

THE FIRST MICROFINANCEBANK LIMITED
CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT JUNE 30, 2017

		June 30, 2017 (Unaudited)	December 31, 2016 (Audited)
	Note	-----Rupees in '000'-----	
<u>ASSETS</u>			
Cash and balances with SBP and NBP		943,777	840,523
Balances with other Banks/NBFIs/MFBs		2,186,201	2,111,977
Investments - Net of Provisions	8	3,932,675	4,627,558
Advances - Net of Provisions	9	10,505,802	8,183,228
Operating fixed assets	10	509,029	496,359
Other assets		903,489	584,933
Deferred tax asset	11	38,754	33,653
Total assets		19,019,727	16,878,231
<u>LIABILITIES</u>			
Deposits and other accounts	12	14,454,642	12,237,466
Borrowings		-	297,820
Other liabilities		422,275	512,441
Deferred tax liabilities		-	-
Total liabilities		14,876,917	13,047,727
NET ASSETS		4,142,810	3,830,504
<u>REPRESENTED BY:</u>			
Issued, subscribed and paid-up capital		2,730,811	2,730,811
Share premium account		620,690	620,690
Statutory & general reserves		252,347	189,569
Depositors' Protection Fund		72,195	55,014
Accumulated profit		465,509	231,578
		4,141,552	3,827,662
Surplus on revaluation of assets		210	1,248
Deferred grants		1,048	1,594
TOTAL CAPITAL		4,142,810	3,830,504

MEMORANDUM / OFF-BALANCE SHEET ITEMS

13

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

THE FIRST MICROFINANCEBANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017

		<u>Half year ended June 30</u>		
		2017	2016	
		-----Rupees in '000'-----		
Note				
	Markup/return/interest earned	14	1,613,740	1,154,603
	Markup/return/interest expensed		(337,076)	(279,104)
	Net markup/interest income		<u>1,276,664</u>	<u>875,499</u>
	Provision against non - performing loans and advances	9.2	(49,158)	(13,454)
	Recovery against written off advances		12,155	16,328
			<u>(37,003)</u>	<u>2,874</u>
	Net markup/interest income after provisions		<u>1,239,661</u>	<u>878,373</u>
	Non markup/non interest income			
	Fee, commission and brokerage income		114,887	72,446
	Amortization of deferred grant		548	590
	Other income		14,390	4,086
	Total non markup/non interest income		<u>129,825</u>	<u>77,122</u>
	Non markup/non interest expenses			
	Administrative expenses		(887,174)	(737,887)
	Grant related expenses		(548)	(590)
	Loss on remeasurement of investments		-	-
	Other charges		(10)	(1,392)
	Total non-markup/non interest expenses		<u>(887,732)</u>	<u>(739,869)</u>
	Profit before taxation		<u>481,754</u>	<u>215,626</u>
	Taxation - Current		(172,965)	(56,720)
	- Deferred		5,101	-
			<u>(167,864)</u>	<u>(56,720)</u>
	Profit after taxation		<u>313,890</u>	<u>158,906</u>
	Accumulated profit brought forward		<u>231,578</u>	<u>1,081</u>
	Profit/(loss) before appropriations		<u>545,468</u>	<u>159,987</u>
	Appropriations - transfers to			
	Statutory reserve		(62,778)	(31,781)
	Contribution to depositors' protection fund:			
	- 5% of Profit after tax		(15,695)	(7,945)
	- Interest on investment		(1,486)	(1,657)
			<u>(79,959)</u>	<u>(41,383)</u>
	Accumulated profit carried forward		<u>465,509</u>	<u>118,604</u>
	Earning per share (Rupee)		<u>1.15</u>	<u>0.96</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

THE FIRST MICROFINANCEBANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017

	<u>Half year ended June 30</u>	
	<u>2017</u>	<u>2016</u>
	-----Rupees in '000'-----	
Profit after taxation for the period	313,890	158,906
Other comprehensive income that can not be reclassified into profit or loss in subsequent periods		
Remeasurement of defined benefit plan	-	-
Comprehensive income transferred to equity	<u>313,890</u>	<u>158,906</u>
Components of comprehensive income not reflected in equity		
Other comprehensive income that can be reclassified into profit or loss in subsequent periods		
(Deficit)/Surplus on revaluation of available for sale investments	(1,038)	(17,599)
	<u>312,852</u>	<u>141,307</u>

Surplus/(Deficit) on revaluation of available for sale investments is presented under a separate account below equity in accordance with the format of financial statements as prescribed under BSD Circular No. 11 dated 30 December, 2003 issued by the State Bank of Pakistan (SBP).

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

THE FIRST MICROFINANCEBANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017

	Share capital	Share premium account	Statutory & general reserve	Depositors protection fund	Accumulated profit	Total
-----Rupees in '000'-----						
Balance as at December 31, 2015	1,351,501	-	126,317	36,716	1,081	1,515,615
137,931,035 shares, having face value of Rs. 10, issued during the period at a premium of Rs. 4.5 each	1,379,310	620,690	-	-	-	2,000,000
Total comprehensive income for the six months ended June 30, 2016						
Net profit for the six months ended June 30, 2016	-	-	-	-	158,906	158,906
Remeasurement of defined benefit plan	-	-	-	-	-	-
	-	-	-	-	158,906	158,906
Contribution for the period	-	-	31,781	7,945	(39,726)	-
Interest earned on investment of depositors' protection fund	-	-	-	1,657	(1,657)	-
Balance as at June 30, 2016	2,730,811	620,690	158,098	46,318	118,604	3,674,521
Total comprehensive income for the six months ended December 31, 2016						
Net profit for the six months ended December 31, 2016	-	-	-	-	157,353	157,353
Remeasurement of defined benefit plan	-	-	-	-	(4,212)	(4,212)
	-	-	-	-	153,141	153,141
Contribution for the period	-	-	31,471	7,868	(39,339)	-
Interest earned on investment of depositors' protection fund	-	-	-	828	(828)	-
Balance as at December 31, 2016	2,730,811	620,690	189,569	55,014	231,578	3,827,662
Total comprehensive income for the six months ended June 30, 2017						
Net profit for the six months ended June 30, 2017	-	-	-	-	313,890	313,890
Remeasurement of defined benefit plan	-	-	-	-	-	-
	-	-	-	-	313,890	313,890
Contribution for the period	-	-	62,778	15,695	(78,473)	-
Interest earned on investment of depositors' protection fund	-	-	-	1,486	(1,486)	-
Balance as at June 30, 2017	2,730,811	620,690	252,347	72,195	465,509	4,141,552

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

THE FIRST MICROFINANCEBANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2017

	Half year ended June 30	
	2017	2016
	-----Rupees in '000'-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	481,754	215,626
Adjustment for non cash items:		
Depreciation of property and equipment	44,528	40,426
Amortization of intangible assets	7,037	3,641
Provision against non performing loans and advances	49,158	13,454
Gain on disposal of operating fixed assets	(9,199)	(812)
Amortization of deferred grant	(548)	(590)
Income on investments in term deposit receipts	(74,346)	(71,111)
Net amortization of discount on investments	(79,853)	(16,390)
Provision for gratuity	13,260	10,724
	(49,963)	(20,658)
	431,791	194,968
(Increase) / decrease in operating assets:		
Advances	(2,371,732)	(1,480,813)
Other assets (excluding advance taxation)	(328,007)	(214,020)
	(2,699,739)	(1,694,833)
Increase/(decrease) in operating liabilities:		
Deposits and other accounts	2,217,176	882,914
Borrowings	(297,820)	(645,576)
Other liabilities	(84,646)	16,280
	1,834,710	253,618
Cash outflow from operations	(433,238)	(1,246,247)
Contribution made to gratuity fund	(18,780)	(14,263)
Income tax paid	(163,514)	(42,228)
Net cash outflow from operating activities	(615,532)	(1,302,738)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment in held to maturity securities	(839,830)	(1,250,507)
Net investment in available for sale securities	(6,479)	-
Proceeds from sale / redemption of held to maturity securities	1,388,941	1,138,009
Proceeds from sale / redemption of available for sale securities	1,682,304	350,000
Proceeds from sale / redemption of held for trading securities	4,000	-
Investment in operating fixed assets	(83,192)	(76,842)
Sale proceeds of property and equipment disposed off	28,156	1,269
Net cash inflow from investing activities	2,173,900	161,929
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	2,000,000
Grant received	-	-
Net cash inflow from financing activities	-	2,000,000
Net increase in cash and cash equivalents	1,558,368	859,191
Cash and cash equivalents at beginning of the period	3,593,775	2,017,750
Cash and cash equivalents at the end of the period	5,152,143	2,876,941
Cash and cash equivalents comprise of the following:		
Cash and balances with State Bank of Pakistan and National Bank of Pakistan	943,777	760,717
Balances with other banks/NBFIs/MFBs	2,186,201	1,216,224
Cash Equivalents in investments	2,022,165	900,000
	5,152,143	2,876,941

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

THE FIRST MICROFINANCEBANK LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR ENDED JUNE 30, 2017

1 STATUS AND NATURE OF BUSINESS

The First MicroFinanceBank Limited (FMFB) was incorporated in the Islamic Republic of Pakistan on 5 November, 2001 as a public limited company under the Companies Ordinance, 1984. The registered office of FMFB is at 16-17 Floor Habib Bank Tower, Blue Area, Islamabad, Pakistan. The FMFB received the certificate of commencement of business on 14 February 2002 and is licensed to operate nationwide. FMFB's principal business is to provide microfinance services to the poor and under served segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. FMFB has 173 (2016: 159) business locations comprising of 125 (2016: 120) branches/point of links/Permanent Booths (PBs), 48 (2016: 39) Pakistan Post Office (PPO) sub offices in operation.

2 BASIS OF PRESENTATION

This interim condensed financial informations of FMFB has been prepared, in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting', provisions of the Companies Ordinance, 1984, the Microfinance Institution Ordinance, 2001 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Where, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001 or directives issued by the SECP and the SBP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, or the requirements of the said directives prevail.

This interim condensed financial information does not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the annual financial statements of the FMFB as at 31 December 2016, which have been prepared in accordance with approved accounting standards as applicable in Pakistan. Which comprise of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and SBP. Wherever, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, or directives issued by the SECP and the SBP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, or the requirements of the said directives prevail. Further, the aforesaid financial statements also comply with the disclosure guidelines for financial reporting by Microfinance Institutions which are voluntary norms recommended by the Consultative Group to Assist the Poor (CGAP) and the members of the Small Enterprise Education and Promotion Network (SEEP).

3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and SBP. Wherever, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, or directives issued by the SECP and the SBP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, or the requirements of the said directives prevail.

The SBP vide BSD Circular No. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instrument: Recognition and Measurement' and IAS 40, 'Investment Property', for banking companies and microfinance banks till further instructions. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statement. However, investments have been measured in accordance with the Prudential Regulations (the Regulations) of SBP and presented in accordance with the requirements of SBP BSD circular No. 11 dated December 30, 2003. Further the SECP wide its SRO No. 411(I)/2008 dated April 28, 2008 has deferred the applicability of of International Financial Reporting Standards (IFRS) 7 "Financial Instruments Disclosure", which is applicable for annual periods beginning on or after July 1, 2009 till further instructions.

The Companies Act, 2017 was enacted on May 30, 2017 and SECP vide its circular 17 of 2017 dated July 20, 2017 has clarified that the companies whose financial year, including interim period, closes on or before June 30, 2017 shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

4 BASIS OF MEASUREMENT

This interim condensed financial information has been prepared under the historical cost basis except obligation under employee retirement benefit plan which is measured at present value and investments available for sale and held for trading which are measured at fair value.

This interim condensed financial information has been presented in Pakistani Rupees, which is the functional and presentation currency of FMFB.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim condensed financial information are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2016.

6 ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation on the financial statements of FMFB for the year ended December 31, 2016 except that during the period, the FMFB has changed the estimate for useful life of computer servers from three years to five years. This change in accounting estimate has been accounted for prospectively in this condensed interim financial information in accordance with the requirements of International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Impact has been disclosed in note 10.3 to this condensed interim financial information.

7 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by FMFB are consistent with those disclosed in the financial statements of FMFB for the year ended December 31, 2016.

	Note	June 30, 2017 (Unaudited) -----Rupees in '000'-----	December 31, 2016 (Audited)
8 INVESTMENTS - NET OF PROVISIONS			
Held to maturity			
Federal Government Securities			
Pakistan Investment Bonds	8.1	263,717	262,921
Market Treasury Bills	8.2	65,878	283,444
		329,595	546,365
Term Deposit Receipts (TDRs)	8.3	890,307	1,142,901
		<u>1,219,902</u>	<u>1,689,266</u>
Available for sale			
Federal Government Securities			
Pakistan Investment Bonds	8.1	218,089	218,358
Market Treasury Bills	8.2	2,494,475	2,419,603
		<u>2,712,564</u>	<u>2,637,961</u>
Held for trading			
Federal Government Securities			
Pakistan Investment Bonds	8.1	-	-
Market Treasury Bills	8.2	-	299,083
		-	<u>299,083</u>
Surplus on revaluation of available for sale investments		209	1,248
		<u>3,932,675</u>	<u>4,627,558</u>

8.1 These represent bonds with maturity of three to ten year and carry markup at the rates ranging between 7.0% to 12.0% (2016: 7.0% to 12.0%) per annum, payable on a semi-annual basis, with maturities falling due during 2017-2019. These also include a bond with ten years maturity and a bond with three years maturity held for the purposes of Depositors' Protection Fund with a cumulative carrying amount of Rs. 13,142 thousand (2016: Rs. 13,163 thousand) and carry markup at the rate of 7.0% and 9.6% (2016: 7.0% and 9.6%) per annum respectively, with maturities falling due during in 2017-2019.

8.2 These represent securities with original maturity period of three months to one year and carry markup at the rates ranging between 5.85% to 6.0% (2016: 5.28% to 6.25%) per annum. These also include securities with original maturity period of three months to one year held for the purposes of Depositors' Protection Fund with a cumulative carrying amount of Rs. 65,878 thousand (2016: Rs. 61,284 thousand) and carry markup at the rates ranging between 5.85% to 5.95% (5.28% to 6.25%) per annum.

8.3 These represent TDRs with an original maturity of three months to one year carrying markup at the rates ranging between 6.25% to 9.0% (2016:6.45% to 12.0%) per annum, payable on maturity.

9 ADVANCES - NET OF PROVISIONS

	Note	June 30, 2017 (Unaudited)		December 31, 2016 (Audited)	
		Number of loans outstanding	Amount of loans outstanding	Number of loans outstanding	Amount of loans outstanding
		Number	Rupees in '000'	Number	Rupees in '000'
Considered good	9.1	251,409	10,530,298	218,357	8,215,053
Considered doubtful		4,106	95,195	2,721	58,873
		<u>255,515</u>	<u>10,625,493</u>	<u>221,078</u>	<u>8,273,926</u>
Less:					
Specific provision	9.2		20,925		14,049
General provision					
- Mandatory provision at the rate of 1%			98,766		75,187
- Additional provision			-		1,462
	9.2		98,766		76,649
			119,691		90,698
			<u>10,505,802</u>		<u>8,183,228</u>

9.1 These include advances for an aggregate amount of Rs. 656,667 thousand (December 31, 2016: Rs. 669,906 thousands) secured against gold collaterals and cash deposits whereas the remaining advances except staff and key management personnel loans are secured by personal guarantee. Advances includes 602 (December 31, 2016: 585) staff loans, aggregating to Rs. 71,199 thousand (December 31, 2016: Rs. 71,222 thousand), carrying markup at the rates ranging between 3% to 5% per annum (December 31, 2016: 3% to 5% per annum). These also include outstanding loans of the key management personnel for an aggregate amount of Rs. 11,275 thousand (December 31, 2016: Rs. 11,040 thousand) carrying markup at the rates ranging between 3% to 5% per annum (December 31, 2016: 3% to 5% per annum).

9.2 Particulars of provision against non performing advances

	June 30, 2017 (Unaudited)			December 31, 2016 (Audited)		
	Specific	General	Total	Specific	General	Total
	-----Rupees in '000'-----			-----Rupees in '000'-----		
Opening balance	14,049	76,649	90,698	31,785	82,346	114,131
Charge for the period / year	27,041	22,117	49,158	37,321	(5,697)	31,624
Less: Amount written off	20,165	-	20,165	55,057	-	55,057
	6,876	22,117	28,993	(17,736)	(5,697)	(23,433)
Closing balance	<u>20,925</u>	<u>98,766</u>	<u>119,691</u>	<u>14,049</u>	<u>76,649</u>	<u>90,698</u>

10 OPERATING FIXED ASSETS	Note	June 30, 2017 (Unaudited) -----Rupees in '000'-----	December 31, 2016 (Audited)
Carrying value at the beginning of the period/year		496,359	382,967
Add: Additions during the period/year	10.1	83,192	218,676
Less: Disposals/deletion during the period/year at carrying value		<u>(18,957)</u>	<u>(584)</u>
		560,594	601,059
Less: Depreciation and amortization for the period/year		<u>(51,565)</u>	<u>(104,700)</u>
Carrying value at the end of the period/year	10.2	<u>509,029</u>	<u>496,359</u>

10.1 Additions during the period/year

Direct additions:

Office equipment	6,892	44,799
Furniture and fixture	6,414	19,951
Computer equipment	12,192	69,592
Vehicles	14,004	20,577
Leasehold improvements	4,665	78,642
Intangible assets	8,695	107,297
	52,862	340,858
Additions in/ (transfers from) Capital work-in-progress	30,330	(122,182)
	<u>83,192</u>	<u>218,676</u>

10.2 This include capital work-in-progress amounting to Rs. 63,950 thousand (2016: Rs. 33,616 thousand).

10.3 During the period the FMFB has changed the estimate for useful life of computer servers from three years to five years. This change in accounting estimate has been accounted for prospectively in this condensed interim financial information as per the requirements of International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Had the estimate not been changed, the written down value of operating fixed assets and profit before tax would have been lower by Rs. 11,254 thousand.

11 DEFERRED TAX ASSET	Note	June 30, 2017 (Unaudited) -----Rupees in '000'-----	December 31, 2016 (Audited)
Arising in respect of following deductible temporary differences			
Operating fixed asset		2,847	6,444
Provision against non-performing loans and advances		35,907	27,209
		<u>38,754</u>	<u>33,653</u>

	Note	June 30, 2017 (Unaudited)		December 31, 2016 (Audited)	
		Number	Rupees in '000'	Number	Rupees in '000'
12 DEPOSITS AND OTHER ACCOUNTS					
Time liabilities					
Fixed Deposits		8,998	7,323,886	8,376	6,307,133
Demand Liabilities					
Saving Deposits		109,181	5,664,565	108,016	4,578,120
Current Deposits		483,653	1,466,191	341,818	1,352,213
	12.1	<u>601,832</u>	<u>14,454,642</u>	<u>458,210</u>	<u>12,237,466</u>

12.1 Particulars of deposits by ownership

	June 30, 2017 (Unaudited)		December 31, 2016 (Audited)	
	Number	Rupees in '000'	Number	Rupees in '000'
Individual depositors	586,269	8,241,237	442,361	7,485,776
Institutional depositors:				
Corporations/ firms	15,059	2,681,547	15,556	2,275,036
Banks and financial institutions	504	3,531,858	293	2,476,654
	<u>601,832</u>	<u>14,454,642</u>	<u>458,210</u>	<u>12,237,466</u>

13 MEMORANDUM/OFF BALANCE SHEET ITEMS

13.1 Contingencies

There are no known contingencies as at June 30, 2017 (December 31, 2016: Nil).

13.2 Commitments

There are no known commitments as at June 30, 2017 (December 31, 2016: Nil).

	Half year ended June 30	
	2017 (Unaudited)	2016 (Unaudited)
	-----Rupees in '000'-----	
14 MARKUP/RETURN/INTEREST EARNED		
Mark-up on advances	1,414,582	951,380
Income on investment in Government Securities	103,177	97,922
Income from Term Deposit Receipts	74,346	71,111
Mark-up on deposit accounts with treasury and other banks	21,635	34,190
	<u>1,613,740</u>	<u>1,154,603</u>

15 RELATED PARTY TRANSACTIONS

The Bank's related parties comprise of major shareholders, directors and entities over which the directors are able to exercise significant influence, staff retirement funds and key management personnel. The details of transactions with related parties along with the balance are as follows:

	Half year ended June 30	
	2017	2016
	(Unaudited)	(Unaudited)
	-----Rupees in '000'-----	
Related party by virtue of significant influence over the Bank		
Mark-up expense on deposits	<u>2,817</u>	<u>2,619</u>
Administrative expenses on services	<u>12,326</u>	<u>10,466</u>
Profit received on deposits with related parties	<u>3,747</u>	<u>3,866</u>
	June 30,	December
	2017	31, 2016
	(Unaudited)	(Audited)
	-----Rupees in '000'-----	
Deposits and other accounts	<u>80,397</u>	<u>354,498</u>
Accrued mark-up on deposits	<u>832</u>	<u>5,917</u>
Bank balances with related parties	<u>289,298</u>	<u>337,109</u>
Borrowings from related parties	<u>-</u>	<u>-</u>
Other liabilities	<u>6,115</u>	<u>2,903</u>
Other assets	<u>3,335</u>	<u>1,427</u>
Related party by virtue of common directorship		
Mark-up expense on deposits	<u>19,555</u>	<u>2,998</u>
Administrative expenses on services	<u>15,733</u>	<u>29,361</u>
	June 30,	December
	2017	31, 2016
	(Unaudited)	(Audited)
	-----Rupees in '000'-----	
Deposits and other accounts	<u>1,015,778</u>	<u>581,182</u>
Accrued mark-up on deposits	<u>10,490</u>	<u>1,083</u>
Other assets	<u>19,407</u>	<u>23,897</u>
Other liabilities	<u>-</u>	<u>6,605</u>

	Half year ended June 30	
	2017	2016
	(Unaudited)	(Unaudited)
	-----Rupees in '000'-----	
Others		
Charge for defined contribution gratuity fund	13,260	16,164
Contribution to defined contribution provident fund	19,134	10,724
Remuneration of key management personnel	49,252	26,383
Proceeds from sale of vehicles to key management personnel	8,543	-
	June 30,	June 30,
	2017	2016
	(Unaudited)	(Audited)
	-----Rupees in '000'-----	
Loan outstanding of key management personnel	11,275	8,291
Deposit of key management personnel	575	547
Accrued markup on deposit of key management personnel	8	3
Other liabilities	13,234	10,727

16 RECLASSIFICATION

The corresponding figures as at December 31, 2016 have been reclassified for more appropriate presentation. These reclassifications have no effect on previously reported net income or shareholders' equity. The effect on presentation of the balance sheet as at December 31, 2016 is summarized below:

	Rupees (as previously reported)	Rupees (as reclassified)
	-----Rupees in '000'-----	
Balances with other Banks/NBFIs/MFBs	811,977	2,111,977
Investments - Net of Provisions	5,931,703	4,627,558
Other assets	580,788	584,933

17 GENERAL

Figures have been rounded off to the nearest thousand rupee.

18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue by the Board of Directors of the FMFB on September 20, 2017.