	Micro Credit Processing Fee - Micro Housing Loans		1,725	202
			<u>1,032,440</u>	<u>875,188</u>
15.	RETAIL BANKING SERVICES FEES			
	Banking Services Fee		74,851	54,767
	Remittance Services Fee		4,477	1,356
	Bancassurance Services Fee		13,093	12,688
	BB Channel Services Fee & Other Commission		1,414	10,544
			<u>93,835</u>	<u>79,355</u>
16.	INSURANCE			
	Insurance - Advances		144,569	105,307
	Insurance - Deposits		6,249	5,624
	Insurance - Operating Fixed Assets & Others		9,489	8,847
			<u>160,307</u>	<u>119,778</u>

17.	NET PROVISION AGAINST ADVANCES/OTHER ASSETS	Note	30-Sep-19	30-Sep-18
			Rs. '000	Rs. '000
	Provision against advances			
	Specific Provision	5.7	1,456,746	537,701
	General Provision	5.7	(51,182)	47,193
			1,405,564	584,894
	Bad Debts Written off Directly		4,085	33,548
	Bad Debts Recovered		(45,293)	(64,049)
	Net Provision against advances		1,364,356	554,393
	Provision against Other Assets			
	Provision against other assets	7	950	5,250
	Recovery against other assets		-	(31)
			950	5,219
			1,365,306	559,612
18.	OPERATING LEASE			
	Interest Expense - Operating Lease Liability		201,798	-
	Depreciation - Right of Use Assets		244,081	-
	Rent Expense		9,519	214,338
			455,398	214,338
	Rent Expense/Operating Lease		286,731	214,338
	Additional Operating Lease Expense		168,667	-
			455,398	214,338
19.	TAXATION			
	The bank has provided for corporate tax at the rate of 29% (2018: 29%) for the year with minimum tax being limited to 1% of non exempt turnover.			
20.	SHARE CAPITAL	Note	30-Sep-19	31-Dec-18
			Rs. '000	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
	responsAbility Management Company S.A (responsibility Global Microfinance Fund)		339,295	339,295
	ShoreCap II Limited (Equator Capital Partners LLC)		243,568	243,568
	ASN Mikrokredietpool (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-19	31-Dec-18
21.1	Number of Employees		Number	Number
	Credit Sales Staff			
	Permanent		2,422	2,078
	Banking/Support Staff			
	Permanent		2,024	1,776
	Contractual		837	760
			2,861	2,536
	Total number of employees at the end of the nine months		5,283	4,614
21.1.1	Credit Sales Staff - MSME		434	369
21.1.2	Female Staff		488	448
21.1.3	Managers		99	93
21.2	Network Outreach		30-Sep-19	31-Dec-18
			Branches	Branches
			Service Center	Service Center
			Permanent Booth	Permanent Booth
			Total Outlets	Total Outlets
21.2.1	At the Beginning of the year		161	149
	Opened during the nine months		21	13
	Closed/merged during the nine months		-	(1)
	At the end of the nine months		182	161
			28	24
			8	-
			197	173
			40	31
			(13)	(7)
			224	197