



Micro Finance  
**apna bank**  
Limited

Un-Audited Interim Condensed  
**Financial Statements**  
for the Quarter Ended March 31, 2019

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Muhammad Akram Shahid

*Chairman*

Mr. Muhammad Azam Cheema

*Director*

Mr. Imad Mohammad Tahir

*Director*

Mr. Muhammad Saleem Shaikh

*Director*

Syed Rahat Ali Shah

*Director*

Mr. Muhammad Asghar

*Director*

Mr. Imam Bukhsh Baloch

*Director*

## PRESIDENT / CHIEF EXECUTIVE

Mr. Muhammad Gulistan Malik

## COMPANY SECRETARY

Mr. Rafat Abbas

## CHIEF FINANCIAL OFFICER

Mr. Ali Murtza

## BOARD COMMITTEES

### AUDIT COMMITTEE

Mr. Imam Bukhsh Baloch

*Chairman*

Mr. Muhammad Asghar

*Member*

Mr. Imad Mohammad Tahir

*Member*

Mr. Muhammad Saleem Shaikh

*Member*

Syed Rahat Ali Shah

*Member*

## EXECUTIVE COMMITTEE

Mr. Muhammad Akram Shahid

*Chairman*

Mr. Muhammad Asghar

*Member*

Syed Rahat Ali Shah

*Member*

Mr. Muhammad Azam Cheema

*Member*

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Imam Bukhsh Baloch

*Chairman*

Mr. Muhammad Akram Shahid

*Member*

Mr. Imad Mohammad Tahir

*Member*

Syed Rahat Ali Shah

*Member*

Mr. Muhammad Saleem Shaikh

*Member*

## RISK MANAGEMENT & COMPLIANCE COMMITTEE

Mr. Muhammad Asghar

*Chairman*

Mr. Muhammad Akram Shahid

*Member*

Mr. Muhammad Azam Cheema

*Member*

Syed Rahat Ali Shah

*Member*

Mr. Imam Bukhsh Baloch

*Member*

## MONITORING COMMITTEE

Mr. Muhammad Asghar

*Chairman*

Mr. Muhammad Azam Cheema

*Member*

Mr. Muhammad Saleem Shaikh

*Member*

Syed Rahat Ali Shah

*Member*

Mr. Imam Bukhsh Baloch

*Member*

## AUDITORS

Ilyas Saeed & Co.

*Chartered Accountants*

## TAX / LEGAL ADVISOR

RAMDAYS

*Advocates & Corporate Consultants Lahore*

## REGISTERED OFFICE

K-4/3 & 4/4 Ch. Khaliq-uz- Zaman Road,  
Gizri Karachi.

PABX Tel: +92 21 35865352-55

Fax: +92 21 35865017

Website: [www.apnabank.com.pk](http://www.apnabank.com.pk)

## HEADOFFICE

23-A, Sundar Das Road, Zaman Park Lahore.

Tel: +92 42 36306730

UAN: +92 42 111-771-772

Website: [www.apnabank.com.pk](http://www.apnabank.com.pk)

## SHARE REGISTRAR

F.D. Registrar Services (SMC-Pvt.) Ltd.

Office No. 1705, 17<sup>th</sup> Floor, Saima Trade

Tower-A, I.I. Chundrigar Road, Karachi.

Phone: 021-32271905 & 32271906

Fax: 021-3261233

Email: [fdregistrar@yahoo.com](mailto:fdregistrar@yahoo.com)

## BANKERS

Bank Islami Limited

Sindh Bank Limited

Faysal Bank limited

Bank Al-Habib Limited

Bank Al-Falah Limited

Summit Bank Limited

Zarai Taraqiati Bank Limited

JS Bank Limited

Silk Bank Limited

Allied Bank Limited

Dubai Islamic Bank Limited

Soneri Bank Limited

MCB Bank Limited

Telenor Microfinance Bank Limited

FINCA Microfinance Bank Limited

NRSP Microfinance Bank Limited

Habib Metropolitan Bank Limited

National Bank of Pakistan Limited

Habib Bank Limited

The Bank of Punjab Limited

U Microfinance Bank Limited

AL Baraka Bank Pakistan Limited

Mobilink Microfinance Bank Limited

## DIRECTORS' REPORT TO THE MEMBERS

The Directors of the Apna Microfinance Bank Limited (hereinafter referred to as 'the Bank') are pleased to present the Un-audited Condensed Interim Financial Information of the Bank for the quarter end March 31, 2019.

### PRINCIPAL ACTIVITY, DEVELOPMENTS AND FINANCIAL PERFORMANCE

The Bank was incorporated as a public limited bank and its shares are listed on Pakistan Stock Exchange Limited. The Bank's principal business is to provide microfinance banking and related services to the poor and underserved segment of the society with a view to alleviate poverty under the Microfinance Institutions Ordinance, 2001. The financial performance of the Bank during the quarter end March 31st, 2019 is as follows;

	March 31, 2019	December 31, 2018	%
	Un-audited	Audited	Change
Advances net of provision	9,219,930,499	9,165,740,059	1%
Deposits and other accounts	15,529,059,398	15,866,330,742	-2%
	March 31, 2019	March 31, 2018	%
	Un-audited	Un-audited	Change
Mark-up/return/interest earned	647,391,590	432,794,738	50%
Mark-up/return/interest expenses	(242,885,659)	(162,385,410)	50%
Administrative expenses	(427,099,377)	(319,017,781)	34%
Profit after taxation	29,455,740	15,528,399	90%

The Bank posted a profit after tax in the current period amounting to PKR 29.455 million as compared to a profit of PKR 15.528 million in corresponding period. The equity (net of losses) of the Bank stood at PKR 1,597.892 million and the total assets have grown to PKR 17,428.992 million from PKR 17,623.047 million as at December 31, 2018, the earnings per share for the period ended March 31, 2019 is PKR 0.086 as compared to earnings per share of PKR 0.01 in the corresponding period.

During the Quarter, the Bank has made lending of approx. PKR 1.442 billion to 15,088 new customers. The management have devised and implemented new strategies to control the provision of the Bank's loan portfolio. The Bank recorded the additional provision expense of PKR 62 million against the portfolio of 10.2 billion in current quarter. Whereas, the provision of PKR 12 million was recorded against the portfolio of Rs. 7.3 billion in corresponding period.

Owing to the current market competition and need for the funds, the microfinance sector has to offer high rates to its depositors as compared to commercial banks, consequently the cost of deposits of the microfinance banks is comparatively higher than the commercial banks. To counter this inherent business limitation, the management of the Bank has formulated and implemented a strategic plan regarding its products. It includes attracting low cost deposits with the focus on restructuring of the Bank's deposit mix (CASA) to maintain the mark-up/ interest expense within acceptable limits.

### Future Outlook

We will continue to strive for betterment into our revamped credit and information system to ensure transparency in bank's lending system.

In order to provide a platform to cater for the unbanked population, the Bank has prepared to establish digital banking (internet banking and mobile banking) to increase its outreach, which is expected to be launched in near future. This defined our vision to build a technology powerhouse to cater to the needs of the payments industry and enhance the businesses of the Bank.

The Bank's Capital Adequacy Ratio (CAR), as also referred in Note no 1.2 to the condensed interim financial statements for the quarter end March 31st, 2019, is not in compliance with the requirements of Prudential

Regulation for MFB's. However, the sponsors are committed to filling the CAR shortage soon.

### Credit Rating

During the year 2018, the Pakistan Credit Rating Agency (Pvt.) Ltd. (PACRA) upgraded the long-term rating of the Bank to “BBB+” (Triple B plus) from BBB (Triple B) while maintaining the short-term rating at “A3” (A Three) with a “Stable” future outlook.

### Material Changes:

Following are the material changes since December 31st, 2018 to current balance sheet date. I.e. March 31st, 2019

- I. The Bank has completed its right issue process and issued the 93,984,962 right shares to its directors/sponsors and general members.
- II. Mr. Qamar uz Zaman, the director of the Bank has resigned from the Board in February 2019.

### Acknowledgement

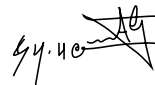
The Board would like to record their appreciation for the efforts and devotion of all the Bank's employees and hope they will continue their contribution towards the enhancement of productivity and well-being of the Bank in the future as well.

We would also like to express our gratitude to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange for their continued guidance and support.

For and on behalf of Board of Directors,  
The Apna Microfinance Bank Limited.



**Muhammad Gulistan Malik**  
President/CEO  
Date: April 25, 2019  
Karachi



**Syed Rahat Ali Shah**  
Director

نیکالوجی گڑھ بنانے کے نقطہ نظر کو بیان کرتا ہے اس سے صنعتی ادائیگی اور بینک کے کاروبار کو بڑھانے کی ضروریات کو پورا کرنے میں مدد ملے گی۔  
بینک کی CAR مائیکرو فنانس کے پروڈیٹس ریلیوشنز کے مطابق نہیں ہے جیسا کہ 31 مارچ 2019ء کی مالیاتی رپورٹ کے نوٹ نمبر 1.2 میں بھی بیان کیا ہے۔ تاہم اسپانسرز CAR کی کمی کو جلد پورا کرنے کے لئے پُر عزم ہے۔

### کریڈٹ ریٹنگ:

دوران سال 2018 میں پاکستان کریڈٹ ریٹنگ ایجنسی پرائیویٹ لمیٹڈ (PACRA) نے بینک کے مستقبل کے لائحہ عمل کے تناظر میں بینک کی لانگ ٹرم ریٹنگ ٹریپل بی (BBB) سے بڑھا کر ٹریپل بی پلس (BBB+) کردی اور شارٹ ٹرم ریٹنگ اے تھری (A3) کو برقرار رکھا۔

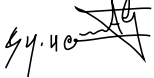
### اہم تبدیلیاں:


31 دسمبر 2018 سے 31 مارچ 2019 کی موجودہ پبلش شیٹ کی تاریخ تک مندرجہ ذیل اہم تبدیلیاں رونما ہوئی۔  
﴿ بینک نے رائٹ تھس کے حصول کا عمل مکمل کیا اور اپنے ڈائریکٹرز/اسپانسرز اور عام اراکین کو 93,984,962 رائٹ تھس جاری کئے۔  
﴿ بینک کے ڈائریکٹر جناب قمر امان نے بینک کے بورڈ سے فروری 2019 میں استعفیٰ دیدیا۔

### اعترافات:

بینک کے ڈائریکٹرز تلاماز مین کی کوششوں اور لوگن کو سراہتے ہیں اور امید کرتے ہیں کہ وہ بینک کی ترقی میں اضافہ اور بینک کی بھلائی کی خاطر مستقبل میں بھی اپنی کوششوں کو جاری رکھیں گے۔  
ہم سٹیٹ بینک پاکستان، سکیورٹیز اینڈ ایکسچینج آف پاکستان اور پاکستان سٹاک ایکسچینج کو ان کی مستقل رہنمائی اور تعاون کے لئے اظہار تشکر پیش کرتے ہیں۔

منجانب: بورڈ آف ڈائریکٹرز  
اپنا مائیکرو فنانس بینک لمیٹڈ

  
سید راحت علی شاہ  
ڈائریکٹر

  
محمد گلستان ملک  
صدر سی۔ ای۔ او

تاریخ: 25 اپریل، 2019  
کراچی

## ممبران کے لئے ڈائریکٹرز رپورٹ

اپنا مائیکرو فنانس بینک کے ڈائریکٹرز انتہائی مسرت کے ساتھ بینک کی 31 مارچ 2019 کو ختم ہونے والے مالیاتی مدت کی غیر آڈٹ شدہ مختصر عبوری مالیاتی رپورٹ پیش کر رہے ہیں۔

### پرنسپل سرگرمی، ترقی اور مالی کارکردگی:

بینک ایک پبلک لمیٹڈ بینک کے طور پر بنا اور اس کے حصص پاکستان سٹاک ایکسچینج پر درج ہیں۔ بینک کا اہم کاروبار مائیکرو فنانس انسٹی ٹیوشن آرڈیننس 2001ء کے تحت غربت کو کم کرنے کے نظریے سے معاشرے کے غریب اور پسماندہ طبقے کو مائیکرو فنانس سے متعلق خدمات مہیا کرنا ہے۔ سہ ماہی 31 مارچ 2019ء کے دوران بینک کی مالیاتی کارکردگی مندرجہ ذیل ہے۔

کوائف	31 مارچ 2019	31 دسمبر 2018	% تبدیلی
ان آؤٹڈ	(پاکستانی روپے)	آؤٹڈ	(پاکستانی روپے)
فرام کی گیکل ایلڈوائس (پروڈن کے بعد)	9,219,930,499	9,165,740,059	1%
ڈپازٹس اور دیگر اکاؤنٹس	15,529,059,398	15,866,330,742	-2%
کوائف	31 مارچ 2019	31 مارچ 2018	% تبدیلی
ان آؤٹڈ	(پاکستانی روپے)	ان آؤٹڈ	(پاکستانی روپے)
مارک اپ آمدنی	647,391,590	432,794,738	50%
مارک اپ خرچ	(242,885,659)	(162,385,410)	50%
انتظامی اخراجات	(427,099,377)	(319,017,781)	34%
منافع بعد از ٹیکس اور اینگی	29,455,740	15,528,399	90%

بینک نے ٹیکس کے بعد رواں مدت میں 29.455 ملین (پاکستانی روپے) کا منافع ظاہر کیا ہے۔ جبکہ گزشتہ برس اسی مدت میں 15.528 ملین (پاکستانی روپے) کا منافع تھا۔ بینک کی کل ایکویٹی بعد از نقصانات 1,597.892 ملین (پاکستانی روپے) ہے جبکہ 31 مارچ 2019 کو بینک کے کل اثاثہ جات 17,623.047 ملین پاکستانی روپے سے بڑھ کر 17,428.992 ملین پاکستانی روپے ہو گئے ہیں۔ 31 مارچ 2019 کو فی حصص منافع کی شرح 0.086 روپے ہے جبکہ گزشتہ برس اسی مدت میں یہی شرح 0.01 روپے تھی۔

رواں مدت میں بینک نے 15,088 نئے کسٹمرز کو تقریباً 1.442 ارب کے قرضے دیئے۔ انتظامیہ نے بینک کے کریڈٹ پورٹ فولیو کی پرویژن کو کم کرنے کے لئے نئی حکمت عملی وضع کی۔ بینک نے رواں مدت میں 10.2 ارب کے کریڈٹ پورٹ فولیو پر 62 ملین پاکستانی روپے کی اضافی پرویژن چارج کی۔ جبکہ گزشتہ برس اسی مدت میں 12 ملین پاکستانی روپے کی پرویژن 7.3 ارب کے کریڈٹ پورٹ فولیو پر چارج کی گئی تھی۔

موجودہ مارکیٹ کے مقابلے اور سرمائے کی ضرورت کی وجہ سے کمرشل بینک کے مقابلے میں مائیکرو فنانس بینک کو اپنے صارفین کو بہت زیادہ شرح منافع فراہم کرنا پڑ رہا ہے، نتیجے میں مائیکرو فنانس کا سودی خرچ کمرشل بینک سے بہت زیادہ ہے۔ اس بنیادی مسئلے پر قابو پانے کے لئے انتظامیہ نے اپنی پراڈکٹ کے لئے حکمت عملی وضع کی اور اس کو نافذ کیا ہے، جس میں کم خرچے والے ڈیپازٹس کو متعارف کرانا ہے اور ڈیپازٹس کے مرکب کی تبدیلی پر اہم توجہ دینا ہے، جس کے نتیجے میں بینک کے کرنٹ اور سیویگ ڈیپازٹس (CASA) کا تناسب بڑھے گا، جو مارک اپ کے خرچے کو قابل قبول حد تک برقرار رکھنے میں مدد کرے گا۔

### مستقبل کا لاگہ عمل:

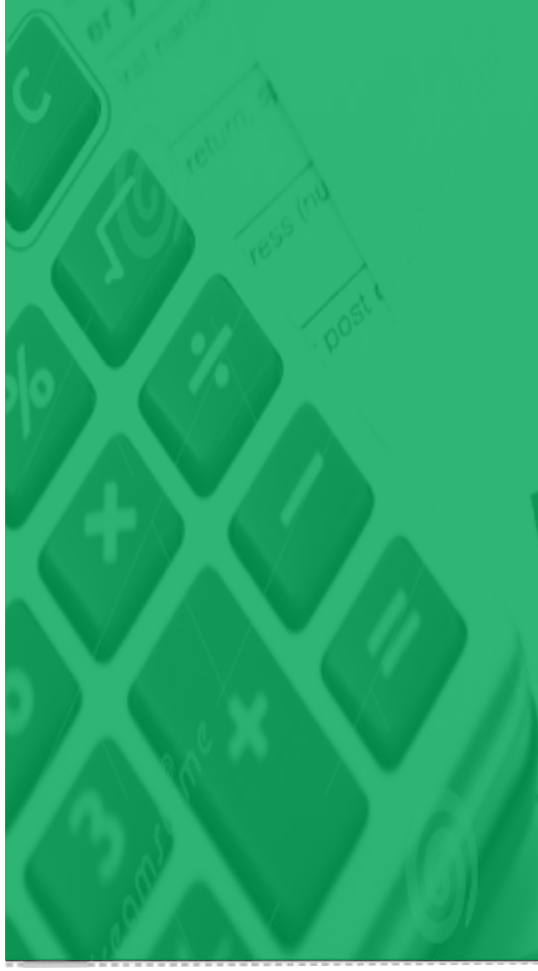
ہم اپنے کریڈٹ اور انفارمیشن سسٹم کی مزید بہتری کیلئے کوششیں جاری رکھیں گے تاکہ قرضوں کی فراہمی کے سسٹم میں شفافیت کو یقینی بناسکیں۔

ان آبادیوں میں جہاں بینک کی رسائی نہیں ہے، بینک نے ڈیجیٹل بینکنگ (انٹرنیٹ بینکنگ اور موبائل بینکنگ) کے قیام کا ارادہ کیا ہے جس کا آغاز مستقبل قریب میں کر دیا جائے گا۔ یہ ہمارے





1040X



Net Profit

(Sole Proprietorship)  
joint ventures, etc., generally report on form 1040, 1040NR, or 1041.

on 1065 or 1066  
on page 1

# FINANCIAL STATEMENTS

APNA MICRO FINANCE BANK LIMITED

**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
AS AT 31 MARCH 2019

	Note	31 March 2019 Rupees Un-audited	31 December 2018 Rupees Audited
<b>ASSETS</b>			
Cash and Balances with SBP and NBP	6	1,073,939,293	1,585,615,708
Balances With Other Banks/NBFIs/MFBs	7	3,073,265,776	2,910,830,798
Lending to financial Institutions		-	-
Investments - Net Of Provisions	8	892,494,348	884,469,380
Advances - Net Of Provisions	9	9,219,930,499	9,165,740,059
Operating Fixed Assets		901,008,912	857,383,100
Other Assets	10	1,787,290,524	1,730,824,450
Deferred Tax Asset		481,062,631	488,183,434
<b>Total Assets</b>		<b>17,428,991,983</b>	<b>17,623,046,929</b>
<b>LIABILITIES</b>			
Deposits and other accounts	11	15,529,059,398	15,866,330,742
Borrowings	12	8,689,468	9,369,059
Subordinated Debt		-	-
Other Liabilities		288,293,394	273,601,040
Deferred Tax Liabilities		-	-
<b>Total Liabilities</b>		<b>15,826,042,260</b>	<b>16,149,300,841</b>
<b>NET ASSETS</b>		<b>1,602,949,723</b>	<b>1,473,746,088</b>
<b>REPRESENTED BY:</b>			
Share capital		3,439,849,620	2,500,000,000
Discount on issue of shares		(1,335,963,831)	(950,000,000)
Share deposit money		446,210,175	900,078,363
Statutory reserve		11,931,873	11,931,873
Depositors' protection fund		2,982,969	2,982,969
Unappropriated Profit/(loss)		(967,118,329)	(996,574,069)
		1,597,892,477	1,468,419,136
Surplus/(Deficit) on Revaluation of Assets		-	-
Deferred Grants		5,057,246	5,326,952
<b>Total Capital</b>		<b>1,602,949,723</b>	<b>1,473,746,088</b>
<b>MEMORANDUM / OFF- BALANCE SHEET ITEMS</b>	<b>13</b>	<b>-</b>	<b>-</b>

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

  
President /CEO

  
Chief Financial Officer

  
Chairman

  
Director

  
Director

**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED 31 MARCH 2019**

	Note	31 March 2019 Rupees	31 March 2018 Rupees
Mark-up/Return/Interest Earned	14	647,391,590	432,794,738
Mark-up/Return/Interest Expensed		(242,885,659)	(162,385,410)
Net mark-up/Interest Income		404,505,931	270,409,328
Provision against non-performing loans and advances	9.4	10,620,854	2,621,430
Provision for diminution in the value of investments		-	-
Recovery against bad debts written off		390,765	88,108
Bad debts written off directly		-	-
Net mark-up/Interest Income / (loss) after provisions		11,011,619	2,709,538
		415,517,550	273,118,866
<b>NON MARK-UP/NON INTEREST INCOME</b>			
Fee, Commission and Brokerage Income		32,644,800	52,359,941
Dividend Income		-	-
Other Income		23,548,398	17,597,201
Total non mark-up/non interest Income		56,193,198	69,957,142
		471,710,748	343,076,008
<b>NON MARK-UP/NON INTEREST EXPENSES</b>			
Administrative expenses		(427,099,377)	(319,017,781)
Other provisions/write offs/adjustment		-	-
Other charges		-	-
Total non mark-up/non interest expenses		(427,099,377)	(319,017,781)
		44,611,371	24,058,227
Extra ordinary/unusual items		-	-
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		44,611,371	24,058,227
Taxation	- Current	(8,034,828)	(8,529,828)
	- Prior periods	-	-
	- Deferred	(7,120,803)	-
		(15,155,631)	(8,529,828)
<b>PROFIT/(LOSS) AFTER TAXATION</b>		29,455,740	15,528,399
Unappropriated Profit / (Loss) brought forward		(996,574,069)	(1,036,520,157)
Profit available for appropriation / (loss)		(967,118,329)	(1,020,991,758)
<b>APPROPRIATIONS:</b>			
Transfer to:			
Statutory Reserve		-	-
Capital Reserve		-	-
Contribution to MSDF/ DPF/ RMF		-	-
Revenue Reserve		-	-
Proposed Cash dividend Rs. Nil per share (2018: Rs. Nil per share)		-	-
Others		-	-
		-	-
<b>Unappropriated Profit / (Loss) carried forward</b>		(967,118,329)	(1,020,991,758)
<b>Earnings / (Loss) per share-Basic &amp; Diluted</b>		0.086	0.01

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



President /CEO



Chief Financial Officer



Chairman



Director



Director

APNA MICROFINANCE BANK LIMITED  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)**  
 FOR THE QUARTER ENDED 31 MARCH 2019

Note	31 March 2019 Rupees	31 March 2018 Rupees
<b>PROFIT/(LOSS) AFTER TAXATION</b>	<b>29,455,740</b>	15,528,399
Other comprehensive income / (loss)		
Items that will not be reclassified to profit and loss account	-	-
Items that may subsequently be reclassified to profit and loss account	-	-
	-	-
<b>Comprehensive income/(loss) transferred to equity</b>	<b>29,455,740</b>	15,528,399
<b>Components of comprehensive (loss) not reflected in equity:</b>		
Net change in fair value of available-for-sale investments	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>29,455,740</b>	15,528,399

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



President /CEO



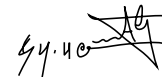
Chief Financial Officer



Chairman



Director

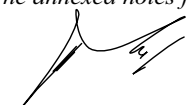


Director

APNA MICROFINANCE BANK LIMITED  
**CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)**  
FOR THE QUARTER ENDED 31 MARCH 2019

Note	31 March 2019	31 March 2018
	Rupees	Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	44,611,371	24,058,227
<b>Adjustments for non-cash charges</b>		
Depreciation	6,585,913	14,519,165
Amortization of intangibles	256,565	621,079
Amortization of deferred grants	(269,706)	(492,093)
Provision against non-performing advances	(10,620,854)	(2,621,430)
	(4,048,082)	12,026,721
<b>Operating cash flow before working capital changes</b>	40,563,289	36,084,948
<b>Changes in working capital</b>		
<b>(Increase)/Decrease in operating assets</b>		
Advances	(43,569,586)	(1,354,178,890)
Other assets	(64,500,902)	(125,542,666)
	(108,070,488)	(1,479,721,556)
<b>Increase / (Decrease) in operating liabilities</b>		
Deposits	(337,271,344)	(4,073,743)
Other Liabilities	14,692,354	100,215,193
	(322,578,990)	96,141,450
<b>CASH GENERATED FROM OPERATIONS</b>	(390,086,189)	(1,347,495,158)
Net cash flow from operating activities	(390,086,189)	(1,347,495,158)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in held to maturity securities	(8,024,968)	(74,937,831)
Investments in operating fixed assets	(50,468,290)	(14,472,476)
Net cash flow from investing activities	(58,493,258)	(89,410,307)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share deposit money	100,017,601	-
Borrowings-net	(679,591)	(710,764)
Net cash flow from financing activities	99,338,010	(710,764)
Increase / (Decrease) in cash and cash equivalents	(349,241,437)	(1,437,616,229)
<b>Cash and cash equivalents at the beginning of the period</b>	4,496,446,506	5,251,048,358
<b>Cash and cash equivalents at the end of the period</b> 15	4,147,205,069	3,813,432,129

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



President /CEO



Chief Financial Officer



Chairman



Director



Director

**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

FOR THE QUARTER ENDED 31 MARCH 2019

14

**Balance as at 01<sup>st</sup> January, 2018**

**Comprehensive income / (loss) for the period**

Profit / (Loss) after taxation

Other comprehensive income / (loss)

Total comprehensive income / (loss) for the period

**Transactions with owners directly recorded in equity**

Share deposit money received during the period

**Balance as at 31<sup>st</sup> March 2018**

**Comprehensive income / (loss) for the period**

Profit / (Loss) after taxation

Transfer to statutory reserves

Transfer to depositors protection fund

Other comprehensive income / (loss)

Total comprehensive income / (loss) for the period

**Transactions with owners directly recorded in equity**

Share issued against share deposit money

Share issued

**Balance as at December 31<sup>st</sup> 2018 - Audited**

**Comprehensive income / (loss) for the period**

Profit / (Loss) after taxation

Other comprehensive income / (loss)

Total comprehensive income / (loss) for the period

**Transactions with owners directly recorded in equity**

Share deposit money received

Share issued against share deposit money

Discount on issue of share

**Balance as at 31<sup>st</sup> March 2019**

Share Capital Rupees	Discount On Issue Of Shares Rupees	Share Deposit Money Rupees	Statutory Reserve Rupees	Depositors' Protection Fund Rupees	Unappropriated Profit/(Loss) Rupees	Total Rupees
2,500,000,000	(950,000,000)	500,008,080	1,279,583	319,896	(1,036,520,157)	1,015,087,402
-	-	-	-	-	15,528,399	15,528,399
-	-	-	-	-	-	-
-	-	-	-	-	15,528,399	15,528,399
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,500,000,000	(950,000,000)	500,008,080	1,279,583	319,896	(1,020,991,758)	1,030,615,801
-	-	-	-	-	37,733,052	37,733,052
-	-	-	10,652,290	2,663,073	(10,652,290)	-
-	-	-	-	-	(2,663,073)	-
-	-	-	-	-	-	-
-	-	-	10,652,290	2,663,073	-	37,733,052
-	-	400,070,283	-	-	-	400,070,283
-	-	400,070,283	-	-	-	400,070,283
2,500,000,000	(950,000,000)	900,078,363	11,931,873	2,982,969	(996,574,069)	1,468,419,136
-	-	-	-	-	29,455,740	29,455,740
-	-	-	-	-	-	-
-	-	-	-	-	29,455,740	29,455,740
-	-	100,017,601	-	-	-	100,017,601
939,849,620	-	(553,885,789)	-	-	-	385,963,831
-	(385,963,831)	-	-	-	-	(385,963,831)
939,849,620	(385,963,831)	(453,868,188)	-	-	-	100,017,601
3,439,849,620	(1,335,963,831)	446,210,175	11,931,873	2,982,969	(967,118,329)	1,597,892,477

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

  
President /CEO

  
Chief Financial Officer

  
Chairman

  
Director

  
Director

## APNA MICROFINANCE BANK LIMITED

### SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 31 MARCH 2019

#### 1 STATUS AND NATURE OF BUSINESS

**1.1** Apna Microfinance Bank Limited (the Bank) was incorporated on May 08, 2003 as a public limited bank under the repealed Companies Ordinance, 1984 (now the Companies Act 2017). The Bank was granted certificate of commencement of business on December 28, 2004 and started its operations on January 01, 2005. Its shares are listed on Pakistan Stock Exchange Limited. The Bank's principal business is to provide microfinance services to the poor and underserved segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. The Bank has been operating at national level in Pakistan. The Bank has 123 business locations comprising of 116 branches and 7 service centers (2018: 123 business locations comprising of 116 branches and 7 service centers) in operation. Its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi in the province of Sindh and its head office is situated at 23 - A, Sundar Das Road, Zaman Park, Lahore, in the province of Punjab.

**1.2** As at March 31, 2019 the Bank could not meet the regulatory requirements of "Prudential Regulations for Micro Finance Banks" issued by the State Bank of Pakistan (SBP), mentioned as under;

Regulation R-5 (C): Only those MFBs that are fully compliant with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) (equivalent to at least 15% of their risk weighted assets) shall be eligible to undertake microenterprise lending.

The Capital Adequacy Ratio of the Bank fell below the minimum ratio required as at 31<sup>st</sup> March, 2019 and the Bank is hopeful of bringing its CAR upto the required limit in near future.

#### 2 BASIS OF PRESENTATION

This condensed interim financial information is prepared in accordance with BSD Circular No. 11 dated 30 December 2003 issued by the State Bank of Pakistan (SBP) and IAS – 34 'Interim Financial Reporting' and hence do not include all the information required in the annual audited published financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2018.

This condensed interim financial information is presented in Pak Rupees, which is the Bank's functional and presentation currency.

#### 3 STATEMENT OF COMPLIANCE

**3.1** This condensed interim financial information of the Bank for the quarter ended March 31, 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 – 'Interim Financial Reporting', provisions of the Companies Act, 2017, the Microfinance Institution Ordinance, 2001, the Prudential Regulations for Microfinance Banks/Institutions and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case where the requirements differ, the provisions of Companies Act, 2017, the Microfinance Institution Ordinance 2001, the Prudential Regulations of Microfinance Banks/Institutions or the requirements of the said directives have been followed.

**3.2** SBP has deferred the applicability of International Accounting Standards (IAS) 39 'Financial Instruments Recognition and Measurement' and International Accounting Standards (IAS) 40 'Investment Property' for Banking Companies through BSD Circular No. 10 dated 26 August 2002. Further, the Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS-7 "Financial Instruments: Disclosures" through its notification S.R.O 633(1) / 2014 dated 10th July 2014. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information.

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Bank's accounting policies. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE QUARTER ENDED 31 MARCH 2019**

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Bank for the year ended 31 December 2018.

**5 ACCOUNTING POLICIES AND COMPUTATION METHODS**

The accounting policies and the methods of computation adopted in preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited published financial statements for the year ended 31 December 2018.

6 CASH AND BALANCES WITH SBP AND NBP	Note	31 March 2019	31 December 2018
		Rupees	Rupees
		<b>Un-audited</b>	<b>Audited</b>
Cash in hand - local currency		414,863,022	440,164,743
Balance with State Bank of Pakistan	6.1	582,181,548	832,264,937
Balance with National Bank of Pakistan in current accounts		76,894,723	313,186,028
		<b>1,073,939,293</b>	<b>1,585,615,708</b>

**6.1** This represents the balance maintained in current accounts with the State Bank of Pakistan (SBP) and National Bank of Pakistan (NBP) to meet the requirements of maintaining a minimum balance equivalent to not less than 5% of the Bank's time and demand liabilities in accordance with Regulation R-3 of the Prudential Regulations for MFBs issued by the SBP.

7 BALANCES WITH OTHER BANKS/NBFIs/MFBs	Note	31 March 2019	31 December 2018
		Rupees	Rupees
		<b>Un-audited</b>	<b>Audited</b>
In Pakistan			
- In current accounts		31,682,239	127,165,114
- In deposit accounts	7.1	2,641,583,537	2,333,665,684
- Certificates of deposits	7.2	400,000,000	450,000,000
		<b>3,073,265,776</b>	<b>2,910,830,798</b>

**7.1** These carry mark-up rates ranging from 6.50% to 11.55% per annum (2018: 6.50% to 11.0% per annum).

**7.2** These represent placement with financial institutions carrying mark-up ranging from 13.10% to 13.25% per annum (2018: 8.50% to 8.90% per annum).

8 INVESTMENTS - NET OF PROVISIONS	Note	31 March 2019	31 December 2018
		Rupees	Rupees
		<b>Un-audited</b>	<b>Audited</b>
<b>Held-to-maturity</b>			
B.R.R Guardian Modaraba - Term Finance Certificates (TFCs)	8.1	482,150	1,261,370
Term Finance Certificate (TFC's)	8.2	99,970,000	99,980,000
		<b>100,452,150</b>	<b>101,241,370</b>
Treasury Bills	8.3	792,042,198	783,228,010
		<b>892,494,348</b>	<b>884,469,380</b>

**8.1** It represents investment in 4,000 units of diminishing Musharaka based Sukuk certificates issued by B.R.R Guardian Modaraba. This investment was rescheduled in the year 2016 with the repayments ending on 06th April 2019.

## APNA MICROFINANCE BANK LIMITED

### SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER ENDED 31 MARCH 2019

It carries markup at the rate of 1 month KIBOR plus 1.5% per annum (2018: 1 month KIBOR plus 1.5% per annum).

**8.2** This represents investment in 20,000 units in TFC's issued by Silk Bank Limited. The investment will mature on August 10, 2025. It carries mark-up at the rate of 6 months KIBOR plus 1.85% per annum (2018: 6 months KIBOR plus 1.85% per annum).

**8.3** This represents T-Bills issued for periods of three and six months having maturities ranging from 11th April 2019 to 23rd May 2019. These carry yields of 9.28% to 10.60% per annum (2018: 8.65% to 10.26% per annum). These securities have an aggregate face value of Rs. 800 million (2018: Rs. 790 million).

9 ADVANCES - NET OF PROVISIONS	Note	31 March 2019		31 December 2018	
		No. of Loans Outstanding	Rupees	No. of Loans Outstanding	Rupees
		-----Un-audited-----		-----Audited-----	
Micro credits	9.1	107,535	10,205,705,691	102,659	10,087,136,105
Less: Provision held:					
- Specific	9.2	11,727	1,168,920,576	10,848	1,109,836,363
- General			167,558,748		164,558,748
	9.3		1,336,479,324		1,274,395,111
Less: Insurance claims receivable against cases held in specific provision			(350,704,132)		(352,999,065)
			985,775,192		921,396,046
Advances - Net Of Provisions			9,219,930,499		9,165,740,059

**9.1** All advances are secured by personal guarantees including gold loans amounting to Rs. 192.478 million (2018: Rs. 219.89 million).

#### 9.2 Particulars of non-performing advances

Advances include Rs. 1,466 million (2018: Rs. 1,309 million) which have been placed under non performing status as detailed below:

Category of Classification	31 March 2019			31 December 2018		
	Principal Amount Outstanding	Provision Required	Provision Held	Principal Amount Outstanding	Provision Required	Provision Held
	----- Rupees -----			----- Rupees -----		
	-----Un-audited-----			-----Audited-----		
OAEM	125,847,220	-	-	98,397,446	-	-
Sub-standard	68,247,677	14,209,973	14,209,973	45,979,635	9,806,033	9,806,033
Doubtful	119,470,756	46,577,366	46,577,366	89,314,851	40,723,874	40,723,874
Loss	632,831,963	624,048,808	624,048,808	620,183,191	617,925,522	617,925,522
Written off	519,982,711	484,084,429	484,084,429	455,138,742	441,380,934	441,380,934
	1,466,380,327	1,168,920,576	1,168,920,576	1,309,013,865	1,109,836,363	1,109,836,363

APNA MICROFINANCE BANK LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED 31 MARCH 2019

9.3 Particulars of provision against non-performing advances

	31 March 2019			31 December 2018		
	Specific	General	Total	Specific	General	Total
	----- Rupees -----			----- Rupees -----		
	----- Un-audited -----			----- Audited -----		
Opening balance	1,109,836,363	164,558,748	1,274,395,111	1,139,749,422	46,321,387	1,186,070,809
Charge/ (reversal) for the period	59,084,213	3,000,000	62,084,213	88,324,302	-	88,324,302
Transferred (from)/to	-	-	-	(118,237,361)	118,237,361	-
Closing balance	<u>1,168,920,576</u>	<u>167,558,748</u>	<u>1,336,479,324</u>	<u>1,109,836,363</u>	<u>164,558,748</u>	<u>1,274,395,111</u>

9.4 Provision against non-performing loans and advances

	31 March 2019	31 March 2018
	Rupees	Rupees
	Un-audited	Un-audited
Provision charged during the period	62,084,213	12,635,047
Insurance claims lodged against defaulted loans during the period	(72,705,067)	(15,256,477)
	<u>(10,620,854)</u>	<u>(2,621,430)</u>

9.5 The provision has been made in accordance with the terms of the Prudential Regulations for MFBs and management's subjective assessment.

10 OTHER ASSETS

	Note	31 March 2019	31 December 2018
		Rupees	Rupees
		Un-audited	Audited
Income / Mark-up Accrued		1,304,093,585	1,278,598,024
Advances to Staff		124,883,260	124,743,349
Advances and Prepayments		252,301,333	235,914,548
Advance Income Tax - Net of Provision		39,491,384	35,187,390
Security Deposits		38,401,920	38,001,920
Inter Banks ATM Settlement account		23,237,628	13,497,804
Insurance Claim's Receivable	10.1	4,881,414	4,881,415
		<u>1,787,290,524</u>	<u>1,730,824,450</u>

10.1 This balance is receivable from The United Insurance Company of Pakistan Limited, which is a related party of the Bank.

## APNA MICROFINANCE BANK LIMITED

### SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED 31 MARCH 2019

11 DEPOSITS AND OTHER ACCOUNTS	Note	31 March 2019		31 December 2018	
		No. of accounts	Rupees	No. of accounts	Rupees
		-----Un-audited-----		-----Audited-----	
Time liabilities					
Fixed Deposits (Deals)	11.1	7,201	6,060,957,945	6,312	5,266,340,560
Demand liabilities					
Saving Deposits	11.2	32,848	6,038,173,490	31,736	6,567,806,922
Current Deposits		337,158	3,429,927,963	312,894	4,032,183,260
		370,006	9,468,101,453	344,630	10,599,990,182
	11.3	377,207	15,529,059,398	350,942	15,866,330,742

11.1 These represent deposits received from customers ranging from 1 month to 5 years. These carry interest rates ranging from 5.6% to 15.5% per annum (2018: 5% to 15% per annum).

11.2 These carry interest rates ranging from 4% to 12% per annum (2018: 4% to 9.5% per annum).

#### 11.3 Particulars of deposits by ownership

	31 March 2019		31 December 2018	
	No. of accounts	Rupees	No. of accounts	Rupees
	-----Un-audited-----		-----Audited-----	
Individual Depositors	376,824	14,776,930,963	350,584	15,347,989,917
Institutional Depositors				
- Corporations / Firms	347	337,716,411	339	239,367,628
- Banks & Financial Institutions	36	414,412,024	19	278,973,197
	383	752,128,435	358	518,340,825
	377,207	15,529,059,398	350,942	15,866,330,742

## 12 BORROWINGS

	Note	31 March 2019	31 December 2018
		Rupees	Rupees
		Un-audited	Audited
Borrowings from Banks/Financial Institutions in Pakistan			
Demand Finance	12.1	8,689,468	9,369,059

12.1 The demand finance facility was obtained to purchase brand new locally manufactured vehicles with a maximum limit of Rs. 100 million for the business of the Bank. The facility is secured against hypothecation charge over the financed vehicles under hire purchase agreement, against corporate guarantee of the Bank. Each demand finance (for each vehicle) is repayable in 60 monthly installments commenced from the date of the respective disbursement. It is subject to mark-up at the rate of 1 year KIBOR plus 1.50% per annum payable on a monthly basis.

## 13 MEMORANDUM / OFF- BALANCE SHEET ITEMS

### 13.1 Contingencies:

There are no known material contingencies as at 31<sup>st</sup> March 2019 (2018: Nil).

### 13.2 Commitments:

	Note	31 March 2019	31 December 2018
		Rupees	Rupees
		Un-audited	Audited
Bank guarantee	13.2.1	1,445,396	1,445,396

APNA MICROFINANCE BANK LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED 31 MARCH 2019

- 13.2.1** This represents bank guarantee issued by the Bank during the year ranging between Rs. 106,923 to Rs. 500,000. These guarantees will expire within the period from September 2019 to April 2020

**14 MARK-UP/RETURN/INTEREST EARNED**

	31 March 2019	31 March 2018
	Rupees	Rupees
	Un-audited	Un-audited
Mark-Up on Loans and Advances	562,419,864	359,890,178
Mark-Up on Deposit Accounts	65,269,215	64,193,832
Mark-Up on Investments in Government Securities	19,702,511	8,710,728
	<b>647,391,590</b>	<b>432,794,738</b>

**15 CASH AND CASH EQUIVALENTS**

	31 March 2019	31 March 2018
	Rupees	Rupees
	Un-audited	Un-audited
Cash and Balances with SBP and NBP	1,073,939,293	737,495,803
Balances With Other Banks/NBFIs/MFBs	3,073,265,776	3,075,936,326
	<b>4,147,205,069</b>	<b>3,813,432,129</b>

**16 TRANSACTION AND BALANCES WITH RELATED PARTIES**

Related parties of the Bank comprise the Chief Executive Officer, Directors, group companies, staff retirement benefits fund, key management personnel and major shareholders of the Bank. The details of transactions and balances with related parties other than those disclosed elsewhere in this condensed interim financial information are as under:

Nature of Relationship	Nature of Transactions	31 March 2019	31 December 2018
		Rupees	Rupees
		Un-audited	Audited
<b>Balances at period end:</b>			
<b>Associated company</b>	Deposits	106,653,788	156,716,764
	Share deposit money	375,915,264	701,008,080
	Insurance Claim Receivable	355,585,546	357,880,480
<b>Key management personnel</b>	Deposits	116,389,058	2,178,053
<b>Directors / sponsors / shareholders</b>	Deposits	1,456,432	1,799,478
	Share deposit money	70,294,911	199,038,815

**Transactions during the period:**

		31 March 2019	31 March 2018
		Rupees	Rupees
		Un-audited	Un-audited
<b>Associated company</b>	Deposits received	266,313,018	115,735,356
	Withdrawals	321,040,755	115,041,263
	Mark-up paid on deposits	4,028,714	610,137
	Share deposit money received	42,151,381	-
	Share issued against share deposit money	(367,244,195)	-
	Insurance claim received	75,000,000	25,092,127

APNA MICROFINANCE BANK LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE QUARTER ENDED 31 MARCH 2019

Key management personnel	Deposits received	21,959,612	8,528,560
	Withdrawals	13,385,007	8,788,376
	Mark-up on deposit paid	4,341	5,513
Directors / Sponsors / Shareholders	Deposits received	868,970	838,109
	Withdrawals	1,229,466	555,725
	Mark-up paid on deposits	17,451	2,460
	Share deposit money received	57,866,220	-
	Share issued against Share deposit money	(186,641,594)	-
Staff Provident Fund	Contribution made during the period	4,188,809	2,676,469

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorised for issue by the Board of Directors on  
April 25, 2019.....

18 GENERAL

18.1 No significant reclassification / rearrangement of the corresponding figures has been made.

18.2 Figures have been rounded off to the nearest rupee unless otherwise stated.

  
President /CEO

  
Chief Financial Officer

  
Chairman

  
Director

  
Director



### Head Office:

23 - A, Sunderdas Road,  
(Thandi Sarak) Zaman Park, Lahore.

Tel : +92 42-36362475-76  
UAN : +92 42 111-771-772  
Email : [info@apnabank.com.pk](mailto:info@apnabank.com.pk)  
[www.apnabank.com.pk](http://www.apnabank.com.pk)



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