

Balance Sheet as at September 30, 2015

	Note	30-Sep-2015	31-Dec-2014
ASSETS			
Balances with State Bank of Pakistan	1	361,475,265	304,933,441
Cash in hand and balances with banks	2	761,123,635	749,403,240
Lending to financial institutions	3	323,304,800	417,604,032
Investments - net of provisions	4	724,931,783	836,886,573
Advances - net of provisions	5	15,672,969,273	12,105,839,126
Operating fixed assets	6	538,220,676	322,919,698
Other assets	7	3,041,700,528	1,871,176,573
Deferred tax assets		98,790,435	83,670,995
Total Assets		21,522,516,395	16,692,433,678
LIABILITIES			
Deposits and other accounts	8	11,213,128,195	8,682,472,759
Borrowings	9	5,507,474,003	3,729,876,872
Other liabilities	10	1,023,411,695	993,956,438
Total Liabilities		17,744,013,893	13,406,306,069
NET ASSETS		3,778,502,502	3,286,127,609
REPRESENTED BY :			
CAPITAL			
Paid up capital	17	1,705,000,000	1,705,000,000
Capital and general reserves	11	565,140,968	446,139,614
Unappropriated profit		1,491,132,596	1,134,321,734
		3,761,273,564	3,285,461,348
Deferred grants	12	17,228,938	666,261
Total Capital		3,778,502,502	3,286,127,609

Profit & Loss Account for the nine months ended September 30, 2015

	Note	YTD - SEP - 15	YTD - SEP - 14
Mark up / Interest on advances		3,124,958,155	2,173,876,390
Micro credit Processing Fees		338,553,491	291,324,410
Retail Banking Services Fees	14	49,795,151	10,132,585
		3,507,306,797	2,475,333,485
Return on investments/bank accounts		73,193,454	89,061,825
		3,580,500,251	2,564,415,310
Interest on borrowings		303,076,184	179,065,241
Interest on deposits		554,799,388	895,958,489
		857,875,572	1,075,023,730
		2,722,624,679	1,989,391,580
OPERATING EXPENSES			
Salaries, wages & other benefits		941,504,549	752,148,925
Incentive on Asset and Liability Sales		70,786,870	38,472,081
Recruitment & Development		9,315,429	2,570,829
Management consultancy		6,930,525	14,332,488
IT Operations		47,901,890	39,441,920
Training		40,916,197	17,545,549
Rent, rates & taxes		124,200,613	108,031,046
Meeting & Conferences		22,805,217	18,242,462
Utilities		58,682,426	54,797,323
Communication & Verification		38,308,621	25,748,842
Traveling & conveyance		13,212,529	13,262,566
Insurance		44,878,022	31,335,960
Repair & maintenance		20,800,750	18,548,034
Security services		35,356,566	4,940,194
Vehicle running & maintenance		78,082,945	77,135,435
Legal & Professional		2,790,172	2,149,149
Printing, stationery & office supplies		62,552,241	45,445,610
Subscription		1,783,013	1,984,229
Advertisement & business promotion		23,442,541	15,429,918
Financial charges		15,875,638	7,807,750
ATM Operations		3,363,850	-
Depreciation and amortization		101,098,693	87,702,462
Other Expenses		5,142,982	3,209,373
Workers Welfare Fund		17,316,863	12,520,367
		1,778,858,121	1,393,137,009
Reimbursement of USAID program costs		19,545	8,502,583
		1,778,858,576	1,394,834,428
Net Provision against advances/other assets	13	172,399,525	91,271,702
Total operating expenses		1,951,059,101	1,475,906,128
DEFENDING PROFIT/(LOSS)		771,585,578	513,485,452
OTHER INCOME			
Amortization of deferred grant		1,634,307	5,556,737
Reimbursement of Technical Assistance on MSME	15	971,415	-
Reimbursement of Social Mobilization Cost		80,926,300	115,958,700
Gain/(Loss) on Disposal of Fixed Assets		10,105,767	1,411,886
Misc Income		2,304,621	2,048,342
Gain/(Loss) on Foreign Currency Transactions		294,494	(149,028)
		96,236,904	124,825,647
PROFIT BEFORE TAXATION		867,822,482	638,312,099
Taxation - Current	16	266,594,998	206,526,546
- Prior Year		21,690,313	-
- Deferred		(15,147,600)	(37,874,609)
		273,137,711	178,651,947
PROFIT AFTER TAXATION		594,684,771	459,660,152
Un-appropriated profit b/f		1,134,321,734	738,853,220
Profit available for appropriation		1,729,006,505	1,198,513,372
APPROPRIATIONS:			
Transfer to:			
Statutory Reserves		118,986,954	91,992,091
Microfinance Sector Development Fund		59,488,477	45,866,016
Risk Mitigation Fund		29,734,239	22,983,008
Depositors' Protection Fund		29,734,239	22,983,008
		237,943,909	183,864,063
UNAPPROPRIATED PROFIT/(LOSS)		1,491,132,596	1,014,649,314

Notes to the Accounts for the nine months ended September 30, 2015

1 BALANCES WITH SBP	Note	30-Sep-2015	31-Dec-2014
Balances with SBP	1.1	361,475,265	304,933,441
		<u>361,475,265</u>	<u>304,933,441</u>

1.1 This represents balances held with State Bank of Pakistan to meet the requirement of maintaining minimum balance equal to 3% (2014: 3%) 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-2015	31-Dec-2014
Cash in hand		374,185,195	394,304,188
Current Account		296,078,880	316,028,728
Saving Account	1.1	84,838,550	39,079,324
		<u>761,122,625</u>	<u>749,412,240</u>

1.1 This represents balances held in corporate accounts of which Rs. 82,549 million (2014: Rs. 38.8 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. 2.8 million (2014: Rs. 1.1 million) held with NRB Bank Ltd. as incidental savings. Corporate accounts carry interest rates ranging from 5.0% to 7.25% (2014: 6% to 8%) per annum.

3. MINDING TO FINANCIAL INSTITUTIONS		30-Sep-2015	31-Dec-2014
Reverse Repo Lending	3.1	323,304,800	417,604,032
		<u>323,304,800</u>	<u>417,604,032</u>

3.1 This represents reverse repo lending at the rate 6.10% per annum (2014: 9.50 % per annum) maturing on October 1, 2015 (2014: January 2, 2015).

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	325,000,000	-	325,000,000	432,000,000	-	432,000,000
	<u>325,000,000</u>	<u>-</u>	<u>325,000,000</u>	<u>432,000,000</u>	<u>-</u>	<u>432,000,000</u>

4. INVESTMENTS - NET OF PROVISIONS		30-Sep-2015	31-Dec-2014
Market Treasury Bills			
Market Treasury Bills	4.1	724,696,250	844,740,400
Surplus/(Deficit) on revaluation	4.2	298,533	145,973
		<u>724,994,783</u>	<u>844,886,373</u>

4.1 This represents T-Bills purchased for the period for 182 days (2014: 84 days to 85 days) having yield interest ranging from 7.00% to 7.01% (2014: 9.88% to 9.96%) per annum.

4.2 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-2015		31-Dec-2014	
		No. of loans outstanding	Amount outstanding	No. of loans outstanding	Amount outstanding
Gross advances :					
General Loans					
Secured		40,342	3,258,140,574	40,674	2,845,519,067
Unsecured		454,676	12,372,470,193	427,586	9,359,331,577
MSME Loans					
Secured	5.1	89	33,256,781	5	2,046,187
Unsecured	5.1	1,204	189,126,106	104	18,422,836
		<u>504,317</u>	<u>15,828,898,653</u>	<u>468,269</u>	<u>11,225,311,747</u>
Loans : provisions held					
Specific provision		8,590	69,686,933	4,972	29,121,069
General provision		471,806	198,511,055	428,062	103,391,965
		<u>480,396</u>	<u>268,197,988</u>	<u>433,034</u>	<u>132,413,034</u>
Microcredit Advances - Net of Provisions			15,620,295,665		12,092,908,718
Staff Loans - General Purpose	5.2	132	12,558,479	269	12,930,413
Staff Loans - Housing Finance	5.3	6	40,114,129	-	-
		<u>504,555</u>	<u>16,673,066,278</u>	<u>468,438</u>	<u>12,105,839,126</u>

5.1 This includes 1,296 (2014: 46) micro enterprise clients having aggregate amount of Rs. 285.24 million (2014: Rs. 9.88 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.

5.2 This represents short to medium term general purpose loans to employees of the Bank carrying interest at the rate of 10% (2014: 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 5 to 20 years carrying interest at the rate of average cost of funds plus 30bps (2014: Nil) per annum. These loans are secured against equitable mortgage over unencumbered property.

5.4 Particulars of non-performing advances

Non-performing advances include principal amount of Rs. 208.61 million and interest/marup amount of Rs.51.32 million (2014: principal amount of Rs. 118.0 million and interest/marup amount of Rs.28.0 million) which, as detailed below, have been placed under non performing status.

Category of classification	30-Sep-2015			31-Dec-2014		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
GAEM	64,106,980	-	-	68,929,174	-	-
Sub-standard	35,375,571	5,961,716	5,961,716	23,713,691	4,446,411	4,466,411
Doubtful	142,104,818	49,507,453	49,507,453	23,533,880	9,404,091	9,404,091
Loss	19,540,173	14,127,764	14,127,764	19,843,739	15,250,567	15,250,567
	<u>360,947,542</u>	<u>89,598,933</u>	<u>69,596,933</u>	<u>136,618,424</u>	<u>29,121,069</u>	<u>29,121,069</u>

5.5 Particulars of the provisions against non-performing advances

	Specific	General	Total	Specific	General	Total
Balance at the beginning of the year	29,121,069	103,291,965	132,413,034	19,406,589	81,703,240	101,509,829
Charge for the period/year	160,127,564	90,218,090	190,446,654	199,915,946	20,888,725	154,534,663
Amount written off	119,761,700	-	119,761,700	124,631,456	-	124,631,456
Balance at end of the period/year	<u>69,486,933</u>	<u>133,510,055</u>	<u>202,997,988</u>	<u>29,121,069</u>	<u>103,291,965</u>	<u>132,413,034</u>

Notes to the Accounts for the nine months ended September 30, 2015

5.6 Particulars of write-offs	30-Sep-15	31-Dec-14
Against provision		
Related to rescheduled advances	-	298,500
Related to other classified advances	117,348,410	124,832,950
	117,348,410	124,691,450
Directly charge to profit and loss account	2,413,280	3,151,806
	119,761,700	127,783,256

5.7 Portfolio quality report

The Bank's main measure of loan delinquency is an aged portfolio-at-risk ratio. Loans are separated into classes depending on the number of days they are over-due. For each of such class of loan, the outstanding principal balance of such loan class is divided by the outstanding principal balance of the gross loan portfolio before deducting allowance for non-performing advances. Loans are considered overdue if any payment has fallen due and remained unpaid. Loans payment are applied first to any interest due, then to any installment of principal that is due but unpaid, beginning with the earliest such installment. The number of days of delay is based on the due date of the due date of the earliest loan installment that has not been fully paid. Late payment surcharge/penalty on overdue advances is not added to principal.

Normal Loans	30-Sep-15		31-Dec-14	
	Portfolio at Risk	Amount	Portfolio at Risk	Amount
Current	0.00%	15,459,927,134	0.00%	12,055,328,748
1 - 29 days late	0.92%	145,454,450	0.47%	57,020,936
30 - 59 days late	0.34%	53,146,366	0.47%	57,854,069
60 - 89 days late	0.19%	30,019,141	0.16%	19,968,762
90 - 179 days late	0.70%	110,803,194	0.16%	19,903,004
More than 179 days late	0.02%	14,548,388	0.12%	15,267,128
	2.24%	15,823,393,653	1.59%	12,329,321,747

6. OPERATING FIXED ASSETS

	Note	30-Sep-15	31-Dec-14
Capital work-in-progress			
Property and equipment	6.1	80,947,442	29,107,497
Intangible assets	6.2	420,288,349	270,450,223
		37,134,385	23,561,978
		538,220,676	322,616,698

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-15	31-Dec-14
Opening Balance		
Advances issued during the period/year	29,107,497	15,849,803
Assets transferred during this period /year	245,929,020	95,463,522
Closing Balance	194,089,075	83,207,828
	80,947,442	29,107,497

6.2 Property and Equipment & Intangible Assets

Cost	Vehicle	Furniture & Fixture	Electrical and other Equipment	Computer Equipment	Total	Carrying Amount
Balances as on January 1, 2015	157,430,444	166,139,268	250,117,289	233,625,041	807,329,042	115,594,285
Additions	31,337,884	67,855,909	95,591,158	39,348,518	234,133,469	83,923,934
Disposals	23,519,908	7,222,295	5,405,079	4,782,350	41,029,632	380,650
Balances as on September 30, 2015	165,248,420	226,773,882	340,303,369	267,231,209	999,556,880	149,126,969
DEPRECIATION						
Balances as on January 1, 2015	129,119,945	81,921,759	146,561,738	178,188,477	536,841,819	92,222,917
Depreciation/Amortisation Charge	9,980,076	12,844,609	32,921,546	25,582,165	81,328,396	19,770,297
Disposals	23,519,889	5,274,347	5,195,114	4,782,834	38,772,184	-
Balances as on September 30, 2015	115,580,032	89,492,021	174,228,170	199,997,808	579,298,031	111,992,614
As on September 30, 2015	49,548,388	137,281,861	166,075,199	67,233,401	420,136,849	37,134,385
As on December 31, 2014	28,190,893	84,217,509	103,635,551	54,026,564	270,069,457	23,561,978
Rate of Depreciation per annum	25%	10%	20%	33.33%		33.33%

7. OTHER ASSETS

	Note	30-Sep-15	31-Dec-14
Markup/Interest accrued on advances		2,205,905,685	1,221,589,183
Less: Suspended Markup/Interest on non performing advances		52,339,107	29,049,461
		2,153,566,578	1,192,539,722
Interest receivable on investments/placements		21,488,426	14,558,457
Loans & advances to staff		90,889,868	79,079,724
Advances to Suppliers and Service Providers		27,044,588	9,908,511
Security deposit		2,032,940	2,024,440
Prepayments		81,868,018	92,823,791
Receivable from MSDP	7.1	517,937,404	371,788,828
Receivables from USAID	7.2	-	1,514,585
Insurance Claim Receivable		8,357,972	9,986,377
Sales Tax/Federal Excise Duty		122,531,946	74,401,864
Other receivables		35,808,221	35,266,892
		3,061,763,961	1,889,951,039
Less: Provision held against classified assets			
Opening Provision		18,574,466	18,798,079
Provision Charge for the period/year		12,165,964	4,678,337
Receivable written off against provision		10,776,897	-
Closing Provision		20,063,433	18,574,466
		3,041,700,528	1,871,376,573

Notes to the Accounts for the nine months ended September 30, 2015

- 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.
- 7.2 This represents cost reimbursement to the Bank under Cooperative Agreement TWEIP Phase II 891-A-00-11-01230-00 effective February 25, 2011 for disbursement of USAID funds to the TWEIP (Tubewell Efficiency Improvement Replacement Program) equipment vendors. Cumulative disbursements made to vendors up to June 30, 2014 amounted to USD 11.6 million; while the total project cost is USD18.5 million. The Bank recovers 1.755% of the amount disbursed and personnel cost as indirect cost charge. The extended expiry date was June 30, 2014.

8. DEPOSITS	Note	30-Sep-15		31-Dec-14	
		Number of accounts	Rupees	Number of accounts	Rupees
Time Liabilities:					
Term Deposits	8.2	4,760	5,614,217,131	2,947	2,939,858,491
Demand Liabilities:					
Saving Deposits	8.3	50,420	9,588,255,737	24,788	3,293,438,176
Current Deposits		1,038,526	2,010,659,327	872,348	2,455,176,152
		1,038,946	5,598,913,064	897,134	5,748,614,328
		1,038,706	11,213,128,195	900,081	8,682,472,758
8.1 Particulars of Deposits by ownership					
Individual Depositors		1,036,711	6,496,374,813	898,385	5,787,168,598
Institutional Depositors					
a) Corporations/Firms		1,971	8,660,339,153	1,695	2,280,163,114
a) Banks/Financial Institutions		24	1,058,414,529	11	645,141,047
		1,038,706	11,213,128,195	900,081	8,682,472,758

- 8.2 This represents term deposits having tenure of 6 to 36 months (2014: 1 to 36 months) carrying interest at rates ranging from 8% to 14% (2014: 6% to 14%) per annum. The term deposits amounting to Rs 33.11 Million (2014: Rs 31.95 Million) are lien marked against advances to borrowers.
- 8.3 This represents saving deposits carrying interest rates ranging from 6% to 10.25% per annum (2014: 6% to 10.25%). The saving deposits amounting to Rs 143.78 Million (2014: Rs NIL) (2014: Rs NIL) are lien marked against advances to borrowers.

9. BORROWINGS	Note	30-Sep-15	31-Dec-14
Borrowings from banks/financial institutions outside Pakistan			
Unsecured	9.1	3,027,262,132	2,182,376,872
Borrowings from banks/financial institutions in Pakistan			
Secured	9.2	1,000,211,871	987,500,000
Unsecured	9.3	490,000,000	560,000,000
		5,507,474,003	3,729,876,872
9.1 Borrowings from financial institutions outside Pakistan			
Asian Development Bank	9.1.1	2,000,512,132	2,182,376,872
ECO Trade & Development Bank (TF-I)	9.1.2	507,250,000	-
ECO Trade & Development Bank (TF-II)	9.1.3	519,500,000	-
		3,027,262,132	2,182,376,872

- 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 month was determined to be 6.27% (2014: 6.53% and 6.64%) per annum.

- 9.1.2 This represents borrowing from ECO Trade and Development Bank amounting to US\$5 Million which carries interest at the rate of 6 month USD LIBOR plus 2.5% per 360 days. The repayment of borrowing will be on maturity after 2 years and interest is payable semi annually.

The Bank has entered into Cross Currency SWAP agreement with United Bank Limited for the borrowing. Under such arrangement US\$5 million were translated at the exchange rate of Rs. 101.45 and the repayment will be on maturity. The interest is payable at the rate of six months LIBOR 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. 109.90 and the repayment will be in 5 equal semi annual installments starting on 24th month after the disbursement. The interest is payable at the fixed rate 10.47% actual/365 on unadjusted basis commencing from date of disbursement.

9.2 Borrowings from Financial Institutions in Pakistan	Note	30-Sep-15	31-Dec-14
Pak Oman Investment Company Limited (TF-I)	9.2.1	325,000,000	487,500,000
Pak Oman Investment Company Limited (TF-II)	9.2.2	500,000,000	-
United Bank Limited (TF-I)	9.2.3	400,000,000	500,000,000
Askari Bank Limited (TF-I)	9.2.4	400,000,000	-
Sohel Bank Limited (TF-IV)	9.2.5	300,000,000	-
JS Bank Limited (RF)	9.2.6	211,871	-
United Bank Limited (RF)	9.2.7	75,000,000	-
		1,000,211,871	987,500,000

- 9.2.1 This represents interbank money market borrowings for 2 years with grace period of 6 months from draw down date carrying interest rate ranging 9.79% to 11.94% (2014: 11.92% to 11.94%) per annum and repayable in 3 equal installments. These borrowings are secured against charge over current and future assets of Rs.650 million.
- 9.2.2 This represents interbank money market borrowings for 3 years with grace period of 12 months from draw down date carrying interest rate 9.64% (2014: NIL) per annum and repayable in 8 semi annual equal installments. These borrowings are secured against charge over current and future assets of Rs.667 million.
- 9.2.3 This represents interbank money market borrowings for 3 years with the grace period of 6 months from draw down date carrying interest rate ranging 9.48% to 11.63% (2014: 11.69%) per annum and repayable in 5 equal installments. These borrowings are secured against 40% partial Microfinance Credit Guarantee Facility (MCGF) by SBP and charge over current and future micro loans of Rs.400 million.

Notes to the Accounts for the nine months ended September 30, 2015

- 3.2.4 This represents interbank money market borrowings for 3 years with the grace period of 6 months from draw down date carrying interest rate ranging 8.51% to 10.03% (2014: NIL) per annum and repayable in 10 equal quarterly instalments. These borrowings are secured against 40% partial Microfinance Credit Guarantee Facility (MCGF) by SBP and charge over current and future micro loans of Rs.320 million.
- 3.2.5 This represents term finance facility of Rs.300 million carrying interest rate 8.03% (2014: NIL) for a period of 3 years with grace period of 1 year from the draw down date. These borrowings are secured against 40% partial Microfinance Credit Guarantee Facility and charge over present and future assets of the Bank worth Rs.300 million.
- 3.2.6 This represents running finance facility of Rs.300 million carrying interest rate ranging 8.76% to 11.32% (2014: 11.93% to 11.96%) for a period of 1 year from the draw down date. These borrowings are secured against charge over present and future assets of the Bank worth Rs.400 million.
- 3.2.7 This represents running finance facility of Rs.75 million carrying interest rate 7.76% (2014: NIL) for a period of 1 year from the draw down date. These borrowings are secured against charge over present and future assets of the Bank worth Rs.100 million.

	Note	30-Sep-15	31-Dec-14
3.3	Borrowings from Financial Institutions in Pakistan Pakistan Poverty Alleviation Fund (TF-II)	9.3.1	
		480,000,000	560,000,000
		480,000,000	560,000,000

- 3.3.1 This represents interbank money market borrowings carrying interest rate ranging 6.05% to 11.11% (2014: 9.11% to 11.68%) 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. Further, PPAF extended the facility till Jun 30, 2016. To date PPAF disbursed Rs.800 million under this agreement.

10. OTHER LIABILITIES

	30-Sep-15	31-Dec-14
Markup/Interest payable on borrowing	111,972,020	78,281,377
Markup/return payable on deposits	210,385,934	146,274,356
Bills Payable	51,188,757	63,102,779
Accrued expenses	160,334,560	151,496,351
Payable to defined benefit plan - Gratuity/EOBI	75,299,567	65,132,259
Contribution payable to funds	118,936,955	140,642,349
Payable to suppliers and service providers	42,858,100	73,284,790
Provision for workers welfare fund	55,007,792	37,690,929
Sundry deposits	36,740,342	20,836,473
Corporate Tax Payable	171,182,436	198,615,505
Other Payables	9,505,232	18,599,270
	1,023,411,695	993,956,438

11. CAPITAL AND GENERAL RESERVES

	Note	30-Sep-15	31-Dec-14
Statutory Reserve		540,723,542	421,786,588
Capital Reserve		24,255,224	24,255,224
Net Surplus/(Deficit) on revaluation of available for sale securities		162,202	97,802
		565,140,968	446,139,614

12. DEFERRED GRANTS

	Note	30-Sep-15	31-Dec-14
Grant from GoP	12.1	251,589,232	251,589,232
Less: Grant amortized			
Up to December 31, 2014		(251,437,620)	(251,437,620)
Up to September 30, 2015		(68,248)	-
		(251,505,868)	(251,437,620)
		83,364	151,612
Grant from USAID	12.2	98,374,901	98,374,901
Less: Grant amortized			
Up to December 31, 2014		(97,860,252)	(97,860,252)
Up to September 30, 2015		(257,499)	-
		(98,117,751)	(97,860,252)
		257,150	514,649
Grant from Enclude (Shore Bank International)	12.3	43,681,321	25,484,337
Less: Grant amortized			
Up to December 31, 2014		(25,484,337)	(25,484,337)
Up to September 30, 2015		(1,308,560)	-
		(26,792,897)	(25,484,337)
		16,888,424	-
		17,228,938	666,261

- 12.1 This represents grant from GoP for assets acquired for Institutional Strengthening of the Bank, under subsidiary loan and grant agreement entered with GoP and ADB
- 12.2 This represents grant from USAID for assets acquired for Bank's operations to develop non bankable territories for financial services in Sindh, Balochistan and FATA areas from Sep-2003 to Sep-2009.
- 12.3 This represents grant for interim retail banking application Bank Essential awarded by Enclude (Formerly Shore Bank International Limited) to improve the capacity of the Bank for delivering saving products more effectively, profitably and at the enhanced scale. Further, as an addendum to sub grant agreement, the period of grant is extended till December 31, 2015 for implementation of nationwide marketing campaign to create awareness of alternative delivery channels and build customer uptake of the Bank's branchless banking services.

Notes to the Accounts for the nine months ended September 30, 2015

13. NET PROVISION AGAINST ADVANCES/OTHER ASSETS	Note	30-Sep-15	30-Sep-14
Provision against advances			
Specific Provision	5.4	160,227,564	105,707,938
General Provision	5.4	30,219,090	12,169,706
		190,446,654	117,877,644
Bad Debts Recovered		(25,784,639)	(26,984,317)
Net Provision against advances		164,662,015	90,893,327
Provision against Other Assets			
Provision against other assets	7	12,165,964	2,761,415
Recovery against other assets		(4,428,454)	(2,383,040)
		7,737,510	378,375
		<u>172,399,525</u>	<u>91,271,702</u>
14. RETAIL BANKING SERVICES FEES			
Banking Services Fee		34,431,245	7,414,136
Remittance Services Fee		2,038,272	1,538,793
Bancassurance Services Fee		5,245,510	1,179,756
ATM Services Fee		2,080,124	-
		<u>43,795,151</u>	<u>10,132,685</u>
15.			
This represents grant reimbursements to support launch of new MSME products nationwide network of the Bank under the technical assistance cooperation agreement between Incofin Investment Management and the Bank.			
16. TAXATION			
The bank has provided for corporate tax at the rate of 33% (2014: 33%) for the month/year with minimum tax being limited to 1% of non exempt turnover.			
17. SHARE CAPITAL	Note	30-Sep-15	31-Dec-14
17.1 Authorized Capital	17.1.1	<u>6,000,000,000</u>	<u>6,000,000,000</u>
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	<u>1,705,000,000</u>	<u>1,705,000,000</u>
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		506,285,280	506,285,280
Rural Impulse Fund II S.A. SICAV-FIS		417,056,630	298,496,320
Responsibility Global Microfinance Fund (Credit Suisse Fund Management Company)		339,294,990	132,855,310
ShoraCap II Limited		243,568,080	243,568,080
ASN-NOVIB Mikroreditfonds (Tripple Jump)		168,795,020	168,795,020
Bank Al Habib Limited		30,000,000	30,000,000
Habib Bank Limited		-	300,000,000
Soneri Bank Limited		-	25,000,000
		<u>1,705,000,000</u>	<u>1,705,000,000</u>
18. GENERAL INFORMATION		30-Sep-15	31-Dec-14
18.1 Number of Employees		Number	Number
Credit Sales Staff			
Permanent		1,188	905
Banking/Support Staff			
Permanent		1,054	858
Contractual		902	859
		<u>1,956</u>	<u>1,717</u>
Total number of employees at the end of the period		<u>3,144</u>	<u>2,622</u>
18.1.1 Credit Sales Staff - MSME		<u>87</u>	<u>13</u>
18.1.2 Female Staff		<u>259</u>	<u>221</u>
18.1.3 Managers		<u>71</u>	<u>66</u>
18.2 Number of Branches			
Total branches at the beginning of the period		118	110
Opened during the period		10	10
Closed/merged during the period		-	(2)
Total branches at the end of the period		<u>128</u>	<u>118</u>