

## Balance Sheet as at June 30, 2015

	Note	30-Jun-2015	31-Dec-2014
<b>ASSETS</b>			
Balances with State Bank of Pakistan	1	426,013,715	304,933,441
Cash in hand and balances with banks	2	1,138,667,627	749,403,240
Lending to financial institutions	3	340,982,986	417,604,032
Investments - net of provisions	4	724,819,450	836,886,573
Advances - net of provisions	5	14,739,533,319	12,105,839,126
Operating fixed assets	6	503,614,584	322,919,698
Other assets	7	2,258,257,977	1,871,176,573
Deferred tax assets		88,270,843	83,670,995
<b>Total Assets</b>		<b>20,220,160,501</b>	<b>16,692,433,678</b>
<b>LIABILITIES</b>			
Deposits and other accounts	8	11,059,673,569	8,682,472,759
Borrowings	9	4,595,262,132	3,729,876,872
Other liabilities	10	937,645,981	993,956,438
<b>Total Liabilities</b>		<b>16,592,581,682</b>	<b>13,406,306,069</b>
<b>NET ASSETS</b>		<b>3,627,578,819</b>	<b>3,286,127,609</b>
<b>REPRESENTED BY :</b>			
<b>CAPITAL</b>			
Paid up capital	17	1,705,000,000	1,705,000,000
Capital and general reserves	11	527,090,664	446,139,614
Unappropriated profit		1,377,210,841	1,134,321,734
		3,609,301,505	3,285,461,348
Deferred grants	12	18,277,314	666,261
<b>Total Capital</b>		<b>3,627,578,819</b>	<b>3,286,127,609</b>

Profit & Loss Account for the half year ended June 30, 2015

	Note	YTD - JUN - 15	YTD - JUN - 14
Mark up / Interest on advances		1,997,920,404	1,349,779,105
Micro credit Processing Fees		257,073,800	211,517,816
Retail Banking Services Fees	14	93,791,278	4,417,418
		2,228,785,482	1,565,714,339
Return on Investments/bank accounts		59,187,425	51,098,680
		2,281,971,907	1,616,813,019
Interest on borrowings		188,957,018	107,692,838
Interest on deposits		345,344,514	249,891,144
		534,301,532	357,583,982
		1,748,271,377	1,259,229,057
<b>OPERATING EXPENSES</b>			
Salaries, wages & other benefits		614,222,402	500,818,719
Incentive on Asset and Liability Sales		56,730,415	32,200,788
Recruitment & Development		9,081,685	1,448,415
Management consultancy		1,282,025	7,047,781
IT Operations		32,868,866	26,058,944
Training		23,908,112	11,147,278
Rent, rates & taxes		78,430,555	70,664,665
Meeting & Conferences		15,143,526	10,851,776
Utilities		32,187,804	30,998,651
Communication & Verification		25,159,354	16,486,892
Travelling & conveyance		7,566,895	9,541,795
Insurance		28,366,756	20,368,128
Repair & maintenance		14,026,854	11,379,321
Security services		28,443,451	8,287,928
Vehicle running & maintenance		51,932,087	51,770,759
Legal & Professional		1,967,508	1,478,371
Printing, stationery & office supplies		44,519,972	29,916,009
Subscription		1,249,845	1,393,328
Advertisement & business promotion		14,331,048	9,476,505
Financial charges		9,148,648	6,584,793
ATM Operations		957,225	-
Depreciation and amortization		61,894,491	58,457,470
Other Expenses		5,181,714	8,078,234
Workers Welfare Fund		11,490,008	7,445,166
		1,158,441,447	921,582,156
Reimbursement of USAID program costs		19,545	7,940,399
		1,158,421,902	913,641,757
Net Provision against advances/other assets	13	92,638,791	40,821,523
Total operating expenses		1,251,060,693	954,463,280
<b>OPERATING PROFIT (LOSS)</b>		<b>497,210,684</b>	<b>304,765,757</b>
<b>OTHER INCOME</b>			
Amortization of deferred grant		585,931	4,660,240
Reimbursement of Technical Assistance on MSME	15	971,415	-
Reimbursement of Social Mobilization Cost		64,645,100	70,313,100
Gain/(Loss) on Disposal of Fixed Assets		11,026,176	(327,456)
Misc Income		(293,999)	360,737
Gain/(Loss) on Foreign Currency Transactions		294,494	(273,832)
		77,289,727	74,832,789
<b>PROFIT BEFORE TAXATION</b>		<b>574,500,411</b>	<b>379,598,546</b>
Taxation - Current		174,277,293	138,142,082
- Deferred	16	(4,592,062)	(17,954,784)
		169,685,232	120,187,298
<b>PROFIT AFTER TAXATION</b>		<b>404,815,179</b>	<b>259,411,248</b>
Un-appropriated profit b/f		1,134,321,734	738,853,220
Profit available for appropriation		1,539,136,913	998,264,468
<b>APPROPRIATIONS:</b>			
Transfer to:			
Statutory Reserves		80,963,036	51,882,250
Microfinance Sector Development Fund		40,481,518	25,941,125
Risk Mitigation Fund		20,240,759	12,970,562
Depositors' Protection Fund		20,240,759	12,970,562
		161,926,072	103,764,499
<b>UNAPPROPRIATED PROFIT (LOSS)</b>		<b>1,377,210,841</b>	<b>894,499,969</b>

Notes to the Accounts for the half year ended June 30, 2015

1. BALANCES WITH SBP	Note	30-Jun-2015	31-Dec-2014
Balances with SBP	1.1	426,013,715 <u>426,013,715</u>	304,333,441 <u>304,333,441</u>

1.1 This represents balance held with State Bank of Pakistan to meet the requirement of maintaining minimum balance equivalent to 5% (2014: 5%) of the Bank's time and demand liabilities in accordance with the Regulation R-94.

2. CASH IN HAND AND BALANCES WITH BANKS		30-Jun-2015	31-Dec-2014
Cash in hand		407,650,737	394,304,188
Current Account		296,382,409	316,028,728
Saving Account	2.1	484,834,481	39,070,324
		<u>1,188,867,627</u>	<u>749,403,240</u>

2.1 This represents balances held in corporate accounts of which Rs. 231.8 million (2014: Rs. 98.8 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. 202.7 million (2014: Rs. 1.1 million) held with NIB Bank Ltd. as institutional savings. Corporate accounts carry interest rates ranging from 5.0% to 7.25% (2014: 6% to 8% per annum).

3. LENDING TO FINANCIAL INSTITUTIONS		30-Jun-2015	31-Dec-2014
Reverse Repo Lending	3.1	340,882,986	417,604,032
		<u>340,882,986</u>	<u>417,604,032</u>

3.1 This represents reverse repo lending at the rate ranging from 6.4% to 7.0% per annum (2014: 6.50 % per annum) maturing on July 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	351,000,000	-	351,000,000	492,000,000	-	492,000,000
	<u>351,000,000</u>	<u>-</u>	<u>351,000,000</u>	<u>492,000,000</u>	<u>-</u>	<u>492,000,000</u>

4. INVESTMENTS - NET OF PROVISIONS		30-Jun-2015	31-Dec-2014
Market Treasury Bills			
Market Treasury Bills	4.1	724,483,230	836,746,800
Surplus/(Deficit) on revaluation	4.2	128,200	145,873
		<u>724,611,430</u>	<u>836,892,673</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: 6.88% to 6.98%) per annum.

4.2 In compliance with the requirements of the Regulations (R-13C), 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-2015		31-Dec-2014	
		No. of loans outstanding	Amount outstanding	No. of loans outstanding	Amount outstanding
<b>Onse advances:</b>					
General Loans					
Secured		42,175	3,062,066,677	40,674	2,845,519,057
Unsecured		480,118	11,482,417,140	427,886	9,258,343,577
MISCELLANEOUS Loans					
Secured	5.1	42	15,308,597	5	2,048,187
Unsecured	5.1	620	110,662,885	104	19,422,916
		<u>482,850</u>	<u>14,661,176,299</u>	<u>468,569</u>	<u>12,325,931,747</u>
<b>Less: provisions held</b>					
Specific provision		7,574	51,107,279	4,872	29,131,009
General provision		454,012	122,568,044	428,692	109,291,885
			<u>173,775,323</u>		<u>132,413,034</u>
Microcredit Advances - Net of Provisions			14,707,400,976		12,092,908,713
Staff Loans - General Purpose	5.2	208	11,480,474	269	12,836,413
Staff Loans - Housing Finance	5.3	2	20,651,869	-	-
		<u>493,160</u>	<u>26,739,539,319</u>	<u>468,698</u>	<u>27,105,839,126</u>

5.1 This includes 618 (2014: 46) micro enterprise clients having aggregate amount of Rs. 141.25 million (2014: Rs. 8.88 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 14, 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 50bps (2014: Nil) per annum. These loans are secured against equitable mortgage over unencumbered property.

5.4 Particulars of non-performing advances

Non-performing advances includes principal amount of Rs. 279.36 million and interest/markup amount of Rs. 67.40 million (2014: principal amount of Rs. 133.0 million and interest/markup amount of Rs. 23.0 million) which, as detailed below, have been placed under non-performing status.

Category of Classification	30-Jun-2015			31-Dec-2014		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
GAEM	206,801,479	-	-	68,929,174	-	-
Sub-standard	31,983,175	5,186,544	5,186,544	28,721,851	4,466,411	4,466,411
Doubtful	86,227,043	31,284,504	31,284,504	23,533,880	3,404,091	3,404,091
Loss	13,745,524	14,725,787	14,725,787	19,848,739	15,250,567	15,250,567
	<u>345,762,271</u>	<u>51,207,275</u>	<u>51,207,275</u>	<u>136,038,424</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	103,281,965	131,413,034	19,406,599	81,709,240	102,509,839
Charge for the period/year	85,345,844	19,276,083	104,621,927	139,946,938	20,588,723	154,334,663
Amount written off	63,259,658	-	63,259,658	124,631,458	-	124,631,458
Balance at end of the period/year	<u>51,207,275</u>	<u>122,568,044</u>	<u>173,775,319</u>	<u>29,121,069</u>	<u>103,281,965</u>	<u>132,413,034</u>

**Notes to the Accounts for the half year ended June 30, 2015**

5.6	Particulars of write offs	30-Jun-15	31-Dec-14
	Against provision		
	Related to rescheduled advances	-	298,500
	Related to other classified advances	62,352,341	124,332,958
		62,352,341	124,631,458
	Directly charge to profit and loss account	807,297	1,151,806
		63,159,638	127,783,264

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-Jun-15		31-Dec-14	
	Portfolio at Risk	Amount	Portfolio at Risk	Amount
Current	0.00%	14,445,823,668	0.00%	12,055,328,748
1 - 29 days late	1.05%	155,994,829	0.47%	57,020,096
30 - 59 days late	1.13%	168,710,131	0.47%	57,634,069
60 - 89 days late	0.18%	27,584,909	0.16%	19,968,762
90 - 179 days late	0.46%	67,974,866	0.16%	19,903,004
More than 179 days late	0.10%	15,087,801	0.12%	15,267,128
	2.93%	14,861,176,299	1.39%	12,225,321,747

6.	OPERATING FIXED ASSETS	Note	30-Jun-15	31-Dec-14
	Capital work-in-progress	6.1	114,607,574	29,107,497
	Property and equipment	6.2	357,387,787	270,450,228
	Intangible assets	6.2	31,619,223	29,351,978
			503,614,584	322,929,699

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-Jun-15	31-Dec-14
Opening Balance	29,107,497	15,849,809
Advances issued during the half year/year	219,705,237	96,465,522
Assets transferred during the half year/year	150,203,160	83,207,828
Closing Balance	114,607,574	29,107,497

6.2 Property and Equipment & Intangible Assets

	2014	2013	2012	2011	2010	2009
<b>Cost</b>						
Balance as on January 1, 2015	157,410,444	168,189,268	150,117,289	233,625,041	307,292,042	115,584,285
Additions	9,696,989	29,719,619	85,741,397	12,850,518	137,988,338	20,434,530
Disposals	23,584,028	5,388,715	4,095,876	4,424,912	87,462,967	-
Balance as on June 30, 2015	143,523,404	192,470,166	231,762,810	242,051,241	357,797,411	136,028,825
<b>Depreciation</b>						
Balance as on January 1, 2015	129,219,845	81,921,759	146,501,738	179,198,477	526,841,829	92,222,917
Depreciation/Amortization Charge	5,580,693	8,037,398	20,164,536	15,844,579	48,637,206	12,137,265
Disposals	23,584,028	4,217,193	3,933,148	4,424,841	39,129,191	-
Balance as on June 30, 2015	111,216,529	85,741,964	162,733,126	189,718,213	586,409,834	104,419,602
Carrying Value						
As on June 30, 2015	32,306,874	106,728,202	69,029,684	52,333,028	97,387,577	31,609,223
As on December 31, 2014	28,190,599	84,217,809	103,615,551	54,426,564	170,430,238	29,881,978
Rate of Depreciation per annum	25%	10%	20%	33.33%		33.33%

7. OTHER ASSETS

	Note	30-Jun-15	31-Dec-14
Markup/interest accrued on advances		1,489,086,917	1,221,369,199
Less: Suspended Markup/Interest on non performing advances		87,404,471	23,045,461
		1,421,682,446	1,198,323,738
Interest receivable on Investments/placements		8,208,516	24,558,457
Loans & advances to staff		96,697,740	79,079,724
Advances to Suppliers and Service Providers		18,736,973	9,908,511
Security deposit		2,025,440	2,024,440
Prepayments		101,863,490	92,823,701
Receivable from MSDF	7.1	482,976,351	571,786,936
Receivable from USAID	7.2	-	1,514,363
Insurance Claim Receivable		22,089,424	9,986,977
Sales Tax/Federal Excise Duty		100,442,612	74,401,884
Other receivables		30,044,646	95,266,892
		2,274,768,460	1,889,851,039
Less: Provision held against classified assets			
Opening Provision		18,674,466	13,798,079
Provision Charge for the half year/year		8,619,014	4,876,887
Receivable written off against provision		10,776,997	-
Closing Provision		16,516,483	18,674,966
		2,258,251,977	1,871,176,073

of the documents for the half year ended June 30, 2015

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.

This represents cost reimbursement to the Bank under Cooperative Agreement TWEIP Phase II 391-A-02-11-01290-00 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 11.8 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.

	Note	30-Jun-15		31-Dec-14	
		Number of accounts	Rupees	Number of accounts	Rupees
<b>DEPOSITS</b>					
<b>Time deposits:</b>					
Term Deposits	8.1	3,794	4,046,759,983	2,847	2,931,838,481
<b>Demand (liability):</b>					
Saving Deposits	8.3	28,768	4,360,089,058	24,788	3,293,438,176
Current Deposits		982,405	2,851,824,583	872,346	1,455,176,159
		1,011,573	7,012,813,636	897,134	5,748,614,318
		1,016,267	11,099,873,698	900,081	8,682,472,759
<b>Particulars of Deposits by ownership:</b>					
<b>Individual Depositors</b>					
Institutional Depositors		1,013,507	6,410,804,023	898,385	5,787,168,598
a) Corporations/Firms		1,844	3,602,351,909	1,645	2,250,163,114
b) Banks/Financial Institutions		16	1,046,517,737	11	645,141,047
		1,015,367	11,058,673,699	900,081	8,682,472,759

This represents term deposits having tenure of 6 to 36 months (2014: 1 to 36 months) carrying interest at rates ranging from 6% to 14% (2014: 6% to 14%) per annum. The term deposits amounting to Rs. 33.95 M (on 2014: Rs. 1.95 M) are in line market against advances to borrowers.

This represents saving deposits carrying interest rates ranging from 6% to 10.25% per annum (2014: 6% to 10.25%).

	Note	30-Jun-15		31-Dec-14	
<b>BORROWINGS</b>					
<b>Borrowings from banks/financial institutions outside Pakistan</b>					
Unsecured	9.1		2,507,782,132		2,182,376,872
<b>Borrowings from banks/financial institutions in Pakistan</b>					
Secured	9.2		1,687,500,000		947,800,000
Unsecured	9.3		400,000,000		540,000,000
			4,595,282,132		3,729,876,872
<b>Borrowings from financial institutions outside Pakistan-</b>					
Asian Development Bank	9.1.1		2,000,912,132		2,182,376,872
ECO Trade & Development Bank	9.1.2		507,782,132		-
			2,507,782,132		2,182,376,872

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 awarded 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 10 years including a grace period of 8 years. Repayment of loan commenced from May 3, 2009, through bi-annual equal installments. The principal payable is the aggregate equivalent of the amounts drawn by the Bank from the loan account for sub-let 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 8.53% (2014: 8.53% and 8.64%) per annum.

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 90 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 February 11, 2015.

	Note	30-Jun-15		31-Dec-14	
<b>Borrowings from financial institutions in Pakistan</b>					
Pak Oman Investment Company Limited (TF-I)	9.2.1		487,500,000		487,500,000
Pak Oman Investment Company Limited (TF-II)	9.2.2		300,000,000		-
United Bank Limited (TF-I)	9.2.3		500,000,000		500,000,000
Askari Bank Limited (TF-I)	9.2.4		400,000,000		-
SB Bank Limited (TF-I)	9.2.5		-		-
			1,687,500,000		987,500,000

This represents interbank money market borrowings for 1 year with grace period of 6 months from draw down date carrying interest rate ranging 10.27% 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.

This represents interbank money market borrowings for 5 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.567 million.

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 11.69% (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.

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 10.09% (2014: Nil) per annum and repayable in 10 equal quarterly 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.320 million.

This represents revolving financial facility of Rs.300 million carrying interest rate ranging 9.75% to 11.52% (2014: 11.69% to 11.96%) for a period of 3 year from the draw down date. These borrowings are secured against charge over present and future assets of the Bank worth Rs.400 million.

	Note	30-Jun-15		31-Dec-14	
<b>Borrowings from financial institutions in Pakistan</b>					
Pakistan Poverty Alleviation Fund (TF-I)	9.3.1		400,000,000		560,000,000
			400,000,000		860,000,000

This represents interbank money market borrowings carrying interest rate ranging 8.64% to 11.11% (2014: 9.18% to 11.68%) per annum. The PPAF extended Rs.900 million financing facility, hypothecated against receivable created out of financing. The Bank is liable to repay the principal amount to PPAF in 8 equal quarterly installments after the expiry of one year as grace period.

	30-Jun-15		31-Dec-14	
<b>OTHER LIABILITIES</b>				
Markup/ Interest payable on borrowing		112,551,295		78,281,377
Markup/return payable on deposits		147,477,567		146,274,356
Bill Payable		61,368,095		63,102,779
Accrued expenses		130,728,487		131,404,351
Payable to defined benefit plan - Gratuity/EOBI		87,841,478		83,132,259
Contribution payable to funds		80,983,036		140,642,349
Payable to suppliers and service providers		125,468,450		73,284,790
Provision for workers welfare fund		49,180,937		37,690,318
Sundry deposits		18,309,412		20,836,473
Corporate Tax Payable		140,680,710		194,615,308
Other Payables		1,884,813		18,598,270
		837,645,813		963,654,438

the Accounts for the half year ended June 30, 2015

CAPITAL AND GENERAL RESERVES	Note	30-Jun-15	31-Dec-14
Statutory Reserve			
Capital Reserve		802,749,629	421,796,588
Net Surplus/(Deficit) on revaluation of available for sale securities		24,258,224	24,893,224
		85,016	97,802
		<u>627,090,644</u>	<u>446,189,614</u>
<b>DEFERRED GRANTS</b>			
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 June 30, 2015		(50,092)	-
		<u>(251,487,712)</u>	<u>(251,437,620)</u>
		101,820	151,612
Grant from USAID	12.2	98,974,901	98,974,901
Less: Grant amortized			
Up to December 31, 2014		(87,880,252)	(87,880,252)
Up to June 30, 2015		(171,866)	-
		<u>(98,052,118)</u>	<u>(97,880,252)</u>
		942,563	518,649
Grant from Encube (Shore Bank International)	12.3	43,641,921	25,484,397
Less: Grant amortized			
Up to December 31, 2014		(25,484,397)	(25,484,397)
Up to June 30, 2015		(364,173)	-
		<u>(25,848,570)</u>	<u>(25,484,397)</u>
		17,892,314	-
		<u>18,277,314</u>	<u>666,261</u>

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. 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-2009 to Sep-2009.

The represents grant for Mtwm retail banking application Bank Essenal awarded by Encube (Formerly Shore Bank International Limited) to improve the capacity of the Bank for delivering saving products more effectively, profitably and in 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.

NET PROVISION AGAINST ADVANCES/OTHER ASSETS	Note	30-Jun-15	30-Jun-14
Provision against advances			
Specific Provision	5.4	83,245,844	61,618,152
General Provision	5.4	19,276,083	1,887,211
Bad Debts Recovered		104,821,927	63,202,499
Net Provision against advances		<u>117,161,496</u>	<u>(22,069,859)</u>
Provision against Other Assets		87,460,431	40,882,834
Provision against other assets	7	8,613,014	1,771,929
Recovery against other assets		(5,424,854)	(3,789,040)
		<u>5,178,360</u>	<u>(11,111)</u>
		<u>92,638,781</u>	<u>40,821,538</u>

This represents grant reimbursements to support launch of new MSME products nationwide network of the Bank under its technical assistance cooperation agreement between Incept Investment Management and the Bank.

#### TAXATION

The bank has provided for corporate tax at the rate of 33% (2014: 29%) for the month/year with minimum tax being limited to 1% of non exempt turnover.

SHARE CAPITAL	Note	30-Jun-15	31-Dec-14
Authorized Capital	17.1.1	6,000,000,000	6,000,000,000
The Bank's authorized share capital is 600 million ordinary shares of Rs.10/- each.			
Issued, Subscribed and Paid up Capital	17.1.1	1,705,000,000	1,705,000,000
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		506,283,280	506,283,280
Rural Impulse Fund II S.A. SCAV-FIS		417,056,630	298,496,310
Responsibility Global Microfinance Fund (Credit Suisse Fund Management Company)		330,294,990	132,855,310
ShoreCap II Limited		243,568,040	243,568,040
ASN-NOVIB Microcreditfonds (Triplix Jump)		168,795,020	168,795,020
Bank Al Habib Limited		30,000,000	30,000,000
Habib Bank Limited		-	300,000,000
Sonari Bank Limited		-	25,000,000
		<u>1,705,000,000</u>	<u>1,705,000,000</u>

#### GENERAL INFORMATION

Number of Employees	30-Jun-15	31-Dec-14
Credit Sales Staff	Number	Number
Permanent		
Banking/Support Staff	1,137	906
Permanent		
Contractual	977	858
	440	858
	<u>1,517</u>	<u>1,717</u>
Total number of employees at the end of the period	<u>9,854</u>	<u>8,822</u>
Credit Sales Staff - MSME		
Female Staff	77	13
Managers	251	221
	79	66
Number of Branches		
Total branches at the beginning of the period		
Opened during the period	118	110
Closed/merged during the period	10	10
Total branches at the end of the period	<u>128</u>	<u>120</u>