



Micro Finance  
**apna bank**  
Limited

# Un-Audited Interim Condensed **Financial Statements** FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

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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*

## PRESIDENT / CHIEF EXECUTIVE

Mr. Muhammad Gulistan Malik

## COMPANY SECRETARY

Mr. Rafat Abbas

## CHIEF FINANCIAL OFFICER

Mr. Ali Murtza

## CHIEF INTERNAL AUDITOR

Mr. Latif Ahmed Saqi

## AUDITORS

Ilyas Saeed & Co.  
*Chartered Accountants*

## TAX / LEGAL ADVISOR

RAMDAYS  
*Advocates & Corporate Consultants Lahore*

## BANKERS

Khushhali Microfinance Bank Limited  
Sindh Bank Limited  
First Microfinance 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  
Tameer Microfinance Bank Limited  
FINCA Microfinance Bank Limited  
NRSP Microfinance Bank Limited  
Habib Metropolitan Bank Limited  
National Bank of Pakistan Limited  
United Bank 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)

## 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)

## 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, 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 nine months ended September 30, 2019 is as follows;

	September 30, 2019	December 31, 2018	%
	Un-Audited	Audited	Change
Advances net of provision	8,985,652,284	8,812,740,994	2%
Deposits and other accounts	16,848,351,815	15,866,330,742	6%
	September 30, 2019	September 30, 2018	%
	Un-Audited	Un-Audited	Change
Mark-up/return/interest earned	2,118,509,215	1,520,809,264	39%
Mark-up/return/interest expenses	(856,984,386)	(574,734,978)	49%
Administrative expenses	(1,355,795,248)	(1,162,485,912)	17%
Profit after taxation	56,358,166	46,314,837	22%

The Bank posted a profit after tax in the current period amounting to PKR 56.358 million as compared to a profit of PKR 46.314 million in corresponding period. The equity (net of losses) of the Bank stood at PKR 1,624.79 million and the total assets have grown to PKR 18,780.05 million from PKR 17,623.05 million as at December 31, 2018, the earnings per share for the period ended September 30, 2019 is PKR 0.164 as compared to earnings per share of PKR 0.190 in the corresponding period.

The Bank has made lending of approx. PKR 3.29 billion to 37,557 new customers in the current period. The bank recorded provision expense of PKR 152.82 million against a gross loan portfolio of PKR 9.29 billion in the current period. Whereas, a provision of 44.46 million was recorded against a portfolio of PKR 9.63 billion in the corresponding period. The reason for this increase is attributable to the prevailing economic conditions such as inflation and higher cost of living which have impacted the earning capacity of the bank's borrower base as a result of which loan recoveries have been effected. However, the management has devised and implemented new strategies to control provision of the bank's loan portfolio.

During the period, the bank has written off loans against provision amounting PKR 1.124 billion, in accordance with the terms of Prudential Regulations issued by the State Bank of Pakistan for MFBs. The management is committed to make credible future lending and deploying focused recovery efforts in order to minimize non-performing loans. Consequently, we are hopeful that the bank's portfolio will multiply in the upcoming years, ensuring uninterrupted revenue streams.

Owing to the effects of prevailing economic conditions and increasing policy rates, the microfinance sector now has to offer even higher rates to its depositors which have resulted in increased cost of deposits and narrowing profit margins. To counter these limitations, the management has formulated and implemented a strategic plan regarding its products which 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

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

The microfinance bank industry in Pakistan is recognized as a key player in the financial industry. The Bank is striving to provide financial services to the unbanked segment of the population while catering to high demands of customers. Therefore, the Bank is in the phase of adopting digitization (internet and mobile banking) to bring down its cost and expand outreach. This defined our vision to build a technology powerhouse to cater to the needs of the payments industry and enhance the business 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 nine months ended September 30, 2019, is not in compliance with the requirements of Prudential Regulation for MFB's. However, the sponsors are committed to fulfill the CAR shortage soon.

## Credit Rating

The long-term rating of the Bank is "BBB+" (Triple B plus) and the short-term rating is "A3" (A Three) with a "Stable" future outlook as determined by The Pakistan Credit Rating Agency Ltd. (PACRA) on April 30, 2019.

## Material Changes:

Following are the material changes since December 31, 2018 to current balance sheet date. i.e. September 30, 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.
- III. The elections of the directors were held on June 18, 2019, however, clearance from the State Bank of Pakistan is under process which will form the new Board of Directors.

## 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.

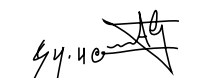
We would also like to express our gratitude to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange for their continued guidance and support.

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



**Muhammad Gulistan Malik**  
**President/CEO**

Date: October 26<sup>th</sup>, 2019  
Lahore



**Syed Rahat Ali Shah**  
**Director**

### مستقبل کا لائحہ عمل:

ہم اپنے نئے قرضے اور انفارمیشن سسٹم کی مزید بہتری کیلئے کوششیں جاری رکھیں گے تاکہ قرضوں کی فراہمی کے سسٹم میں شفافیت کو یقینی بنایا جاسکے۔ مزید بینک زیادہ سے زیادہ کوریج، اناٹوں کی کارکردگی اور پیداواری کے ذریعے اپنے منافع کو بہتر بنانے کی حکمت عملی نافذ کرے گا۔

پاکستان مائیکرو فنانس کی صنعت مالیاتی صنعت میں ایک اہم جزو کے طور پر تسلیم کیا جاتا ہے، کسٹمرز کے اعلیٰ مطالبات کو پورا کرتے ہوئے بینک آبادی کے غیر منحصر طبقے کو مالیاتی خدمات فراہم کرنے کی کوشش کر رہا ہے۔ لہذا بینک اپنے اخراجات کو کم کرنے اور اپنی پہنچ بڑھانے کے لئے ڈیجیٹلائزیشن (انٹرنیٹ اور موبائل بینکنگ) اپنانے کے مراحل میں ہے۔ یہ ہمارے ٹیکنالوجی گڑھ بنانے کے نقطہ نظر کو بیان کرتا ہے۔ اس سے صنعتی ادائیگی کو بینک کے کاروبار کو بڑھانے کی ضرورت کو پورا کرنے میں مدد ملے گی۔ بینک کی CAR پروڈنشل ریگولیشنز کے قوانین کے مطابق نہیں ہے۔ جیسا کہ 30 ستمبر 2019 کی مالیاتی رپورٹ کے نوٹ نمبر 1.2 میں بھی بیان کیا ہے۔ تاہم سپرنٹنڈنٹ CAR کی کمی کو جلد پورا کرنے کے لئے پرعزم ہیں۔

### کریڈٹ ریٹنگ:

پاکستانی کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے 30 اپریل 2019 کو بینک کے مستحکم لائحہ عمل کے تناظر میں لاگ ٹرم اور شارٹ ٹرم ریٹنگ (BBB+) ٹریپل بی پلس اور اسے تھری (A3) جاری کی ہے۔

### اہم تبدیلیاں:

- 31 دسمبر 2018 سے 30 ستمبر 2019 کی موجودہ پبلش شدہ کی تاریخ تک مندرجہ ذیل اہم تبدیلیاں رونما ہوئیں۔
- (1) بینک نے رائٹ حصص کے عمل کو مکمل کیا اور اپنے ڈائریکٹرز/پانسرز اور عام اراکین کو 93,984,962 رائٹس حصص جاری کئے۔
- (2) بینک کے ڈائریکٹر جناب قمر الزمان نے بورڈ سے فروری 2019 میں استعفیٰ دے دیا۔
- (3) ڈائریکٹرز کے انتخابات 18 جون 2019 میں ہوئے، تاہم سٹیٹ بینک آف پاکستان کی طرف سے منظوری دوران عمل ہے۔ جس کے بعد نیا بورڈ اور ان کی کمیٹیوں کی تشکیل ہوگی۔

### اعترافات:

بینک کے ڈائریکٹر 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۔ اس کے ساتھ ہم اسٹیٹ بینک آف پاکستان، ہیکو پریڈر اینڈ ایکسیچینج کمیشن آف پاکستان اور پاکستان اسٹاک ایکسیچینج 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 اسی۔ ای۔ او

تاریخ: 26 اکتوبر 2019

لاہور

## ممبران کے لئے ڈائریکٹر رپورٹ

اپنا مائیکروفنانس بینک لمیٹڈ کے ڈائریکٹر انتہائی مسرت کے ساتھ بینک کی 30 ستمبر 2019 کو ختم ہونے والے نو ماہی 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 اسٹاک ایکسچینج پر درج ہیں۔ بینک کا اہم کاروبار مائیکروفنانس انسٹی ٹیوشن آرڈیننس 2001 کے تحت غربت کو کم کرنے کے نظریے سے معاشرے کے غریب اور پسماندہ طبقے کو مائیکروفنانس سے متعلق خدمات مہیا کرنا ہے۔ 30 ستمبر 2019 کے دوران بینک کی مالیاتی کارکردگی مندرجہ ذیل ہے۔

کوائف	30 ستمبر 2019 ان آڈٹڈ (پاکستانی روپے)	31 دسمبر 2018 آڈٹڈ (پاکستانی روپے)	% تبدیلی
فرائیم کیا گیا کل ایڈوائس (پروژن کے بعد)	8,985,652,284	8,812,740,994	2%
ڈپازٹس اور دیگر اکاؤنٹس	16,848,351,815	15,866,330,742	6%
کوائف	30 ستمبر 2019 ان آڈٹڈ (پاکستانی روپے)	30 ستمبر 2018 ان آڈٹڈ (پاکستانی روپے)	% تبدیلی
مارک اپ آمدنی	2,118,509,215	1,502,809,264	39%
مارک اپ خرچ	(856,984,386)	(574,734,978)	49%
انتظامی اخراجات	(1,355,795,248)	(1,162,485,912)	17%
منافع بعد از ٹیکس ادائیگی	56,358,166	46,314,837	22%

بینک نے ٹیکس کے بعد رواں مدت میں 56.358 ملین پاکستانی روپے کا منافع ظاہر کیا ہے۔ جبکہ گزشتہ برس اسی مدت میں 46.314 ملین پاکستانی روپے کا منافع تھا۔ بینک کی کل ایکویٹی بعد از نقصانات 1624.79 ملین پاکستانی روپے ہے اور 30 ستمبر 2019 کو بینک کے کل اثاثہ جات 17,623.05 ملین پاکستانی روپے سے بڑھ کر 18,780.05 ملین پاکستانی روپے ہو گئے ہیں 30 ستمبر 2019 کو فی حصص منافع کی شرح 0.164 پاکستانی روپے ہے جبکہ گزشتہ برس اسی مدت میں یہی شرح 0.19 پاکستانی روپے فی حصص تھی۔

رواں مدت میں بینک نے 37,557 نئے کسٹمرز کو تقریباً 3.29 ملین پاکستانی روپے کے قرضے دیے۔ بینک نے رواں مدت میں 9.29 ملین پاکستانی روپے کے کریڈٹ پورٹ فولیو پر چارج کی گئی تھی۔ بینک کے اخراجات بڑھنے کی وجہ روپے پروژن چارج کی جبکہ گزشتہ برس اسی مدت میں 44.46 ملین پاکستانی روپے کی پروژن 9.63 ملین پاکستانی روپے کے کریڈٹ پورٹ فولیو پر چارج کی گئی تھی۔ بینک کے اخراجات بڑھنے کی وجہ معاشی حالات اور مہنگائی ہے جس نے قرض لینے والوں کی آمدنی کو متاثر کیا ہے جو کہ قرضوں کی وصولی میں تاخیر کا سبب بنی ہے۔ تاہم انتظامیہ نے بینک کے کریڈٹ پورٹ فولیو کی پروژن کو کم کرنے کے لئے نئی حکمت عملی وضع کی۔

رواں مدت کے دوران بینک نے سٹیٹ بینک آف پاکستان کی جانب سے مائیکروفنانس بینکس کے لئے جاری کردہ پروڈنشل ریگولیشنز کے شرائط کے مطابق 1.124 ملین پاکستانی روپے کی پروژن کے خلاف قرضے راہب آف کر دیے ہیں۔ انتظامیہ غیر مستحکم قرضوں کو کم سے کم کرنے کے لئے مستقبل میں قابل اعتبار قرضے دینے اور ریکوری کی کوشش کی پابند ہے۔ اس کے نتیجے میں، ہمیں امید ہے کہ آئندہ برسوں میں باقاعدگی آمدنی کے سلسلہ کو یقینی بناتے ہوئے بینک کا پورٹ فولیو کئی گنا بڑھ جائے گا۔

موجودہ معاشی حالات اور بڑھتے ہوئے پالیسی ریسک کی وجہ سے مائیکروفنانس سیکٹر کو اپنے صارفین کو سبنا زیادہ شرح منافع دینا پڑ رہا ہے۔ نتیجے میں سودی خرچ میں اضافہ اور نفع کے مارجن میں کمی آئی ہے۔ اس بنیادی مسئلہ 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 متعارف کروانا ہے اور ڈیپازٹس کے مرکب کی تبدیلی پر اہم توجہ دینا ہے۔ جس کے نتیجے میں بینک کے کرنٹ اور سیویو (CASA) کا تناسب بڑھے گا، جو مارک اپ کے خرچے کو قابل قبول حد تک برقرار رکھنے میں مدد کرے گا۔

# FINANCIAL STATEMENTS

APNA MICRO FINANCE BANK LIMITED



**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
AS AT SEPTEMBER 30, 2019

	Note	September 30, 2019	December 31, 2018
		Rupees	Rupees
		Un-Audited	Audited
<b>ASSETS</b>			
Cash and Balances with SBP and NBP	6	1,126,202,597	1,585,615,708
Balances With Other Banks/NBFIs/MFBs	7	4,049,384,572	2,910,830,798
Lending to Financial Institutions		-	-
Investments - Net Of Provisions	8	942,651,436	884,469,380
Advances - Net Of Provisions	9	8,985,652,284	8,812,740,994
Operating Fixed Assets		926,797,612	857,383,100
Other Assets	10	2,254,121,191	2,083,823,515
Deferred Tax Asset		495,244,795	488,183,434
<b>Total Assets</b>		<b>18,780,054,487</b>	<b>17,623,046,929</b>
<b>LIABILITIES</b>			
Deposits and other accounts	11	16,848,351,815	15,866,330,742
Borrowings	12	7,319,730	9,369,059
Subordinated Debt		-	-
Other Liabilities		295,879,323	273,601,040
Deferred Tax Liabilities		-	-
<b>Total Liabilities</b>		<b>17,151,550,868</b>	<b>16,149,300,841</b>
<b>NET ASSETS</b>		<b>1,628,503,619</b>	<b>1,473,746,088</b>
<b>REPRESENTED BY:</b>			
Share capital	13	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)		(940,215,903)	(996,574,069)
		1,624,794,903	1,468,419,136
Surplus/(Deficit) on Revaluation of Assets		-	-
Deferred Grants	14	3,708,716	5,326,952
<b>Total Capital</b>		<b>1,628,503,619</b>	<b>1,473,746,088</b>
<b>MEMORANDUM / OFF- BALANCE SHEET ITEMS</b>	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, 2019**

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		Rupees	Rupees	Rupees	Rupees
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
Mark-up/Return/Interest Earned	16	2,118,509,215	1,520,809,264	739,160,661	581,967,559
Mark-up/Return/Interest Expensed		(856,984,386)	(574,734,978)	(325,573,574)	(217,578,723)
Net mark-up/Interest Income		1,261,524,829	946,074,286	413,587,087	364,388,836
Provision against non-performing loans and advances	9.3	(152,822,563)	(44,462,338)	(45,629,589)	(23,843,324)
Provision for diminution in the value of investments		-	-	-	-
Recovery against bad debts written off		648,685	438,579	128,366	230,863
Bad debts written off directly		-	-	-	-
		(152,173,878)	(44,023,759)	(45,501,223)	(23,612,461)
Net mark-up/Interest Income / (loss) after provisions		1,109,350,951	902,050,527	368,085,864	340,776,375
<b>NON MARK-UP/NON INTEREST INCOME</b>					
Fee, Commission and Brokerage Income		92,472,354	138,946,727	28,184,362	40,281,774
Dividend Income		-	-	-	-
Other Income		236,433,472	188,535,826	71,583,087	38,934,879
Total non mark-up/non interest Income		328,905,826	327,482,553	99,767,449	79,216,653
		1,438,256,777	1,229,533,080	467,853,313	419,993,028
<b>NON MARK-UP/NON INTEREST EXPENSES</b>					
Administrative expenses		(1,355,795,248)	(1,162,485,912)	(463,826,224)	(399,191,491)
Other provisions/write offs/adjustment		-	-	-	-
Other charges		-	-	-	-
Total non mark-up/non interest expenses		(1,355,795,248)	(1,162,485,912)	(463,826,224)	(399,191,491)
		82,461,529	67,047,168	4,027,089	20,801,537
Extra ordinary/unusual items		-	-	-	-
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		82,461,529	67,047,168	4,027,089	20,801,537
Taxation	18	(33,164,724)	(14,071,369)	(15,119,267)	(1,102,536)
- Current		-	-	-	-
- Prior years		-	-	-	-
- Deferred		7,061,361	(6,660,962)	26,577,806	(5,753,911)
		(26,103,363)	(20,732,331)	11,458,539	(6,856,447)
<b>PROFIT / (LOSS) AFTER TAXATION</b>		56,358,166	46,314,837	15,485,628	13,945,090
Unappropriated Profit / (Loss) brought forward		(996,574,069)	(1,036,520,157)	(955,701,531)	(1,004,150,410)
Profit available for appropriation / (loss)		(940,215,903)	(990,205,320)	(940,215,903)	(990,205,320)
<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>		(940,215,903)	(990,205,320)	(940,215,903)	(990,205,320)
<b>Earnings / (Loss) per share-Basic &amp; Diluted</b>		0.164	0.190	0.045	0.056

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, 2019**

	Nine Months Ended		Quarter Ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	Rupees	Rupees	Rupees	Rupees
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
<b>PROFIT / (LOSS) AFTER TAXATION</b>	<b>56,358,166</b>	<b>46,314,837</b>	<b>15,485,628</b>	<b>13,945,090</b>
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>56,358,166</b>	<b>46,314,837</b>	<b>15,485,628</b>	<b>13,945,090</b>
<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/(loss) for the period</b>	<b>56,358,166</b>	<b>46,314,837</b>	<b>15,485,628</b>	<b>13,945,090</b>

*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, 2019**

Note	September 30, 2019	September 30, 2018
	Rupees Un-Audited	Rupees Un-Audited
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	82,461,529	67,047,168
<b>Adjustments for non-cash charges</b>		
Depreciation	49,719,022	40,501,858
Amortization of intangibles	2,383,248	1,824,522
Amortization of deferred grants	(1,618,236)	(1,462,176)
Provision against non-performing advances	152,822,563	44,462,338
	203,306,597	85,326,542
<b>Operating cash flow before working capital changes</b>	285,768,126	152,373,710
<b>Changes in working capital</b>		
<b>(Increase) / Decrease in operating assets</b>		
Advances	(325,733,853)	(3,650,912,743)
Other assets	(203,462,400)	(257,437,612)
	(529,196,253)	(3,908,350,355)
<b>Increase / (Decrease) in operating liabilities</b>		
Deposits	982,021,073	1,863,253,077
Other Liabilities	22,278,283	118,446,197
	1,004,299,356	1,981,699,274
<b>CASH GENERATED FROM OPERATIONS</b>	760,871,229	(1,774,277,371)
Net cash flow from operating activities	760,871,229	(1,774,277,371)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in held to maturity securities	(58,182,056)	956,862
Investments in operating fixed assets	(121,516,782)	(48,662,728)
Net cash flow from investing activities	(179,698,838)	(47,705,866)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share deposit money	100,017,601	100,000,000
Borrowings-net	(2,049,329)	(192,164,707)
Net cash flow from financing activities	97,968,272	(92,164,707)
Increase / (Decrease) in cash and cash equivalents	679,140,663	(1,914,147,944)
<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>	5,175,587,169	3,336,900,414

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

  
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Chairman

  
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**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

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	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
Balance as at December 31, 2017 - Audited	2,500,000,000	(950,000,000)	500,008,080	1,279,583	319,896	(1,036,520,157)	1,015,087,402
Comprehensive income / (loss) for the period							
Profit / (Loss) after taxation	-	-	-	-	-	46,314,837	46,314,837
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	-	-	46,314,837	46,314,837
Transactions with owners directly recorded in equity							
Share deposit money received during the period	-	-	100,000,000	-	-	-	100,000,000
Share issued against share deposit money	-	-	-	-	-	-	-
Balance as at September 30, 2018 - Un-Audited	2,500,000,000	(950,000,000)	600,008,080	1,279,583	319,896	-	1,000,000,000
Comprehensive income / (loss) for the period							
Profit / (Loss) after taxation	-	-	-	-	-	6,946,614	6,946,614
Transfer to statutory reserves	-	-	-	10,652,290	-	(10,652,290)	-
Transfer to depositors protection fund	-	-	-	-	2,663,073	(2,663,073)	-
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	10,652,290	2,663,073	(6,368,749)	6,946,614
Transactions with owners directly recorded in equity							
Share issued against share deposit money	-	-	-	-	-	-	-
Share deposit money received during the period	-	-	300,070,283	-	-	-	300,070,283
Balance as at December 31, 2018 - Audited	2,500,000,000	(950,000,000)	900,078,363	11,931,873	2,982,969	(996,574,069)	1,468,419,136
Comprehensive income / (loss) for the period							
Profit / (Loss) after taxation	-	-	-	-	-	56,358,166	56,358,166
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	-	-	56,358,166	56,358,166
Transactions with owners directly recorded in equity							
Share deposit money received during the period	-	-	100,017,601	-	-	-	100,017,601
Share issued against share deposit money	939,849,620	-	(553,885,789)	-	-	-	385,963,831
Discount on issue of share	-	(385,963,831)	-	-	-	-	(385,963,831)
Balance as at September 30, 2019 - Un-Audited	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	(940,215,903)	1,624,794,903

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

  
President /CEO

  
Chairman

  
Director

  
Director

  
Chief Financial Officer

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 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 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 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.

**1.1.1** 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 7,673 million (2018: Rs 6,705 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 has 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).

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	Sep - 2019			Dec - 2018		
	Term Finance	Running Finance	Total Portfolio	Term Finance	Running Finance	Total Portfolio
	-----Rupees in million-----					
<b>Loan portfolio built before Nov-2016</b>						
Micro credits	16	1,599	1,615	467	2,915	3,382
<b>Less: Provision held</b>						
- Specific	2	-	2	438	601	1,039
- General	-	95	95	-	100	100
	2	95	97	438	701	1,139
	<b>14</b>	<b>1,504</b>	<b>1,518</b>	<b>29</b>	<b>2,214</b>	<b>2,243</b>
<b>Loan portfolio built from June-2017</b>						
Micro credits	3,514	4,159	7,673	4,535	2,170	6,705
<b>Less: Provision held</b>						
- Specific	87	45	132	65	6	71
- General	34	39	73	45	20	65
	121	84	205	110	26	136
	<b>3,393</b>	<b>4,075</b>	<b>7,468</b>	<b>4,425</b>	<b>2,144</b>	<b>6,569</b>
<b>Advances - Net of provisions</b>	<b>3,407</b>	<b>5,579</b>	<b>8,986</b>	<b>4,454</b>	<b>4,358</b>	<b>8,812</b>

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

- 1.2** As at September 30, 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 September 30, 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 December 31, 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 nine months ended 30 September 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 continually 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, 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 December 31, 2018.

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

**6. CASH AND BALANCES WITH SBP AND NBP**

Note	September 30, 2019	December 31, 2018
	Rupees	Rupees
	Un-Audited	Audited
Cash in hand - local currency	507,315,195	440,164,743
Balance with State Bank of Pakistan	583,563,091	832,264,937
Balance with National Bank of Pakistan in current accounts	35,324,311	313,186,028
	<b>1,126,202,597</b>	<b>1,585,615,708</b>

6.1 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 3 of the Prudential Regulations.

**7. BALANCES WITH OTHER BANKS/NBFIs/MFBs**

Note	September 30, 2019	December 31, 2018
	Rupees	Rupees
	Un-Audited	Audited
In Pakistan		
- In current accounts	30,807,302	127,165,114
- In deposit accounts	2,968,010,009	2,333,665,684
- Certificates of deposits	1,050,567,261	450,000,000
	<b>4,049,384,572</b>	<b>2,910,830,798</b>

7.1 These carry mark-up rates ranging from 11.25 % to 14.00% per annum (2018: 6.50% to 11.00% per annum).

7.2 These represent placement with different financial institutions carrying mark-up ranging from 14.30% to 14.50% per annum (2018: 8.50% to 8.90% per annum). These have a maturity of three months from the date of placement.

**8. INVESTMENTS - NET OF PROVISIONS**

Note	September 30, 2019	December 31, 2018
	Rupees	Rupees
	Un-Audited	Audited
<b>Held-to-maturity</b>		
B.R.R Guardian Modaraba - Term Finance Certificates (TFCs)	-	1,261,370
Term Finance Certificate (TFC's)	99,960,000	99,980,000
	99,960,000	101,241,370
Treasury Bills	842,691,436	783,228,010
	<b>942,651,436</b>	<b>884,469,380</b>

8.1 It represents investment in 4000 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 06<sup>th</sup> April 2019. It carried mark-up 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 months having maturities ranging from 10<sup>th</sup> October 2019 to 5<sup>th</sup> December 2019. These carry yield ranging from 13.63% to 13.71% per annum (2018: 8.65% to 10.26% per annum). These securities have an aggregate face value of Rs. 850 million (2018: Rs. 790 million).

**9. ADVANCES - NET OF PROVISIONS**

Note	September 30, 2019		December 31, 2018	
	No. of Loans Outstanding	Rupees	No. of Loans Outstanding	Rupees
	Un-Audited		Audited	
Micro credits	106,274	9,288,814,586	102,659	10,087,136,105
Less: Provision held:				
- Specific		135,603,554		1,109,836,363
- General		167,558,748		164,558,748
		303,162,302		1,274,395,111
Advances - Net Of Provisions		<b>8,985,652,284</b>		<b>8,812,740,994</b>

9.1 All advances are secured by personal guarantees including gold loans amounting to Rs. 205.34 million (2018: Rs. 219.89 million).



**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

**9.2 Particulars of non-performing advances**

Advances include Rs. 430 million (2018: Rs. 1,309 million) which have been placed under non performing status as detailed below:

Category of Classification	September 30, 2019			December 31, 2018		
	Principal Amount Outstanding	Provision Required	Provision Held	Principal Amount Outstanding	Provision Required	Provision Held
	Rupees			Rupees		
	Un-Audited			Audited		
OAEM	153,308,316	-	-	98,397,446	-	-
Sub-standard	70,682,686	17,167,058	17,167,058	45,979,635	9,806,033	9,806,033
Doubtful	145,641,121	69,123,820	69,123,820	89,314,851	40,723,874	40,723,874
Loss	32,496,425	30,753,374	30,753,374	620,183,191	617,925,522	617,925,522
Written off	28,357,693	18,559,302	18,559,302	455,138,742	441,380,934	441,380,934
	<b>430,486,241</b>	<b>135,603,554</b>	<b>135,603,554</b>	<b>1,309,013,865</b>	<b>1,109,836,363</b>	<b>1,109,836,363</b>

**9.3 Particulars of provision against non-performing advances**

	September 30, 2019			December 31, 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	149,822,563	3,000,000	152,822,563	88,324,302	-	88,324,302
Transferred (from)/to	-	-	-	(118,237,361)	118,237,361	-
Amount written off	(1,124,055,372)	-	(1,124,055,372)	-	-	-
Closing balance	<b>135,603,554</b>	<b>167,558,748</b>	<b>303,162,302</b>	<b>1,109,836,363</b>	<b>164,558,748</b>	<b>1,274,395,111</b>

**Particulars of write offs:**

	September 30, 2019	December 31, 2018
	Rupees	Rupees
	Un-Audited	Audited
Against Provision	<b>1,124,055,372</b>	-

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

**10. OTHER ASSETS**

	Note	September 30, 2019	December 31, 2018
		Rupees	Rupees
		Un-Audited	Audited
Income / Mark-up Accrued		1,459,744,239	1,278,598,024
Advances to Staff		119,560,838	124,743,349
Advances and Prepayments		273,825,957	235,914,548
Advance Income Tax - Net of Provision		43,604,679	35,187,390
Security Deposits		38,561,920	38,001,920
Inter Banks ATM Settlement account		8,096,160	13,497,804
Insurance Claims Receivable	10.1	310,727,398	357,880,480
		<b>2,254,121,191</b>	<b>2,083,823,515</b>

10.1 This represents receivable from The United Insurance Company Pakistan Limited (UIC), (a related party) against the claim lodged.

**11. DEPOSITS AND OTHER ACCOUNTS**

DEPOSITS AND OTHER ACCOUNTS	Note	September 30, 2019		December 31, 2018	
		No. of accounts	Rupees	No. of accounts	Rupees
		-----Un-Audited-----		-----Audited-----	
Time liabilities					
Fixed Deposits (Deals)	11.1	8,038	6,534,644,085	6,312	5,266,340,560
Demand liabilities					
Saving Deposits	11.2	31,220	7,218,747,027	31,736	6,567,806,922
Current Deposits		334,652	3,094,960,703	312,894	4,032,183,260
		365,872	10,313,707,730	344,630	10,599,990,182
	11.3	373,910	16,848,351,815	350,942	15,866,330,742

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

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

11.2 These carry interest at the rate ranging from 4% to 14% per annum (2018: 4% to 9.5% per annum).

11.3 Particulars of deposits by ownership	September 30, 2019		December 31, 2018	
	No. of accounts	Rupees	No. of accounts	Rupees
	Un-Audited		Audited	
Individual Depositors	373,615	16,548,996,646	350,584	15,347,989,917
Institutional Depositors				
- Corporation / Firm	274	175,063,199	339	239,367,628
- Banks & Financial Institutions	21	124,291,970	19	278,973,197
	295	299,355,169	358	518,340,825
	373,910	16,848,351,815	350,942	15,866,330,742

**12. BORROWINGS**

	Note	September 30, 2019	December 31, 2018
		Rupees	Rupees
		Un-Audited	Audited
Borrowings from Banks/Financial Institutions in Pakistan			
Demand Finance	12.1	7,319,730	9,369,059

12.1 The demand finance facility is obtained to purchase brand new locally manufactured vehicles with maximum limit of Rs. 100 million for the business of the Bank. The facility is secured against hypothecation charge over 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 respective disbursement. It is subject to mark-up at the rate of 1 year KIBOR plus 1.50% per annum payable on monthly basis.

**13. SHARE CAPITAL**

	September 30, 2019	Dec 31, 2018	September 30, 2019	Dec 31, 2018
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
	No. of shares		Rupees	
<b>Authorized capital</b>				
Ordinary shares of Rupees 10 each	500,000,000	500,000,000	5,000,000,000	5,000,000,000
<b>Issued, subscribed and paid-up capital</b>				
Ordinary shares of Rupees 10 each fully paid in cash	343,984,962	250,000,000	3,439,849,620	2,500,000,000

	September 30, 2019	Dec 31, 2018	September 30, 2019	Dec 31, 2018
	(Un-Audited)	(Audited)	(Un-Audited)	(Audited)
	No. of shares		Rupees	
<b>Reconciliation of issued, subscribed and paid-up capital</b>				
Right share issued during the period at discount	250,000,000	250,000,000	2,500,000,000	2,500,000,000
	93,984,962	-	939,849,620	-
	343,984,962	250,000,000	3,439,849,620	2,500,000,000

**14. DEFERRED GRANTS**

	September 30, 2019	December 31, 2018
	Rupees	Rupees
	Un-Audited	Audited
Financial Innovation Challenge Fund (FICF)	3,708,716	5,326,952

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

**15. MEMORANDUM / OFF- BALANCE SHEET ITEMS**

**15.1 Contingencies:**

There are no known material contingencies as at September 30, 2019 (2018: Nil).

**15.2 Commitments:**

Bank Guarantee

Note	September 30, 2019 Rupees	December 31, 2018 Rupees
	Un-Audited	Audited
15.2.1	1,045,396	1,445,396

15.2.1 This represents bank guarantee issued by the Bank ranging between Rs. 106,923 to Rs. 500,000. These guarantees will expire within the period from January 2020 to April 2020.

16. MARK-UP/RETURN/INTEREST EARNED	Nine Month Ended		Quarter Ended	
	September 30, 2019 Rupees	September 30, 2018 Rupees	September 30, 2019 Rupees	September 30, 2018 Rupees
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
Mark-Up on Loans and Advances	1,764,251,863	1,343,506,927	577,237,124	531,140,770
Mark-Up on Deposit Accounts	284,443,203	147,692,102	133,494,149	39,224,572
Mark-Up on Investments in Government Securities	69,814,149	29,610,235	28,429,388	11,602,217
	2,118,509,215	1,520,809,264	739,160,661	581,967,559

**17. CASH AND CASH EQUIVALENTS**

Cash and Balances with SBP and NBP  
Balances With Other Banks/NBFIs/MFBs

September 30, 2019 Rupees	September 30, 2018 Rupees
Un-Audited	Un-Audited
1,126,202,597	953,550,072
4,049,384,572	2,383,350,342
5,175,587,169	3,336,900,414

**18. TAXATION**

**18.1 Current Tax**

The Bank has carried forward tax losses of Rs. 1,275.54 million (2018: Rs. 360.38 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.33.16 million has been made.

**18.2 Deferred Tax**

The management is expecting future taxable profits and has recognized deferred tax asset amounting to Rs. 495.24 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 loans. Any significant change in the key assumptions may have an effect on the utilization of the deferred tax asset.

**19. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties of the Bank comprise of 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, 2019	December 31, 2018
		Rupees	Rupees
		Un-Audited	Audited
Balances at period end:			
Associated company	Deposits	41,801,907	156,716,764
	Share deposit money	375,915,264	701,008,080
	Insurance claims receivable	310,727,398	357,880,480
Key management personnel	Deposits	9,686,970	2,178,053
Directors / sponsors / shareholders	Deposits	1,789,458	1,799,478
	Share deposit money	70,294,911	199,038,815

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2019**

Transactions during the period:		September 30, 2019	September 30, 2018
		Rupees Un-Audited	Rupees Un-Audited
Associated company	Deposits received	965,154,134	801,276,555
	Withdrawals	1,086,993,426	683,052,433
	Mark-up paid on deposits	5,729,971	1,686,904
	Share deposits money received	42,151,381	100,000,000
	Insurance claim received	225,000,000	150,055,500
	Share issued against share deposit money	367,244,195	-
	Claim lodged with UIC	177,846,918	112,921,041
Key management personnel	Deposits received	55,713,935	27,531,868
	Withdrawals	49,027,561	27,369,595
	Mark-up on deposit paid	30,761	2,493
Directors / sponsors / shareholders	Deposits received	4,925,592	2,651,338
	Withdrawals	4,976,781	2,009,939
	Share deposit money received	57,866,220	-
	Share issued against share deposit money	186,610,124	-
	Mark-up paid on deposits	41,168	14,847
Staff Provident Fund	Contribution made during the period	13,940,925	9,060,764

**20. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved and authorised for issue by the Board of Directors on ...October 26<sup>th</sup>, 2019...

**21. GENERAL**

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

21.2 The corresponding figures have been rearranged / reclassified, wherever necessary, for better presentation. However, no material reclassifications have been made other than disclosed below;

Particulars	Note	From	To	Amount (Rupees)
Other Assets	10	Advances net of provisions	Insurance claims receivable	352,999,065

  
President / CEO

  
Chief Financial Officer

  
Chairman

  
Director

  
Director

## Notes



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