

# EMBRACING THE SUSTAINABLE VALUE

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Un-Audited Interim Condensed  
**Financial Statements**  
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Muhammad Akram Shahid  
*Chairman*

Mr. Imad Mohammad Tahir  
*Director*

Mr. Muhammad Asghar  
*Director*

Mr. Muhammad Saleem Shaikh  
*Director*

Syed Rahat Ali Shah  
*Director*

Mr. Abdul Aziz Khan  
*Director*

Mr. Javaid Sadiq  
*Director*

Mr. Imam Bukhsh Baloch  
(SBP-FPT is under process)  
*Director*

## PRESIDENT / CHIEF EXECUTIVE OFFICER

Mr. Muhammad Gulistan Malik

## COMPANY SECRETARY

Mr. Rafat Abbas

## CHIEF FINANCIAL OFFICER

Mr. Ali Murtza

## CHIEF INTERNAL AUDITOR

Mr. Latif Ahmad Saqi

## BOARD COMMITTEES AUDIT COMMITTEE

Mr. Abdul Aziz Khan  
*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. Imad Mohammad Tahir  
*Member*

Mr. Abdul Aziz Khan  
*Member*

Mr. Muhammad Asghar  
*Member*

Mr. Muhammad Saleem Shaikh  
*Member*

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Abdul Aziz Khan  
*Chairman*

Mr. Javaid Sadiq  
*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. Javaid Sadiq  
*Member*

Syed Rahat Ali Shah  
*Member*

Mr. Abdul Aziz Khan  
*Member*

## AUDITORS

Ilyas Saeed & Co.  
*Chartered Accountants*

## LEGAL ADVISOR

Mumtaz Najam Law Chamber  
Advocate and Corporate Consultants  
Lahore

## TAX CONSULTANT

Grant Thornton Anjum Rahman  
*Chartered Accountants*

## BANKERS

United Bank Limited  
Sindh Bank Limited  
Khushali Bank limited  
Bank Al-Habib Limited  
Summit Bank Limited  
Zarai Taraqiati Bank Limited  
JS Bank Limited  
Silk Bank Limited  
First Microfinance Bank Limited  
Soneri Bank Limited  
Telenor Microfinance Bank Limited  
FINCA Microfinance Bank Limited  
NRSP Microfinance Bank Limited  
Habib Metropolitan Bank Limited  
National Bank of Pakistan Limited  
The Bank of Punjab Limited  
U Microfinance Bank Limited  
Mobilink Microfinance Bank Limited

## 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)

## HEAD OFFICE

23-A, Sundar Das Road,  
Zaman Park, Lahore  
PABX 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: +92 21-32271905 & 32271906  
Fax: +92 21-3261233  
Email: [fdregistrar@yahoo.com](mailto:fdregistrar@yahoo.com)

## 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 nine months ended September 30, 2020.

### Economic Overview:

The country's economy, after being severely impacted by the corona virus (COVID-19) pandemic is now poised for a rebound. Receptive measures taken by the government and the SBP, on both the social and economic front, have proven extremely effective in containing the spread of the virus and aiding the economy. Consequently, the economic indicators have shown steady improvement during the current quarter.

In order to dampen the effects of the pandemic, The Government of Pakistan took timely steps such as imposing smart lock downs, encouraging social distancing and introducing financial relief packages for major industries. The State Bank of Pakistan also responded by slashing the policy rate by a cumulative 6.25% since March 2020 and issuing instructions to lending institutions for restructuring of loans in order to provide relief to the borrowers via deferred repayments. Further, the SBP kept the policy rate unchanged at 7.00% in its recent monetary policy committee meeting, prioritizing growth.

We are now witnessing encouraging outcomes of these efforts. The ratio of new effected cases has declined significant within the country, leading to an ease in lock downs and normalization of routine life. These are promising signs for the future. With the inception of routine business operations, the economic indicators will gradually revert to a steady trajectory leading to imminent growth.

In response to these trying times, Apna Microfinance Bank Limited facilitated its borrowers by extending credit facilities to its customers through deferment of advances in accordance with SBP guidelines. The Bank's management also established a Corona Virus Risk Evaluation Committee to closely monitor the situation as it unfolds and taking timely decisions in order to mitigate all challenges faced by the organization in the wake of the COVID-19 crises. We are keenly aware of our responsibility to the stakeholders and have taken all the necessary actions in order to ensure the safety of our employees while guaranteeing the provision of uninterrupted services to our customers.

### 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.

In the light of above difficult economic background, the Bank has managed its financial position as mentioned below;

Particulars	September 30, 2020	December 31, 2019	% Change
	Un-audited	Audited	
	..... Rs. in million.....		
Advances - net of provision	10,178.313	8,779.226	16%
Deposits and other accounts	23,423.129	18,317.084	28%

Particulars	September 30, 2020	September 30, 2019	% Change
	Un-audited	Un-audited	
	..... Rs. in million.....		
Mark-up / return / interest earned	2,513.186	2,118.509	19%
Mark-up / return / interest expenses	(1,043.623)	(856.984)	22%
Administrative expenses	(1,507.966)	(1,355.795)	11%
Profit / (loss) after taxation	35.430	56.358	-37%

The Bank posted a profit after tax in the current period amounting to PKR 35.430 million as compared to a profit of PKR 56.358 million in corresponding period. The equity (net of losses) of the Bank stood at PKR 2,057.397 million and Rs. 1,871.967 million as at December 31, 2019. The earnings per share for the period ended September 30, 2020 is PKR 0.103 per share as compared to earnings per share of PKR 0.164 in the corresponding period.

The Bank's Total Assets as at September 30, 2020 improved to Rs. 25,722.479 million as against Rs. 20,543.254 million as of December 31, 2019. The deposit of the Bank settled at Rs. 23,423.129 million, whereas advances net of provision and investment stood at Rs. 10,178.313 million and Rs. 1,421.782 million respectively. These figures have shown significant improvement over the last year end.

The management have devised and implemented new strategies to control the provision of the Bank's loan portfolio. The Bank

## DIRECTORS' REPORT TO THE MEMBERS

recorded an additional provision expense of PKR 82.049 million against a portfolio of 10,553.026 million in current period. Whereas, the provision of PKR 152.823 million was recorded against the portfolio of PKR. 9,288.815 million in corresponding period.

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

### Future Outlook

The first half of 2020 proved to be a challenging one due to the outbreak of Novel Corona virus in Pakistan and the subsequent lock downs in the country. The economic disruptions prompted by the pandemic are likely to have significant future impacts on the Microfinance Industry and its already marginalized borrower base. Consequently, in the future we expect increased deterioration to the advance's portfolio, reduced profitability and distortions to normal business operations. However, the management is taking all necessary steps to manage and mitigate these challenges such as restructuring a substantial portion of the loan portfolio in order to facilitate the borrower base.

The management realizes the importance of digital banking services amid the COVID-19 pandemic. Over the past year the Bank had established internet banking and mobile banking to increase its outreach and cater for the unbanked population. The first phase of this digitization process is already complete. The next phase of our digital transformation will include branchless banking services such as "Merchant Portal" and "Mobile Wallets".

This digitization initiative will not only promote a culture of social distancing but also expand the Bank's outreach while bringing down operational and branch level costs. Our vision is to build a technology powerhouse which caters to the needs of the payments industry and enhances the businesses of the Bank.

The Bank is in the final stages of automating its RTGS processing mechanism. This new mechanism, termed as Straight Through Processing (STP) will facilitate the transfer of large value payments in an efficient and prompt manner.

We will continue to strive for the betterment of our revamped credit and information system in order to ensure continued transparency in the Bank's lending system. Further, the Bank shall implement a strategy of improving its profitability by greater coverage, asset performance and productivity.

The Bank's Capital Adequacy Ratio (CAR), as also referred in Note no 1.2 to the condensed interim financial statements for the nine months ended September 30, 2020, 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


The Pakistan Credit Rating Agency Ltd. (PACRA) maintained the long-term rating of the Bank as "BBB+" (Triple B plus) and the short-term rating is "A3" (A Three) with a "Stable" future outlook on April 30, 2020.

### Acknowledgment

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.

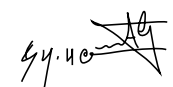
We would also like to express our gratitude to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange for their continued guidance and support.

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



**Muhammad Gulistan Malik**  
President/CEO

Date: October 29, 2020  
Lahore



**Syed Rahat Ali Shah**  
Director

## ممبران کے لئے ڈائریکٹر رپورٹ

بڑھ کر 25,722.479 ملین (پاکستانی روپے) ہو گئے ہیں جو کہ 31 دسمبر 2019ء کو 20,543.254 ملین (پاکستانی روپے) تھے بینک کے ڈیپازٹس 23,423.129 ملین (پاکستانی روپے) ہیں جبکہ سال 2019ء کے اختتام سے معمولی اضافے کے ساتھ ایڈوانسز نیٹ آف پروڈوز اور سرمائے کاری کی مالیت بالترتیب 10,178.313 ملین (پاکستانی روپے) اور 1421.782 ملین (پاکستانی روپے) رہی۔

انتظامیہ نے بینک کے کریڈٹ پورٹ فولیو کی پروڈوز کو کم کرنے کے لئے نئی حکمت عملی وضع کی ہے۔ بینک نے رواں مدت میں 10,553.026 ملین (پاکستانی روپے) کے کریڈٹ پورٹ فولیو پر 82.049 ملین (پاکستانی روپے) اضافی پروڈوز ریکارڈ کی، جبکہ گزشتہ اسی مدت میں 152.823 ملین (پاکستانی روپے) کی پروڈوز 9,288.815 ملین (پاکستانی روپے) کے کریڈٹ پورٹ فولیو پر ریکارڈ کی گئی تھی۔

موجودہ کاروباری مقابلے اور سرمائے کی ضرورت کے پیش نظر مائیکرو فنانس سیکٹر کو اپنے ڈپازٹرز کو کمرشل بینکوں کے مقابلے میں زیادہ شرح پیش کرنا پڑی جس کے نتیجے میں ڈپازٹ کی قیمت میں کمرشل بینکوں کے مقابلے میں اضافہ دیکھا گیا۔ ان حدود کا مقابلہ کرنے کے لئے اپنی ڈپازٹ پراڈکٹس کے لئے سٹرٹیجک منصوبہ تیار کیا۔ جس پر عمل کرتے ہوئے کم لاگت کے ڈپازٹ کو راغب کیا جس میں بینک کے ڈپازٹس (CASA) پر توجہ شامل ہے تاکہ قابل قبول حد تک مارک اپ / سود کے اخراجات کو برقرار رکھا جاسکے۔

### مستقبل کا لائحہ عمل:

پاکستان میں کورونا وائرس پھیلنے اور اس کے نتیجے میں لاک ڈاؤن کے سبب 2020ء کا پہلا نصف حصہ چیلنجنگ ثابت ہوا۔ عالمی وبا کی مرض سے پیدا ہونے والی معاشی رکاوٹوں کا مائیکرو فنانس انڈسٹری اور قرض لینے والوں پر مستقبل میں اہم اثرات پڑنے کا امکان ہے۔ اس کے نتیجے میں مستقبل میں لون پورٹ فولیو میں لگاؤ، منافع میں کمی اور معمول کے کاروباری کاموں میں خلل متوقع ہے۔ تاہم اختلافیہ ان چیلنجز کے حل اور خاتمے کے لئے تمام ضروری اقدامات اٹھارے ہیں جیسا کہ قرض لینے والوں کو قرض کی رہنمائی کرنا شامل ہے۔ انتظامیہ عالمی وبا کی مرض کے دوران ڈیجیٹل بینکاری کی ضرورت کو اہم تصور کرتی ہے۔ پچھلے ایک سال کے دوران بینک نے انٹرنیٹ بینکنگ اور موبائل بینکنگ میں اضافہ کیا ہے تاکہ ان علاقوں میں بھی بینکاری کی سہولت دی جاسکے جہاں بینک نہیں ہیں اس ڈیجیٹل ترقی کا پہلا مرحلہ پہلے ہی مکمل ہو چکا ہے۔ ہمارے ڈیجیٹل تبدیلی کے اگلے مرحلے میں برانچ لیس بینکاری جیسی خدمات جیسا کہ ”مرچنٹ پورٹل اور ”موبائل ولس“ شامل ہوں گے۔ ڈیجیٹل ترقی کا یہ قدم صرف معاشرتی دوری کی ثقافت کو فروغ دے گا بلکہ بینک کی رسائی بھی بڑھے گی، آپریشنل اور برانچ سطح کے اخراجات کم ہوں گے۔ ہمارا دائرہ ایسا مائیکرو فنانس گزہ بنانا ہے جو صنعتی ادائیگی کی ضروریات کو پورا کرے اور بینک کے کاروبار میں اضافہ کرے۔

بینک اپنے RTGS پروسیجرنگ میکانزم کو خود کار کرنے کے آخری مراحل میں ہے۔ یہ نیا طریقہ کار، جس کو سٹرٹ تھرو پروسیجرنگ (STP) کہا جاتا ہے، موثر اور فوری انداز میں بڑی رقم کی ادائیگیوں کی منتقلی میں آسانی پیدا کرے گا۔

بینک کے قرض دینے کے نظام میں شفافیت کو یقینی بنانے کے لئے ہم اپنے اصلاح شدہ کریڈٹ اور انفارمیشن سسٹم کی بہتری کے لئے کوشاں رہیں گے۔ مزید بینک زیادہ سے زیادہ کوریج، اثاثوں کی کارکردگی اور پیداواری کے ذریعے اپنے منافع کو بہتر بنانے کی حکمت عملی نافذ کرے گا۔

بینک کی (CAR) مائیکرو فنانس بینکس کے پروڈیوشن ریلیوشنز کے مطابق نہیں ہے جیسا کہ 30 ستمبر 2020ء کی مالیاتی رپورٹ کے نوٹ نمبر 1.2 میں بھی بیان کیا گیا ہے تاہم سپانسر CAR کی کمی کو جلد پورا کرنے کے لئے پُر عزم ہیں۔

### کریڈٹ رینٹنگ:

پاکستان کریڈٹ رینٹنگ ایجنسی لمیٹڈ (PACRA) نے 30 اپریل 2020ء کو بینک کے مستقبل کے لائحہ عمل کے تناظر میں بینک کی لائٹ ٹرم رینٹنگ ٹریبل پلس (BBB+) اور شاٹ ٹرم رینٹنگ اسے قحری (A3) کو برقرار رکھا ہے۔

### اعترافات:

بینک کے ڈائریکٹرز تمام ملازمین کی کوششوں اور لگن 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 آف پاکستان، بینک ریگولیٹری اینڈ انچارج کمیشن آف پاکستان اور پاکستان شاہ آکسیجیٹ کو ان کی مستقل رہنمائی اور تعاون کے لئے اظہار تشکر پیش کرتے ہیں۔

مخانب بورڈ آف ڈائریکٹرز  
اپنا مائیکرو فنانس بینک لمیٹڈ

سید راحت علی شاہ  
ڈائریکٹر

محمد گلستان ملک  
صدر ای۔ای۔او

تاریخ: 29 اکتوبر 2020ء

لاہور

## ممبران کے لئے ڈائریکٹرز رپورٹ

اپنا مائیکروفنانس بینک لمیٹڈ کے ڈائریکٹرز انجمنی مسرت کے ساتھ بینک کی 30 ستمبر 2020ء کو ختم ہونے والی مالیاتی مدت کی غیر آڈٹ شدہ مختصر عبوری مالیاتی رپورٹ پیش کر رہے ہیں۔

### معاشی جائزہ:

کورونا وائرس (Covid-19) کے وبائی مرض سے شدید متاثر ہونے کے بعد اب ملک کی معیشت بہتری کی جانب گامزن ہے۔ حکومت اور اسٹیٹ بینک آف پاکستان کی جانب سے معاشرتی اور اقتصادی دونوں محاذوں پر کئے گئے قابل قبول اقدامات، وائرس کے پھیلاؤ پر قابو پالنے اور معاشرتی ترقی کو سہارہ دینے میں انجمنی کارآمد ثابت ہوئے ہیں۔ اس کے نتیجے میں موجودہ سہ ماہی کے دوران معیشت نے مستحکم بہتری کا اشارہ کیا ہے۔

وبائی مرض کے اثرات کو ختم کرنے کے لئے حکومت نے معاشرتی اور معاشی محاذ پر بہت سے قابل قبول اقدامات اٹھائے ہیں ان میں ملک کے بڑے حصوں میں لاک ڈاؤن کا نفاذ کرنا، معاشرتی دوری کی حوصلہ افزائی اور بڑی صنعتوں کے لئے مالی ریلیف پیکیج متعارف کرانا شامل ہیں۔ سٹیٹ بینک آف پاکستان نے مارچ 2020ء سے مجموعی طور پر پالیسی کی شرح میں 6.25 فیصد کمی کرتے ہوئے قرضوں کی تنظیم نو کے لئے قرض دینے والے اداروں کو موخر ادائیگیوں کے ذریعے امداد فراہم کرنے کے لئے ہدایات جاری کی ہیں۔ مزید یہ کہ اسٹیٹ بینک نے ترقی کو ترجیح دیتے ہوئے حالیہ مالیاتی پالیسی کمیٹی کے اجلاس میں پالیسی کی شرح، جو کہ 7 فیصد تھی، کو نہیں بدلا۔

اب ہم ان کوششوں کے حوصلہ افزاء نتائج کا مشاہدہ کر رہے ہیں۔ ملک میں سنے متاثرہ کمزور کے تناسب میں نمایاں کمی واقع ہوئی ہے۔ جولاہ ڈاؤن میں نرمی اور معمولات زندگی معمول پر آنے کا باعث بنی۔ یہ مستقبل کے لیے بہتری کے اشارے ہیں۔ معمول کے کاروبار و عمل کے آغاز کے ساتھ، معیشت بتدریج مستحکم رفتار کے ساتھ بہتری کی طرف لوٹ آنے کا اشارہ کر رہی ہے، جو کہ تیزی سے ترقی کا باعث بنے گی۔

ان آزمائشی اوقات کے جواب میں بینک نے اپنے قرض داروں کو سٹیٹ بینک کی رہنمائی کے مطابق پرنسپل رقم کے التواء کے ذریعے اپنے صارفین کو کریڈٹ کی سہولیات میں توسیع کر کے سہولت فراہم کی ہے۔ بینک کی انتظامیہ نے ایک کورونا وائرس رسک تشخیصی کمیٹی قائم کی ہے جو صورت حال کا قریب سے جائزہ لے رہی ہے جو (Covid-19) بحران کے نتیجے میں آرگنائزیشن کو درپیش تمام چیلنجز کو عبور کرنے کے لئے بروقت فیصلے کر رہی ہے۔ ہم سٹیک ہولڈرز کے بارے میں اپنی ذمہ داری سے بخوبی واقف ہیں اور اپنے صارفین کو بلا تعطل خدمات کی فراہمی کی ضمانت دیتے ہوئے اپنے ملازمین کی حفاظت کو یقینی بنانے کے لئے تمام ضروری اقدامات اٹھا رہے ہیں۔

### پرنسپل سرگرمی، ترقی اور مالی کارکردگی:

بینک ایک پبلک لمیٹڈ بینک کے طور پر بنا اور اس کے حصص پاکستان ٹاک ایکسچینج پر درج ہیں۔ بینک کا اہم کاروبار مائیکروفنانس انشورنس آرڈیننس 2001ء کے تحت غربت کو کم کرنے کے نظریے سے معاشرے کے غریب اور پسماندہ طبقے اور مائیکروفنانس سے متعلقہ خدمات مہیا کرتا ہے۔ مندرجہ بالا مشکل معاشی پس منظر کی روشنی میں بینک نے اپنی مالی حیثیت کو سنبھال لیا ہے جو مندرجہ ذیل ہے۔

کوائف	30 جون 2020 ان آڈٹڈ	30 ستمبر 2019 ان آڈٹڈ	% تبدیلی
فراہم کیا گیا کل ایڈوائس (پروڈن کے بعد)	10,178.313	8,779.226	16%
ڈپازٹس اور دیگر اکاؤنٹس	23,423.129	18,317.084	28%
کوائف	30 ستمبر 2020 ان آڈٹڈ	30 ستمبر 2019 ان آڈٹڈ	% تبدیلی
مارک اپ آمدنی	2,513.186	2,118.509	19%
مارک اپ خرچ	(1,043.623)	(856.984)	22%
انتظامی اخراجات	(1,507.966)	(1,355.795)	11%
منافع بعد از ٹیکس ادائیگی	35.430	56.358	-37%

بینک نے ٹیکس کے بعد رواں مدت میں 35.430 ملین (پاکستانی روپے) کا منافع ظاہر کیا ہے، جبکہ گزشتہ اسی مدت میں 56.358 ملین (پاکستانی روپے) کا منافع تھا۔ بینک کی ایکویٹی بعد از نقصانات 2,057.397 ملین (پاکستانی روپے) اور 31 دسمبر 2019 کو 1,871.967 ملین (پاکستانی روپے) تھی۔

30 ستمبر 2020ء کو فی منافع کی شرح 0.103 (پاکستانی روپے) ہے، جبکہ گزشتہ اسی مدت میں یہی شرح 0.164 (پاکستانی روپے) تھی۔ بینک کے کل اثاثہ جات 30 ستمبر 2020ء کو



# **FINANCIAL STATEMENTS**

APNA MICRO FINANCE BANK LIMITED





APNA MICROFINANCE BANK LIMITED  
CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 Rupees	December 31, 2019 Rupees
		Un-audited	Audited
<b>ASSETS</b>			
Cash and Balances with SBP and NBP	7	2,579,107,960	1,342,224,336
Balances with Other Banks/NBFIs/MFBs	8	6,591,625,339	5,464,027,515
Lending to Financial Institutions		-	-
Investments - Net of Provisions	9	1,421,782,057	1,045,912,390
Advances - Net of Provisions	10	10,178,312,702	8,779,226,353
Operating Fixed Assets		999,370,431	927,788,157
Other Assets	11	3,432,709,538	2,486,413,916
Deferred Tax Asset		519,571,135	497,660,859
<b>Total Assets</b>		<b>25,722,479,162</b>	<b>20,543,253,526</b>
<b>LIABILITIES</b>			
Deposits and Other Accounts	12	23,423,129,186	18,317,083,706
Borrowings	13	4,554,086	6,597,519
Subordinated Debt		-	-
Other Liabilities		236,568,828	345,245,310
Deferred Tax Liabilities		-	-
<b>Total Liabilities</b>		<b>23,664,252,100</b>	<b>18,668,926,535</b>
<b>NET ASSETS</b>		<b>2,058,227,062</b>	<b>1,874,326,991</b>
<b>REPRESENTED BY:</b>			
Share Capital	14	3,439,849,620	3,439,849,620
Discount on Issue of Shares		(1,335,963,831)	(1,335,963,831)
Share Deposit Money		846,215,185	696,215,185
Statutory Reserve		22,636,885	22,636,885
Depositors' Protection Fund		5,659,222	5,659,222
Unappropriated loss		(921,000,479)	(956,430,276)
		<b>2,057,396,602</b>	<b>1,871,966,805</b>
Surplus/(Deficit) On Revaluation Of Assets		-	-
Deferred Grants		830,460	2,360,186
<b>Total Capital</b>		<b>2,058,227,062</b>	<b>1,874,326,991</b>

MEMORANDUM / OFF- BALANCE SHEET ITEMS 15

The annexed notes from 1 to 21 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 PERIOD ENDED SEPTEMBER 30, 2020

	Note	Nine months Ended		Quarter Ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		Rupees	Rupees	Rupees	Rupees
Mark-up/Return/Interest Earned	16	2,513,186,369	2,118,509,215	825,202,062	739,160,661
Mark-up/Return/Interest Expensed		(1,043,623,284)	(856,984,386)	(338,236,344)	(325,573,574)
Net Mark-up/Interest Income		1,469,563,085	1,261,524,829	486,965,718	413,587,087
Provision against non-performing loans and advances	10.3	(82,049,708)	(152,822,563)	(6,906,235)	(45,629,589)
Provision for diminution in the value of investments		-	-	-	-
Recovery against bad debts written off		21,591,651	648,685	-	128,366
Bad debts written off directly		-	-	-	-
		(60,458,057)	(152,173,878)	(6,906,235)	(45,501,223)
Net Mark-up/Interest Income after provisions		1,409,105,028	1,109,350,951	480,059,483	368,085,864
<b>NON MARK-UP/NON INTEREST INCOME</b>					
Fee, Commission and Brokerage Income		70,191,461	92,472,354	27,340,762	28,184,362
Dividend Income		-	-	-	-
Other Income		81,144,340	236,433,472	10,117,929	71,583,087
Total Non Mark-up/Non Interest Income		151,335,801	328,905,826	37,458,691	99,767,449
		1,560,440,829	1,438,256,777	517,518,174	467,853,313
<b>NON MARK-UP/NON INTEREST EXPENSES</b>					
Administrative expenses		(1,507,965,864)	(1,355,795,248)	(509,783,838)	(463,826,224)
Other provisions/write offs/adjustment		-	-	-	-
Other charges		-	-	-	-
Total Non Mark-up/Non Interest Expenses		(1,507,965,864)	(1,355,795,248)	(509,783,838)	(463,826,224)
		52,474,965	82,461,529	7,734,336	4,027,089
Extra ordinary/unusual items		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		52,474,965	82,461,529	7,734,336	4,027,089
Taxation	19	(38,955,444)	(33,164,724)	(12,992,919)	(15,119,267)
- Current		-	-	-	-
- Prior periods		-	-	-	-
- Deferred		21,910,276	7,061,361	11,095,579	26,577,806
		(17,045,168)	(26,103,363)	(1,897,340)	11,458,539
<b>PROFIT AFTER TAXATION</b>		35,429,797	56,358,166	5,836,996	15,485,628
Unappropriated loss brought forward		(956,430,276)	(996,574,069)	(926,837,475)	(955,701,531)
Profit available for appropriation / (loss)		(921,000,479)	(940,215,903)	(921,000,479)	(940,215,903)
<b>APPROPRIATIONS:</b>					
Transfer to:					
Statutory Reserve		-	-	-	-
Capital Reserve		-	-	-	-
Contribution to MSDF/ DPF/ RMF		-	-	-	-
Revenue Reserve		-	-	-	-
Proposed Cash dividend Rs.Nil per share (2019: Rs.Nil per share)		-	-	-	-
Others		-	-	-	-
		-	-	-	-
<b>Unappropriated loss carried forward</b>		(921,000,479)	(940,215,903)	(921,000,479)	(940,215,903)
<b>Earnings per share-Basic &amp; Diluted</b>		0.103	0.164	0.017	0.045

The annexed notes from 1 to 21 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 PERIOD ENDED SEPTEMBER 30, 2020

	Nine months Ended		Quarter Ended	
	September 30, 2020 Rupees	September 30, 2019 Rupees	September 30, 2020 Rupees	September 30, 2019 Rupees
<b>PROFIT AFTER TAXATION</b>	<b>35,429,797</b>	56,358,166	<b>5,836,996</b>	15,485,628
<b>Other comprehensive income/(loss):</b>				
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 transferred to equity</b>	<b>35,429,797</b>	56,358,166	<b>5,836,996</b>	15,485,628
<b>Components of comprehensive income/(loss) not reflected in equity:</b>				
Net change in fair value of available-for-sale investments	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>35,429,797</b>	56,358,166	<b>5,836,996</b>	15,485,628

The annexed notes from 1 to 21 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 PERIOD ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020 Rupees	September 30, 2019 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		52,474,965	82,461,529
<b>Adjustments for non-cash charges</b>			
Depreciation		68,358,567	49,719,022
Amortization of intangibles		3,209,807	2,383,248
Amortization of deferred grants		(1,529,726)	(1,618,236)
Provision against non-performing advances		82,049,708	152,822,563
(Gain) / Loss on disposal of fixed asset		(150,000)	-
		151,938,356	203,306,597
<b>Operating cash flow before working capital changes</b>		204,413,321	285,768,126
<b>Changes in working capital</b>			
<b>(Increase)/Decrease in operating assets</b>			
Advances		(1,481,136,057)	(325,733,853)
Other assets		(985,251,066)	(203,462,400)
		(2,466,387,123)	(529,196,253)
<b>Increase/(Decrease) in operating liabilities</b>			
Deposits		5,106,045,480	982,021,073
Other Liabilities		(108,676,482)	22,278,283
		4,997,368,998	1,004,299,356
<b>Net cash flow from operating activities</b>		2,735,395,196	760,871,229
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in held to maturity securities		(375,869,667)	(58,182,056)
Investments in operating fixed assets		(143,150,648)	(121,516,782)
Sale proceeds from disposal of operating fixed assets		150,000	-
<b>Net cash used in investing activities</b>		(518,870,315)	(179,698,838)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Share deposit money		150,000,000	100,017,601
Borrowings-net		(2,043,433)	(2,049,329)
<b>Net cash flow from financing activities</b>		147,956,567	97,968,272
<b>Increase in cash and cash equivalents</b>		2,364,481,448	679,140,663
<b>Cash and cash equivalents at the beginning of the period</b>		6,806,251,851	4,496,446,506
<b>Cash and cash equivalents at the end of the period</b>	17	9,170,733,299	5,175,587,169

The annexed notes from 1 to 21 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 PERIOD ENDED SEPTEMBER 30, 2020

	Share Capital	Discount On Issue Of Shares	Share Deposit Money	Statutory Reserve	Depositors' Protection Fund	Unappropriated Loss	Total
<b>Balance as at December 31, 2018-Audited</b>	2,500,000,000	(950,000,000)	900,078,363	11,931,873	2,982,969	(996,574,069)	1,468,419,136
<b>Comprehensive income / (loss) for the period</b>							
Profit after taxation	-	-	-	-	-	56,358,166	56,358,166
Other comprehensive income / (loss)	-	-	-	-	-	56,358,166	56,358,166
Total comprehensive income for the period	-	-	-	-	-	-	-
<b>Transactions with owners directly recorded in equity</b>							
Share deposit money received during the period	939,849,620	-	100,017,601	-	-	-	100,017,601
Share issued against share deposit money	-	(385,963,831)	(553,885,789)	-	-	-	385,963,831
Discount on issue of share	-	-	-	-	-	-	(385,963,831)
	939,849,620	(385,963,831)	(453,868,188)	-	-	-	100,017,601
<b>Balance as at September 30, 2019 - Un-Audited</b>	3,439,849,620	(1,335,963,831)	446,210,175	11,931,873	2,982,969	(940,215,903)	1,624,794,903
<b>Comprehensive income / (loss) for the period</b>							
Loss after taxation	-	-	-	-	-	(2,833,108)	(2,833,108)
Transfer to statutory reserves	-	-	-	10,705,012	-	(10,705,012)	-
Transfer to depositors protection fund	-	-	-	-	2,676,253	(2,676,253)	-
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	10,705,012	2,676,253	(16,214,373)	(2,833,108)
<b>Transactions with owners directly recorded in equity</b>							
Share deposit money received	-	-	250,005,010	-	-	-	250,005,010
Share issued against share deposit money	-	-	-	-	-	-	-
Discount on issue of share	-	-	-	-	-	-	-
	-	-	250,005,010	-	-	-	250,005,010
<b>Balance as at December 31, 2019 - Audited</b>	3,439,849,620	(1,335,963,831)	696,215,185	22,636,885	5,659,222	(956,430,276)	1,871,966,805
<b>Comprehensive income/(loss) for the period</b>							
Profit after taxation	-	-	-	-	-	35,429,797	35,429,797
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	35,429,797	35,429,797
<b>Transactions with owners directly recorded in equity</b>							
Share deposit money received during the period	-	-	150,000,000	-	-	-	150,000,000
Share issued against share deposit money	-	-	-	-	-	-	-
Discount on issue of share	-	-	-	-	-	-	-
	-	-	150,000,000	-	-	-	150,000,000
<b>Balance as at September 30, 2020 - Un-Audited</b>	3,439,849,620	(1,335,963,831)	846,215,185	22,636,885	5,659,222	(921,000,479)	2,057,396,602

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.



President / CEO



Chief Financial Officer



Chairman



Director



Director

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

**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 Companies Act). 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 121 business locations comprising of 116 branches and 5 service centers (2019: 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.

**1.1.1** In consequence of an inspection by the State Bank of Pakistan (SBP), the lending operations of the Bank were suspended from November, 2016. Till then the Bank's information system had not been classifying micro-credits (Running Finance) cases as non performing advances, had not been making any provision and had not been suspending related income. Provisioning on said portfolio was determined manually on the basis of management's subjective assessment.

Subsequently, the Bank was allowed to resume the lending operations from June 2017. The Bank has built up fresh portfolio as from June, 2017, amounting to Rs 9,409 million (2019: Rs 7,670 million) against which the related provision has been recorded and markup is suspended in accordance with the Prudential Regulations for Microfinance Banks. In year 2018, the Bank also completed the tagging of old running finance portfolio pertaining to the period prior to November, 2016, by manual input on the basis of available information in physical record.

Following the said suspension of operations, the bank faced enormous operational & financial difficulties and fell short of its regulatory requirements named as Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR). However, owing to managements and sponsors below given extraordinary efforts, commitments and dedications, the Bank overcame all of its financial and operational hurdles and emerged as a survivor in microfinance industry.

Subsequent to resumption of financing operations, the Bank built up a new credit portfolio. The portrait of growth in the fresh portfolio and recovery of the old portfolio is stated below:

Particulars	September - 2020			December - 2019		
	Term Finance	Running Finance	Total Portfolio	Term Finance	Running Finance	Total Portfolio
	<i>Rupees in million</i>					
<b>Loan portfolio built before Nov-2016</b>						
Micro credits	14	1,131	1,145	15	1,387	1,402
<b>Less: Provision held</b>						
- Specific	2	1	3	2	1	3
- General	-	88	88	-	96	96
	2	89	91	2	97	99
	<b>12</b>	<b>1,042</b>	<b>1,054</b>	<b>13</b>	<b>1,290</b>	<b>1,303</b>
<b>Loan portfolio built from June-2017</b>						
Micro credits	2,806	6,603	9,409	2,817	4,853	7,670
<b>Less: Provision held</b>						
- Specific	127	77	204	91	31	122
- General	27	53	80	27	45	72
	154	130	284	118	76	194
	<b>2,652</b>	<b>6,473</b>	<b>9,125</b>	<b>2,699</b>	<b>4,777</b>	<b>7,476</b>
<b>Advances - Net of provisions</b>	<b>2,664</b>	<b>7,515</b>	<b>10,179</b>	<b>2,712</b>	<b>6,067</b>	<b>8,779</b>

## FOR THE PERIOD ENDED SEPTEMBER 30, 2020

- 1.2 As at September 30, 2020 the Bank could not meet the regulatory requirements of "Prudential Regulations for Microfinance 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 September 30, 2020 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 December 31, 2019.

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

### BUSINESS AND ECONOMIC ENVIRONMENT

The coronavirus pandemic (COVID-19) has been evolving as a major strain to the global economy including Pakistan, causing major disruption to the financial activities. COVID-19, is expected to cast a significant impact on the entire microfinance sector. The Microfinance institutions offer loans and other services to low-income customers who lack easy access to commercial Banks. However, as household incomes have collapsed with the imposition of lockdowns, our borrowers' ability to repay loans has been diminished as well.

This inability of the borrower to repay their loans has direct consequences for Microfinance Banks, on a number of fronts. These include increased credit risk pertaining to the loans and advances portfolio, reduced income and continuity of normal business operations. If the present scenario continues in the upcoming months there is a risk that the resulting slowdown will have severe ramifications on Banks' outstanding portfolio as well as fresh lending, recovery activities, core business operations and future financial results of the overall Microfinance industry.

## 3 STATEMENT OF COMPLIANCE

- 3.1 This condensed interim financial information of the Bank for the nine months ended September 30, 2020 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 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain investments which are measured at fair value and amortized cost.

**5 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.

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 December 31, 2019.

**6 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 December 31, 2019.

**7 CASH AND BALANCES WITH SBP AND NBP**

Note	September 30, 2020	December 31, 2019
	Rupees	Rupees
	Un-audited	Audited
Cash in hand - local currency	561,176,636	461,769,843
Balance with State Bank of Pakistan	931,655,449	694,606,155
Balance with National Bank of Pakistan in:		
- Current Account	1,076,815,508	160,691,770
- Deposit Account	9,460,367	25,156,568
	<b>2,579,107,960</b>	<b>1,342,224,336</b>

**7.1** This represents balance maintained in current accounts with the State Bank of Pakistan (SBP) 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 Microfinance Banks issued by the SBP.

**7.2** This carries mark-up rate at 5.50% per annum (2019: 11.25% per annum).

**8 BALANCES WITH OTHER BANKS/NBFIs/MFBs**

Note	September 30, 2020	December 31, 2019
	Rupees	Rupees
	Un-audited	Audited
In Pakistan		
- In current accounts	27,667,247	43,991,546
- In deposit accounts	3,763,958,092	2,620,035,969
- Certificates of deposits	2,800,000,000	2,800,000,000
	<b>6,591,625,339</b>	<b>5,464,027,515</b>

**8.1** These carry mark-up rates ranging from 5.50% to 9.25% per annum (2019: 11.25% to 14.35% per annum).

**8.2** These represent placement with different financial institutions carrying mark-up ranging from 9.00% to 14.50% per annum (2019: 14.50% to 15.00% per annum). Their maturity ranges from six months to one year from the date of placement.

**9 INVESTMENTS - NET OF PROVISIONS**

Note	September 30, 2020	December 31, 2019
	Rupees	Rupees
	Un-audited	Audited
<b>Held to maturity:</b>		
Treasury Bills -Federal Government Securities	1,321,842,057	893,953,107
Term Finance Certificate (TFCs) - Silk Bank Limited	99,940,000	99,960,000
<b>Held for trading:</b>		
Mutual Fund - Alfalah GHP Money Market Fund - Nil units (2019: 529,898 units)	-	51,999,283
	<b>1,421,782,057</b>	<b>1,045,912,390</b>



## FOR THE PERIOD ENDED SEPTEMBER 30, 2020

9.1 This represents T-Bills issued for periods of three to six months having maturities ranging from October 08, 2020 to March 25, 2021. These carry yields of 6.41% to 7.15% per annum (2019: 12.97% to 13.40% per annum). These securities have an aggregate face value of Rs. 1,342.80 million. (2019: Rs. 900 million).

9.2 This represents investment in 20,000 units in TFCs 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 (2019: 6 months KIBOR plus 1.85% per annum).

10 ADVANCES - NET OF PROVISIONS	Note	September 30, 2020		December 31, 2019	
		No. of Loans Outstanding	Rupees	No. of Loans Outstanding	Rupees
		-----Un-audited-----		-----Audited-----	
Micro credits	10.1	119,020	10,553,025,906	107,843	9,071,889,849
Less: Provision held:					
- Specific	10.2		207,154,456		125,104,748
- General			167,558,748		167,558,748
	10.3		374,713,204		292,663,496
Advances - Net of Provisions			10,178,312,702		8,779,226,353

10.1 All advances are secured by personal guarantees including gold loans amounting to Rs. 1,238.35 million (2019: Rs. 306.11 million).

## 10.2 Particulars of non-performing advances

Advances include Rs. 519.171 million (2019: Rs. 486.628 million) which have been placed under non performing status as detailed below:

Category of Classification	September 30, 2020			December 31, 2019		
	Principal Amount Outstanding	Provision Required	Provision Held	Principal Amount Outstanding	Provision Required	Provision Held
	----- Rupees -----			----- Rupees -----		
	-----Un-audited-----			----- Audited-----		
OAEM	234,460,302	-	-	69,749,555	-	-
Sub-standard	8,698,431	2,027,781	2,027,781	93,911,048	16,611,471	16,611,471
Doubtful	97,616,019	47,386,594	47,386,594	200,980,930	69,930,167	69,930,167
Loss	36,252,069	30,222,290	30,222,290	65,159,576	37,312,472	37,312,472
Written off	142,144,090	127,517,791	127,517,791	56,827,820	1,250,638	1,250,638
	519,170,911	207,154,456	207,154,456	486,628,929	125,104,748	125,104,748

## 10.3 Particulars of provision against non-performing advances

	September 30, 2020			December 31, 2019		
	Specific	General	Total	Specific	General	Total
	----- Rupees -----			----- Rupees -----		
	-----Un-audited-----			----- Audited-----		
Opening balance	125,104,748	167,558,748	292,663,496	1,109,836,363	164,558,748	1,274,395,111
Charge/ (reversal) for the period	82,049,708	-	82,049,708	290,568,067	3,000,000	293,568,067
Amount written off	-	-	-	(1,275,299,682)	-	(1,275,299,682)
Closing balance	207,154,456	167,558,748	374,713,204	125,104,748	167,558,748	292,663,496

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

11 OTHER ASSETS	Note	September 30, 2020	December 31, 2019
		Rupees	Rupees
		Un-audited	Audited
Income / Mark-up Accrued		2,464,795,210	1,490,791,015
Advances to Staff		139,550,968	127,641,630
Advances and Prepayments		252,939,795	310,518,676
Advance Income Tax - Net of Provision		97,857,691	52,997,351
Security Deposits		37,761,920	38,561,920
Inter Banks ATM Settlement account		-	31,097,089
Insurance Claims Receivable	11.1	439,803,954	434,806,235
		3,432,709,538	2,486,413,916

11.1 This represents insurance claims receivable from The United Insurance Company of Pakistan Limited, which is a related party of the Bank.

12 DEPOSITS AND OTHER ACCOUNTS	Note	September 30, 2020		December 31, 2019	
		No. of accounts	Rupees	No. of accounts	Rupees
		Un-audited		Audited	
Time liabilities					
Fixed Deposits (Deals)	12.1	8,180	7,566,522,087	8,372	6,507,523,120
Demand liabilities					
Saving Deposits	12.2	34,354	9,394,476,150	31,962	7,951,669,125
Current Deposits		394,839	6,462,130,949	350,237	3,857,891,461
		429,193	15,856,607,099	382,199	11,809,560,586
	12.3	437,373	23,423,129,186	390,571	18,317,083,706

12.1 These represent deposits received from customers ranging from 1 month to 5 years. These carry interest rates ranging from 4.75% to 15.5% per annum (2019: 5.6% to 15.5% per annum).

12.2 These carry interest rates ranging from 3% to 7.5% per annum (2019: 4% to 11% per annum).

12.3 Particulars of deposits by ownership

	September 30, 2020		December 31, 2019	
	No. of accounts	Rupees	No. of accounts	Rupees
	Un-audited		Audited	
Individual Depositors	436,594	17,975,810,162	390,142	14,829,400,647
Institutional Depositors				
- Corporations / Firms	764	5,338,206,528	411	3,285,223,519
- Banks & Financial Institutions	15	109,112,496	18	202,459,540
	779	5,447,319,024	429	3,487,683,059
	437,373	23,423,129,186	390,571	18,317,083,706

13 BORROWINGS

Borrowings from Banks/Financial Institutions in Pakistan	Note	September 30, 2020	December 31, 2019
		Rupees	Rupees
		Un-audited	Audited
Demand Finance	13.1	4,554,086	6,597,519

13.1 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.

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

**14 SHARE CAPITAL****14.1 Authorized capital**

No. of shares			Rupees	
September 30, 2020	December 31, 2019		September 30, 2020	December 31, 2019
Un-audited	Audited	Ordinary shares of Rs. 10/- each	Un-audited	Audited
500,000,000	500,000,000		5,000,000,000	5,000,000,000

**14.2 Issued, subscribed and paid-up capital**

No. of shares			Rupees	
September 30, 2020	December 31, 2019		September 30, 2020	December 31, 2019
Un-audited	Audited	Ordinary shares of Rs. 10/- each fully paid in cash	Un-audited	Audited
343,984,962	343,984,962		3,439,849,620	3,439,849,620

**15 MEMORANDUM / OFF- BALANCE SHEET ITEMS****15.1 Contingencies:**

There are no known material contingencies as at September 30, 2020 (2019: Nil).

**15.2 Commitments:**

Note	September 30, 2020	December 31, 2019
	Rupees	Rupees
	Un-audited	Audited
15.2.1	-	924,298

**15.2.1** This bank guarantee issued by the Bank has been expired during the period and there is no clean guarantee that required to be disclosed at the period end.

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

	Nine Months Ended		Quarter Ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Rupees	Rupees	Rupees	Rupees
	Un-audited			
Mark-Up on Loans and Advances	1,973,499,349	1,764,251,863	671,842,237	577,237,124
Mark-Up on Deposit Accounts	464,370,844	284,443,203	135,104,614	133,494,149
Mark-Up on Investments in Government Securities	75,316,176	69,814,149	18,255,211	28,429,388
	2,513,186,369	2,118,509,215	825,202,062	739,160,661

**17 CASH AND CASH EQUIVALENTS**

	September 30, 2020	September 30, 2019
	Rupees	Rupees
	Un-audited	Un-audited
Cash and Balances with SBP and NBP	2,579,107,960	1,126,202,597
Balances with Other Banks/NBFIs/MFBs	6,591,625,339	4,049,384,572
	9,170,733,299	5,175,587,169

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

**18 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	September 30, 2020 Rupees	December 31, 2019 Rupees
		Un-audited	Audited
<b>Balances at period end:</b>			
Associated Company	Deposits	106,490,386	38,181,368
	Share deposit money	763,015,264	613,015,264
	Insurance claims receivable	439,803,954	434,806,235
Key Management Personnel	Deposits	3,962,673	2,601,990
Directors / Sponsors / Shareholders	Deposits	2,649,794	2,116,834
	Share deposit money	83,199,911	83,199,911
<b>Transactions during the period:</b>		September 30, 2020 Rupees	September 30, 2019 Rupees
		Un-audited	Un-audited
Associated Company	Deposits received	818,090,689	965,154,134
	Withdrawals	750,897,413	1,086,993,426
	Mark-up paid on deposits	1,115,742	5,729,971
	Share deposit money received	150,000,000	42,151,381
	Share issued against share deposit money	-	367,244,195
Key Management Personnel	Deposits received	80,427,798	55,713,935
	Withdrawals	77,656,873	49,027,561
	Mark-up paid on deposits	14,533	30,761
Directors / Sponsors / Shareholders	Deposits received	3,760,174	4,925,592
	Withdrawals	2,876,389	4,976,781
	Mark-up paid on deposits	67,616	41,168
	Share deposit money received	-	57,866,220
	Shares issued against Share Deposit Money	-	186,610,124
Staff Provident Fund	Contribution made during the period	16,093,997	13,940,925

**19 TAXATION****Current**

The Bank has carried forward tax losses of Rs. 1,133.87 million (2019: Rs. 1,266.09 million) as at reporting date due to which no taxable income arises during the period. However, under section 113 "minimum tax on income of certain persons" of the Income Tax Ordinance, 2001, the Bank is required to make a provision for minimum taxation. Therefore, provision for minimum taxation amounting to Rs. 38.955 million (2019: Rs. 45.297 million) has been made.

**Deferred tax**

The management is expecting future taxable profits and has recognized deferred tax asset amounting to Rs. 519.571 million on the basis of financial projections indicating utilization of deferred tax asset against those future taxable profits. The financial projections involve certain key assumptions such as deposit composition, interest rates, decrease in cost of deposits and operational costs, growth of deposits and advances, investment returns and potential recoveries against non-performing loan. Any significant change in the key assumptions may have an effect on the utilization of the deferred tax asset.

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

**20 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved and authorised for issue by the Board of Directors on  
October 29, 2020  
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**21 GENERAL**

- 21.1** No significant reclassification / rearrangement of the corresponding figures has been made.
- 21.2** Figures have been rounded off to the nearest rupee unless otherwise stated.



**President / CEO**



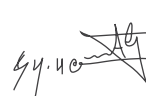
**Chief Financial Officer**



**Chairman**



**Director**



**Director**



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