



**MINUTES OF THE 21<sup>st</sup> ANNUAL GENERAL MEETING  
OF THE SHAREHOLDERS OF  
APNA MICROFINANCE BANK LIMITED**

Minutes of the 21<sup>th</sup> Annual General Meeting of Apna Microfinance Bank Limited (AMBL) held on Friday the June 21, 2024 at 11:30 am (through ZOOM-Link) at Registered Office, K-4/3 & 4/4, Ch. Khaliq-uz-Zaman road, Gizri, Karachi to transact the following business:-

**ATTENDANCE OF MEETING**

The members' participation in the 21<sup>st</sup> Annual General Meeting had signed their presence in the attendance register under the supervision by the Company's Shares Registrar M/s. F.D. Registrar Services (Pvt.) Limited. The attendance of the meeting was recorded from the shares register and the quorum for the meeting completed in terms of Section 135 (a) of the Companies Act - 2017.

The total attendance of shareholders in person and by the proxies received, comprising the following number of shares:

In Person	:	111,836,742 (Shares, 57 Shareholders)
By Proxies	:	311,406,154 (Shares, 6 Shareholders)
Total voting Shares	:	423,242,896 (Shares)
Total company's Shares	:	428,984,962 (Shares)
Participation in Percentage	:	98.66%

Mr. Muhammad Akram Shahid, Chairman Board of Directors of Apna Microfinance Bank Limited presided over the meeting. Besides individual shareholders, the meeting was also attended by the representative of Statutory Auditors and Company's Shares Registrar. The following Directors and Executives of the bank were also present:

Mr. Imad Mohammad Tahir	Director	(via Zoom link)
Mr. Muhammad Asghar	Director	
Mr. Muhammad Saleem Shaikh	Director	
Mr. Abdul Aziz Khan	Independent Director	
Mr. Shahid Hassan	Director	(via Zoom link)
Mr. Wajahat Malik	Director, President/ CEO	



Mr. Mansoor Ahmad

Chief Financial Officer

Mr. Noshad Ahmed

Company Secretary (via Zoom link)

Syed Naveed Abbas, FCA  
Engagement Partner

RSM Avais Hyder Liaquat Nauman,  
Chartered Accountants,

Mr. Muhammad Faisal

Manager, M/s. F.D. Registrar Services  
(Pvt.) Limited

The meeting started with the recitation of verses from the Holy Quran.

The meeting started with a welcome note from the Chairman. The Secretary welcome the Chairman to address the participants.

The Chairman stated that the management believes the all-adverse elements have fully impacted the Bank resulting in negative net assets and non-compliance with Minimum Capital Requirements (MCR) and Capital Adequacy Ratio (CAR) and from now onward, the results of the measures being taken by the management will start reflecting their positive impact in the years to come. The management is confident that with the implementation of its plan, it will be able to overcome all adverse financial and operational factors and the Bank will be able to continue as a going concern.

On behalf of the Board of Director's as well as the Shareholders, the Sponsors have demonstrated their unwavering commitment to rescuing the Bank from its current difficulties. In December 2023, they injected an additional Rs. 1 billion, building on their previous investment of Rs. 350 million in share deposit money. Furthermore, they have issued a formal letter of support to the Bank's management, pledging to provide additional funding in the coming years. This incremental funding will not only enable the Bank to meet its maturing commitments but also empower it to expand its advances portfolio, leading to increased markup income and improved financial position.

The management has devised and is implementing a detailed plan of action to overcome the financial and operational difficulties faced by the Bank.

The Bank remains steadfast to continue its mission of poverty alleviation through provision of low-cost financing services to the poor and unbanked sect of the society.

I believe that the strategic vision and unwavering focus of the Board will successfully lead the Bank through these challenging times.



**Ordinary Business:**

**1. Minutes of Annual General Meeting held on July 5, 2023.**

The minutes of the Annual General Meeting held on July 5, 2023 as circulated earlier to members were read, discussed and approved.

The Chairman invited comments of the members on the minutes. The members endorsed the minutes.

On the motion of Mr. Muhammad Saleem Shaikh proposed that the minutes in order and seconded by Mr. Abdul Aziz Khan the following resolution has been passed.

*“Resolved that the Shareholders in its Annual General Meeting is hereby approved and adopted the minutes of the Annual General Meeting held on July 5, 2023.”*

**2. Audited Annual Financial Statements for the year ended December 31, 2023**

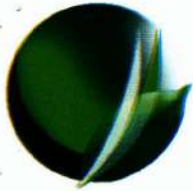
It was unanimously agreed that the Audited Financial Statements of the Apna Microfinance bank limited for the year ended December 31, 2023 and the Chairman’s Message, Directors’ report and Auditors’ reports thereon, as circulated earlier, be taken as read.

The Chairman invited shareholders for the comments on the financial statements of the Company for the year ended December 31, 2023.

The Secretary requested the President and Chief Executive to share their views.

Mr. Wajahat Malik stated that the bank has incurred loss for the year amounting to Rs. 3,594 million (2022: Rs. 4,489 million) and as at year end, its accumulated loss was Rs. 10,973 million (2022: Rs. 7,379 million). This has resulted in negative net assets of Rs. 6,641 million (2022: 4047). The equity (net of losses) of the Bank stood at negative PKR. 6,641 million. The loss per share was recorded at Rs. 8.38 per share for the current year, compared to Rs. 10.47 per share for the prior year.

The one of the main contributors of this loss is the provision charge amounting to PKR. 1,312 million during the year. This provision mainly pertains to portfolio that was classified by State Bank of Pakistan (SBP).



The Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) increased to 41.1%, compared to 38.5% recorded on December 31, 2022. This increase is mainly attributed to a reduction in gross advances by Rs. 452 million.

The management has devised and implemented a recovery and restructuring strategy regarding this portfolio and has succeeded in recovering a substantial amount of non-performing advances. The management is hopeful of further recoveries in the future which will result in reversal of provision and improved financial position of the Bank.

As of December 31, 2023, the Bank's deferred tax asset (net) totaled PKR. 1,700 million. In current year no additional deferred tax asset recognized by the Bank. The external auditors limit the deferred tax assets up-to PKR. 1,700 million considering the probability of availability of future taxable profits against which deductible temporary differences will be utilized.

The total asset of the Bank decreased as compared to the previous year amount of PKR. 19,587 million and stood at PKR. 17,020 million as of December 31, 2023.

The total deposits and other accounts stood at PKR. 22,450 million in comparison with PKR. 22,606 million as of December 31, 2022.

With a substantial decrease, the net mark-up / interest income during the year was negative with PKR. 204 million as compared to positive PKR. 666 million in the corresponding year. Non-markup / interest income increased and stood at PKR. 212 million as compared to PKR. 170 million in the previous year.

Mr. Wajahat Malik further stated that the external auditors have drawn attention towards Note 1.2 of the financial statements for the year ended December 31, 2023 via an emphasis of matter paragraph. Attention is drawn towards the large losses for the year, hefty accumulated losses and Non-performing loan figures as a result of which the net assets are negative at the year end. These events and conditions along with other matters set forth in the above-mentioned note indicate a material uncertainty that may cast significant doubt in the Bank's ability to continue as a going concern. The auditors have not modified their opinion with respect to these matters.

The management has devised and is implementing a detailed plan of action to overcome the financial and operational difficulties faced by the Bank as discussed in the said note.



Since there was no comments from shareholders on financial statements of the bank for the year ended December 31, 2023.

Mr. Muhammad Asghar proposed adoption of accounts and Mr. Abdul Aziz Khan seconded the motion as such the following resolution has been adopted.

*“Resolved that Shareholders of the Bank is hereby approved and adopted the Annual Audited Accounts of the Apna Microfinance Bank Limited for the year ended December 31, 2023, the Directors’ and Auditors’ reports thereon”.*

### 3. Appointment of External Auditors of the Bank for the year ending December 31, 2024

Mr. Wajahat Malik, President & CEO informed the members that the Company’s present auditors M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants has retired but being eligible, have offered themselves for re-appointment as statutory auditors for the year 2024 till the next AGM, under section 16(2) of Microfinance Institutions Ordinance 2001.

On the suggestion of the Audit Committee the board recommended re-appointment of M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants as the statutory auditors for the year ending December 31, 2024 till next Annual General Meeting under section 16(2) of Microfinance Institutions Ordinance 2001.

On the motion of Mr. Abdul Aziz proposed and Mr. Muhammad Asghar seconded the re-appointment therefore following resolution was unanimously passed;

*“Resolved that the Members of the Bank be and hereby re-appointed M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants, as the external auditors of Apna Microfinance Bank Limited for the year ending December 31, 2024 till next AGM and Board of Directors of the Bank be and is hereby authorized to fix their remuneration.”*

The shareholders appreciated the efforts of the auditors M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants, on timely and efficient completion of audit and thanked Syed Naveed Abbas, FCA engagement Partner.



Item No. 4  
OTHER BUSINESS  
VOTE OF THANKS:

With all the items of the agenda deliberated and transacted, the Chairman thanked the members for their participation in the meeting.

Thereafter, The Chairman declared the meeting as concluded.

For and on behalf of  
Apna Microfinance Bank Ltd.,

Noshad Ahmed  
Company Secretary  
July 2, 2024



CHAIRMAN