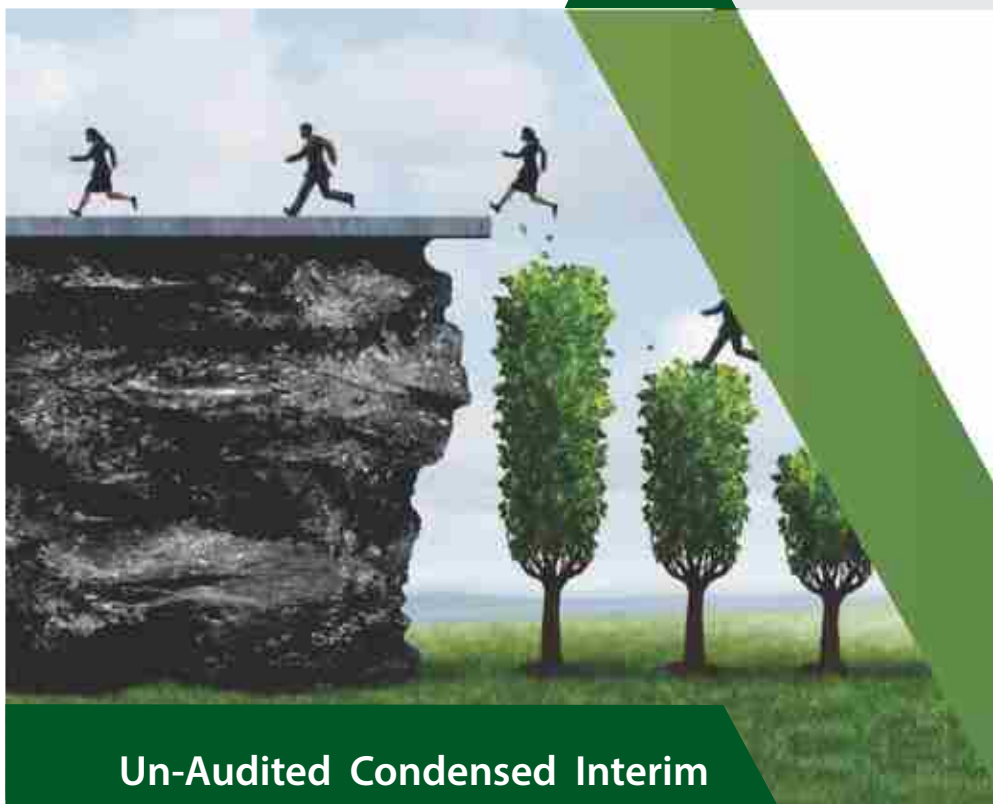




Micro Finance
apna bank
Limited



Un-Audited Condensed Interim **FINANCIAL STATEMENTS**

For The Quarter Ended March 31, 2022



TABLE OF CONTENTS

Corporate Information	02
Directors' Report to the Members	03
Directors' Report to the Members (Urdu)	08
Condensed Interim Balance Sheet	10
Condensed Interim Profit and Loss Account (Un-Audited)	11
Condensed Interim Statement of Comprehensive Income (Un-Audited)	12
Condensed Interim Cash Flow Statement (Un-Audited)	13
Condensed Interim Statement of Changes in Equity	14
Notes to the Condensed Interim Financial Information	15

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 (Late)
Director

Ms. Parveen Akhter Malik
Director

PRESIDENT/ CHIEF EXECUTIVE OFFICER

Mr. Wajahat Malik

COMPANY SECRETARY

Mr. Rafat Abbas

CHIEF FINANCIAL OFFICER

Mr. Ali Murtza

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

Ms. Parveen Akhter Malik
Chairman

Mr. Javaid Sadiq (Late)
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 (Late)
Member

Syed Rahat Ali Shah
Member

Mr. Abdul Aziz Khan
Member

MONITORING COMMITTEE

Mr. Muhammad Asghar
Chairman

Mr. Muhammad Saleem Shaikh
Member

Mr. Javaid Sadiq (Late)
Member

Mr. Muhammad Akram Shahid
Member

Syed Rahat Ali Shah
Member

AUDITORS

RSM Avasi Hyder Liaquat Nauman
Chartered Accountants

TAX / LEGAL ADVISOR

Mumtaz Najam Law Chambers
Advocates & Corporate Consultants Lahore

BANKERS

Bank Islami Limited
Sindh Bank Limited
Faysal Bank limited
Bank AlHabib Limited
Bank Al-Falah Limited
Summit Bank Limited
Zarai Taraqiati Bank Limited
JS Bank Limited
Silk Bank Limited
Allied Bank Limited
Dubai Islamic Bank
Soneri Bank Limited
MCB Bank Limited
Tameer Microfinance Bank
FINCA Microfinance Bank
NRSP Microfinance Bank
Habib Metropolitan Bank Limited
National Bank of Pakistan Limited
Habib Bank Limited
The Bank of Punjab Limited
U Microfinance Bank Limited
AL Baraka Bank Pakistan Limited
Mobilink Microfinance Bank

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

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

SHARE REGISTRAR

F.D. Registrar Services (SMC-Pvt.) Ltd
Office No. 1705, 17th Floor, Saima Trade
Tower-A. I.I. Chundrigar Road, Karachi.
Phone: 021-32271905 & 32271906
Fax: 021-3261233
Email: 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 quarter end March 31st, 2022.

Economic Overview

Pakistan's economy remained under severe stress during the first quarter of 2022. The USD/PKR parity start depreciated significantly in first quarter of year 2022, while domestic food prices and fuel and energy prices increased sharply. The KSE-100 index was also impacted by the current economic crisis but remained relatively resilient as against on 31 December 2021.

The geographical uncertainty, arising out of the Russia-Ukraine conflict, has amplified macroeconomic imbalance and global commodity prices have increased substantially. For Pakistan's economy, the main impact will be on Current Account Deficit (CAD) and inflation. These geopolitical tensions along with domestic political conditions can hamper the positive outlook for Pakistan's economy and may also aggravate the macroeconomic imbalances.

The State Bank of Pakistan (SBP) kept the policy rate unchanged at 9.75% during the first quarter of 2022. However, the SBP in its emergency meeting held on April 07, 2022 raised the policy rate by 2.50% to 12.25% and till issuance of condensed interim financial statements it raise to 15%.

Principal Activity and Financial Performance

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

The financial performance of the Bank during the quarter end March 31st, 2022 is as follows;

Particular's	March 31, 2022 Un-audited	December 31, 2021 Audited	% Change
Advances net of provision	10,960,700,282	11,505,706,719	-5%
Deposits and other accounts	20,295,485,430	22,083,717,249	-8%

Particular's	March 31, 2022 Un-audited	March 31, 2021 Restated Un-audited	% Change
Mark -up/return/interest earned	790,642,344	847,984,083	-7%
Mark -up/return/interest expenses	(373,989,736)	(341,809,272)	9%
Administrative expenses	(494,672,476)	(501,118,807)	-1%
Profit/ (Loss) after taxation	(378,496,280)	2,837,588	-13439%

The Bank posted loss before tax PKR. 533.591 million and loss after tax PKR 378.496 million in the current period as compared to a profit of PKR 2.837 million in corresponding period. The equity (net of losses) of the Bank has stood at PKR 63.882 million and the total assets stood at PKR 21,381.082 million as at March 31st, 2022. The loss per share for the period ended March 31st, 2022 is PKR (0.882) as compared to earnings per share of PKR 0.008 in the corresponding period.

The deposits of the Bank settled at PKR 20,295.485 million whereas with a slight decrease from the year end 2021, advances-net of provision stood at PKR 10,960.700 million. Investments were at PKR 1,183.503 million.

The Bank has made fresh lending of approx. PKR 1,373.824 million to 8,970 new customers during the current quarter. The Bank recorded the additional provision expense of PKR 493.122 million against a gross loan portfolio of PKR 11,945.909 million in current quarter. Whereas, the provision of PKR 31.471 million was recorded against the portfolio of PKR 10,924.365 million in corresponding period.

DIRECTORS' REPORT TO THE MEMBERS



Non-performing loans were PKR. 1,154.467 million on March 31, 2022 as against PKR. 639.732 million on December 31, 2021. The Bank's gross NPL ratio (Gross non-performing loans to Gross Advances) as of March 31, 2022 stood at 9.66% as against 5.33% on December 31, 2021. The major factor attributable to the current period losses is the provisioning of PKR. 493.122 million against our advance portfolio/assets recognized during the period. The Bank's revenue was decreasing due to the deteriorating health of the bank's advance portfolio. As the Quality of advance was getting affected due to Non-Performing loans (NPL's) during COVID 19 period.

At the quarter end, the Bank's gross advances to deposits ratio stands at 58.86% as compared to 54.33% on December 31, 2021.

The Bank's administrative expenses remained well-contained as they decreased by 1% as compared to the previous period, recorded at PKR. 494.672 million during first quarter of 2022.

As at March 31, 2022, the Bank has recognized further deferred tax asset (net) of PKR. 165.128 million as compared to corresponding period PKR 9.814 million.

Future Outlook

The bank has incurred loss for the period amounting to PKR. 378.496 million and its accumulated loss was stood at PKR.3,267.991 million. The Bank is facing problems in recovery of unsecured non-performing advances which includes non-performing advances of PKR. 2,959.586 million against which provision will be made in a phased manner.

The Bank was non-compliant with Minimum Capital Requirements (MCR) and Capital Adequacy Ratio (CAR) requirements of Prudential Regulations for Microfinance Banks, 2014. There has been material uncertainty related to events and conditions which may cast significant doubt about the Bank's ability to continue as a going concern and, therefore the Bank may not be able to realize its assets and discharge its liabilities in the normal course of business.

The management of the Bank, however, developed a multi-faceted plan and is implementing the same to overcome the financial and operational difficulties faced by the Bank. The plan is feasible and its implementation will result in addressing the adverse factors being faced by the Bank. These are discussed below:

- The Sponsors are injecting capital and will inject further capital in the ensuing years. The bank has share deposit money of PKR. 350.39 million (2021: PKR 350.39 million) against which shares will be issued in due course. Further capital will be injected by current sponsors / potential sponsors (with whom negotiations are already in process) subject to approval of State Bank of Pakistan (SBP). Injection of further capital will help address the issue of compliance with MCR and CAR. The sponsors have undertaken to continue their support to the Bank.
- The Bank is putting efforts to recover the non-performing advances and is hopeful that these advances will be recovered substantially. The delay in recovery of non-performing advances is owing to the adverse economic conditions post Covid-19 which are beyond the control of the borrowers. Non-performing advances of PKR. 613 million have been recovered during the previous year and non-performing of PKR. 236 million have been recovered by the Bank subsequently till July-2022. Recovery of the classified portfolio will result in improvement of the financial position of the Bank in the ensuing years.
- The Bank is converting its advances portfolio from unsecured to secured portfolio. The Bank is utilizing the proceeds of further issue of capital and recovery of non-performing advances to enhance its secured portfolio by advancing more secured advances to increase its income and profitability.

DIRECTORS' REPORT TO THE MEMBERS



- The management of the Bank is also making efforts to limit its administrative and operating expenses without, however, effecting the operational efficiency of the Bank.

The management believes that the above-mentioned plans / efforts will help the Bank to overcome its financial and operational problems and will result in improvement in the financial position and results of the Bank in ensuing years and is confident that the Bank will be able to continue as a going concern.

The management also realizes the importance of digital banking services amid the COVID-19 pandemic. Over the past years 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 has already been completed. The next phase of our digital transformation will include the following after complying with regulatory requirements;

- ☆ Branchless banking services such as “Merchant Portal” and “Mobile Wallets”
- ☆ Issuance of Multiple schemes & Types of payments cards
- ☆ Point of Sale (POS)/ Acquiring Business
- ☆ Digitally quick Customer on boarding

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's Capital Adequacy Ratio (CAR), as also referred in Note no 1.2 to the condensed interim financial statements for the quarter end March 31st, 2022, 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 long-term rating of the Bank is “BBB+” (Triple B plus) and the short-term rating is “A3” (A Three) with a “Negative” future outlook as determined by The Pakistan Credit Rating Agency Ltd. (PACRA) in their statement issued on April 30, 2022.

Acknowledgment

We would also like to express our gratitude to the State Bank of Pakistan (SBP), the Securities and Exchange Commission of Pakistan (SECP) and the Pakistan Stock Exchange (PSX) for their continued guidance and support. We especially offer our sincere appreciation to the management of the State Bank of Pakistan for the co-operation extended to the Bank during this demanding phase. We duly acknowledge that SBP's constant support and enlightened guidelines that provided us with a reason to rethink about the future of this potential organization.

For and on behalf of Board of Directors,

Wajahat Malik
President/CEO

Date: August 31, 2022
Lahore

Syed Rahat Ali Shah
Director

ممبران کے لئے ڈائریکٹرز رپورٹ

ڈیجیٹلائزیشن کے ان اقدام سے نہ صرف سماجی فاصلے کے کچھ کو فروغ ملے گا، بلکہ آپریشنل اور برانچ کی سطح پر اخراجات کم کرتے ہوئے بینک کی رسائی میں توسیع ہوگی۔ ہمارا اولین مقصد ایک ایسا ٹیکنالوجی پاور ہاؤس بنانا ہے جو ادا بینکیوں کی صنعت کی ضروریات کو پورا کرے گا اور بینک کے کاروبار کو بڑھائے گا۔

بینک کی کینیٹل ایڈیلیٹی ریٹو (CAR)، جیسا کہ 31 مارچ 2022ء کو سہ ماہی کے افتتاح کی مالیاتی رپورٹ کے نوٹ نمبر 1.2 میں بیان کی گئی ہے، MFB کے لئے پروڈینشل ریگولیشنز کے تقاضوں کے مطابق نہیں ہے۔ تاہم اسپانسرز جلد ہی CAR کی کمی کو پورا کرنے کے لئے پرعزم ہیں۔

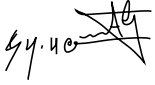
کریڈٹ ریٹنگ:


پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے بینک کے منفی مستقبل کے لائحہ عمل کے تناظر میں بینک کی لاگت فرم ریٹنگ ٹریل بی پلس (BBB+) اور شارٹ فرم ریٹنگ اے تھری (A3) مقرر کی ہے۔ (PACRA) نے یہ ریٹنگ اپنی اسٹیٹمنٹ میں 30 اپریل 2022ء کو جاری کی ہے۔

اعترافات:

ہم اسٹیٹ بینک آف پاکستان، سیکوریٹری اینڈ ایڈجسٹنگ کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کو ان کی مستقل رہنمائی اور تعاون کے لئے اظہار تشکر پیش کرتے ہیں۔ ہم خاص طور پر اسٹیٹ بینک آف پاکستان کو خراج تحسین پیش کرتے ہیں۔ جن کا تعاون بینک کے مشکل وقت میں بھی شامل حال ہے۔ ہم یقینی طور پر تسلیم کرتے ہیں کہ اسٹیٹ بینک آف پاکستان کی مسلسل حمایت اور روشن رہنمائی نے ہمیں بینک کے مستقبل کے بارے میں سوچنے کا سبب فراہم کیا۔

منجانب: بورڈ آف ڈائریکٹرز


سیّد راحت علی شاہ
(ڈائریکٹر)


وجاہت ملک
(صدر / سی۔ ای۔ او)
تاریخ: 31 اگست، 2022ء
لاہور

ممبران کے لئے ڈائریکٹر رپورٹ

31 مارچ 2022ء کو بینک کے غیر فعال قرضے PKR 1,154,467 ملین تھے۔ جبکہ 31 دسمبر 2021ء کو PKR 639,732 ملین تھے۔ 31 مارچ 2022ء تک بینک کا مجموعی غیر فعال قرضوں کا تناسب (مجموعی غیر فعال قرضے اور مجموعی ایڈوانسز) 9.66% رہا۔ جو 31 دسمبر 2021ء کو 5.33% تھا، موجودہ مدت کے نقصانات کی سب سے بڑی وجہ PKR 493,122 ملین کی پروڈن ہے۔ بینک کے ایڈوانس پورٹ فولیو کی بگڑتی ہوئی حالت کی وجہ سے بینک کی آمدنی کم ہوئی۔ چونکہ Covid-19 کی مدت کے دوران غیر فعال قرضوں (NPL'S) کی وجہ سے پیشگی معیار متاثر ہوا۔

ششماہی کے اختتام پر بینک کے مجموعی ایڈوانسز جمع کرنے کا تناسب 58.86% رہا۔ جبکہ 31 دسمبر 2021ء کو یہ 54.33% تھا۔ بینک کے آپریٹنگ اخراجات خاصے برقرار رہے۔ کیونکہ ان میں گزشتہ مدت کے مقابلے میں 1% کی کمی ہوئی اور وہ 2022ء کی پہلی سہ ماہی کے دوران PKR 494,672 ملین درج کئے گئے۔

بینک نے 2022ء کی پہلی سہ ماہی میں PKR 165,128 ملین مزید ٹیکس اثاثوں (خالص) کو موخر کر دیا اور گزشتہ برس اسی مدت میں یہ PKR 9,814 ملین تھے۔

مستقبل کا لائحہ عمل:

بینک کا اس سہ ماہی کا خسارہ PKR 378,496 ملین ہے اور اس کا مجموعی خسارہ PKR 3,267,991 ملین ہو گیا ہے۔ بینک کو غیر محفوظ، غیر فعال قرضوں کی وصولی میں مسائل کا سامنا ہے۔ جس میں PKR 2,959,586 ملین کا قرض شامل ہے جس کے خلاف مرحلہ وار پروڈن کی جائے گی۔ بینک مائیکرو فنانس بینکوں کے لئے پروڈیشنل ریگولیشنز 2014ء کے کم از کم سرمایے کی ضروریات (MCR) اور کپٹل ایڈیکوئیٹی شرح (CAR) ضروریات کے مطابق نہیں تھی۔ غیر یقینی واقعات اور حالات کی وجہ سے بینک کے جاری رہنے کی صلاحیت کے بارے میں نمایاں شک پیدا ہو سکتا ہے اور اس وجہ سے بینک کے اپنے اثاثوں کا ادراک کرنے اور کاروبار کے عام دورانیہ میں اپنی ذمہ داریوں کو ادا کرنے کی قابلیت میں کمی آ سکتی ہے۔ تاہم بینک کی انتظامیہ نے ایک مختلف پہلوؤں والا منصوبہ تیار کیا ہے اور بینک کو درپیش مالی اور آپریٹنگ مشکلات پر قابو پانے کے لئے اس پر عملدرآمد کر رہا ہے۔ یہ منصوبہ قابل عمل ہے اور اس کے نفاذ سے بینک کو درپیش منفی عوامل سے نمٹا جاسکتا ہے۔ یہ ذیل میں زیر بحث ہیں:

☆ اسپانسرز سرمایہ لگا رہے ہیں اور آنے والے سالوں میں مزید سرمایہ لگائیں گے۔ بینک کی شیئر ڈیپازٹ مئی PKR 350.39 ملین ہے۔ (2021ء: PKR 350.39 ملین) جس کے خلاف مقررہ وقت پر حصص جاری کئے جائیں گے۔ مزید سرمایہ موجودہ اسپانسرز/مکملہ اسپانسرز جن کے ساتھ مذاکرات پہلے ہی جاری ہیں، اسٹیٹ بینک آف پاکستان (SBP) کی منظوری سے مشروط ہے۔ مزید سرمایہ کاری سے MCR اور CAR کی تعمیل کے مسائل کو حل کرنے میں مدد ملے گی۔ اسپانسرز نے بینک کی حمایت جاری رکھنے کا فیصلہ کیا ہے۔

☆ بینک غیر فعال قرضوں کی وصولی کے لئے کوششیں کر رہا ہے اور امید ہے کہ ان قرضوں کو کافی حد تک بحال کر دیا جائے گا۔ غیر فعال قرضوں کی بحالی میں تاخیر کی وجہ کوورونا وائرس (Covid-19) کے بعد غیر مناسب معاشی حالات ہیں جو قرض لینے والوں کے کنٹرول سے باہر ہے۔ سال کے دوران PKR 613 ملین کے غیر فعال قرضوں کو وصول کیا گیا ہے اور سال کے بعد بینک نے PKR 236 ملین کے غیر فعال قرضوں کو جولائی 2022ء تک وصول کیا ہے۔ کلاسیفائیڈ پورٹ فولیو کی وصولی کے نتیجے میں آنے والے سالوں میں بینک کے مالی حالات میں بہتری آئے گی۔

☆ بینک اپنے قرضوں کو غیر محفوظ سے محفوظ میں تبدیل کر رہا ہے۔ بینک اپنی آمدنی اور منافع میں اضافے کے لئے مزید محفوظ قرضوں کو بڑھا رہا ہے۔ اس مقصد کے لئے بینک سرمایہ اور غیر فعال قرضوں کی وصولی سے حاصل ہونے والی آمدنی کو استعمال کر رہا ہے۔

☆ بینک کی انتظامیہ، بینک کی آپریٹنگ کارکردگی کو متاثر کئے بغیر اپنے انتظامی اور آپریٹنگ اخراجات کو محدود کرنے کی کوشش کر رہی ہے۔ انتظامیہ کا خیال ہے کہ مذکورہ بالا منصوبوں اور کوششوں سے بینک کو اپنے مالی اور آپریٹنگ مسائل پر قابو پانے میں مدد ملے گی اور اس کے نتیجے میں آنے والے برسوں میں بینک کی مالی حالت اور نتائج میں بہتری آئے گی اور انہیں یقین ہے کہ بینک کو جاری رکھنے میں کامیاب ہو جائیں گے۔

انتظامیہ کو کوورونا وائرس (Covid-19) وباء کے درمیان ڈیجیٹل بینکنگ کی خدمات کی اہمیت کا احساس ہوا ہے۔ پچھلے سالوں میں بینک میں انٹرنیٹ بینکنگ اور موبائل بینکنگ قائم کی ہے۔ تاکہ اس کی رسائی کو بڑھایا جاسکے اور بینک سے محروم آبادی کو پورا کیا جاسکے۔ اس ڈیجیٹلائزیشن کے عمل کا پہلا مرحلہ مکمل ہو چکا ہے۔ ہماری ڈیجیٹل تبدیلی کے اگلے مرحلے میں ریگولری قرضوں کی تکمیل کے بعد درج ذیل چیزیں شامل ہوں گی۔

☆ برانچ لیس بینکنگ خدمات جیسا کہ ”مرچنٹ پروڈل“ اور ”موبائل والٹ“

☆ متعدد دیکسٹروں اور ادائیگی کارڈز کی اقسام

☆ پوائنٹ آف سیل (POS) ایکوائزنگ برنس

☆ بورڈنگ پر ڈیجیٹل طور پر فوری گاہک

ممبران کے لئے ڈائریکٹر رپورٹ

”پانچائیکروفنانس بینک لمیٹڈ“ کے ڈائریکٹر انتہائی مسرت کے ساتھ بینک کی 31 مارچ 2022ء کو ختم ہونے والی مالیاتی مدت کی غیر آڈٹ شدہ مختصر عبوری مالیاتی انفارمیشن پیش کر رہے ہیں۔

معاشی جائزہ:

پاکستان کی معیشت 2022ء کی پہلی سہ ماہی کے دوران شدید تناؤ کا شکار رہی۔ سال 2022ء کی پہلی سہ ماہی میں USD/PKR برابری کے شروعات میں نمایاں کمی ہوئی۔ جبکہ گھریلو خوراک کی قیمتوں اور ایندھن اور توانائی کی قیمتوں میں تیزی سے اضافہ ہوا۔ KSE-100 انڈیکس بھی موجودہ معاشی بحران سے متاثر ہوا، لیکن 31 دسمبر 2021ء کے مقابلے میں نسبتاً یکساں رہا۔

روس، یوکرین تنازعہ سے پیدا ہونے والی جغرافیائی غیر یقینی صورت حال نے معاشی عدم توازن کو بڑھا دیا ہے اور عالمی اجناس کی قیمتوں میں خاطر خواہ اضافہ ہوا ہے۔ پاکستان کی معیشت پر سب سے زیادہ اثر کرنٹ اکاؤنٹ خسارہ (CAD) اور افراط زر سے پڑا ہے۔ ملکی، سیاسی حالات کے ساتھ یہ جغرافیائی سیاسی تناؤ پاکستان کی معیشت کے لئے مثبت نقطہ نظر کو متاثر کر سکتا ہے اور بینکروں کو کتنا کم عدم توازن کو بھی بڑھا سکتا ہے۔

”اسٹیٹ بینک آف پاکستان“ (SBP) نے 2022ء کی پہلی سہ ماہی کے دوران پالیسی ریٹ کو 9.75% پر برقرار رکھا۔ تاہم SBP نے 07 اپریل 2022ء کو ہونے والے اپنے ہنگامی اجلاس میں پالیسی ریٹ کو 12.25% سے بڑھا کر 15% کر دیا اور مختصر عبوری مالیاتی انفارمیشن کے جاری ہونے تک یہ ریٹ بڑھ کر 15% ہو گیا۔

پرنسپل سرگرمی، ترقی اور مالی کارکردگی:

بینک ایک بینک لمیٹڈ بینک کے طور پر بنا اور اس کے حصص پاکستان اسٹاک ایکسچینج پر درج ہیں۔ بینک کا اہم کاروبار مائیکروفنانس انسٹیٹیوشنز آرڈیننس 2001ء کے تحت غربت کو کم کرنے کے نظریے سے معاشرے کے غریب اور پسماندہ طبقے کو مائیکروفنانس سے متعلقہ خدمات مہیا کرتا ہے اور سہ ماہی 31 مارچ 2022ء کے دوران بینک کی مالیاتی کارکردگی مندرجہ ذیل ہے:

کوائف	31 مارچ 2022ء ان آؤنڈ پاکستانی روپے	31 دسمبر 2021ء آؤنڈ پاکستانی روپے	% تبدیلی
فراہم کیا گیا کل ایڈوانس (پروڈن کے بعد)	10,960,700,282	11,505,706,719	-5%
ڈپازٹس اور دیگر اکاؤنٹس	20,295,485,430	22,083,717,249	-8%
کوائف	31 مارچ 2022ء ان آؤنڈ پاکستانی روپے	31 مارچ 2021ء ان آؤنڈ پاکستانی روپے	% تبدیلی
مارک اپ آمدنی	790,642,344	847,984,083	-7%
مارک اپ خرچ	(373,989,736)	(341,809,272)	9%
انتظامی اخراجات	(494,672,476)	(501,118,807)	-1%
منافع / (نقصان) بعد از ٹیکس ادائیگی	(378,496,280)	2,837,588	-13439%

بینک نے قبل از ٹیکس 533,591 PKR ملین کا نقصان اور بعد از ٹیکس 378,496 PKR ملین کا نقصان پوسٹ کیا۔ جبکہ گزشتہ برس اسی مدت میں 2,837 PKR ملین کا منافع تھا۔ 31 مارچ 2022ء تک بینک کی ایکویٹی (نقصان کے بعد) 63.882 PKR ملین ہے اور کل اثاثے 21,381.082 PKR ملین ہیں۔ 31 مارچ 2022ء کو فی حصص نقصان کی شرح 0.882 PKR روپے ہے۔ جبکہ گزشتہ برس اسی مدت میں فی حصص منافع کی شرح 0.008 PKR تھی۔

بینک کے ڈپازٹس 20,295,485 PKR ملین رہے۔ جبکہ سال 2021ء کے اختتام سے معمولی کمی کے ساتھ فراہم کیا گیا کل ایڈوانس (پروڈن کے بعد) 10,960,700 PKR ملین رہا۔ سرمایہ کاری 1,183,503 PKR ملین رہی۔

بینک نے موجودہ سہ ماہی کے دوران 8,970 نئے کسٹمرز کو تقریباً 1,373,824 PKR ملین کے نئے قرضے دیئے۔ بینک نے رواں مدت میں 11,945,909 PKR ملین کے کریڈٹ پورٹ فولیو پر 493,122 PKR ملین کی اضافی پروڈن ریکارڈ کی۔ جبکہ گزشتہ برس اسی مدت میں 31,471 PKR ملین کی پروڈن 10,924,365 PKR ملین پورٹ فولیو پر چارج کی گئی تھی۔

FINANCIAL STATEMENTS

APNA MICRO FINANCE BANK LIMITED

APNA MICROFINANCE BANK LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2022



	Note	March 31, 2022 Rupees Un-audited	December 31, 2021 Rupees Audited
ASSETS			
Cash and Balances with SBP and NBP	6	1,335,825,993	1,586,619,423
Balances With Other Banks/NBFIs/MFBs	7	2,455,577,369	4,284,767,144
Investments - Net Of Provisions	8	1,183,503,321	1,259,859,259
Advances - Net Of Provisions	9	10,960,700,282	11,505,706,719
Operating Fixed Assets		959,952,074	976,219,982
Right of use assets		653,982,641	699,454,614
Other Assets	10	2,382,930,969	2,180,609,481
Deferred Tax Asset		1,448,610,177	1,283,481,934
Total Assets		21,381,082,826	23,776,718,556
LIABILITIES			
Deposits and other accounts	11	20,295,485,430	22,083,717,249
Borrowings	12	472,722	472,722
Lease liabilities		718,865,736	766,027,453
Other Liabilities		302,376,612	484,122,526
Total Liabilities		21,317,200,500	23,334,339,950
NET ASSETS		63,882,326	442,378,606
REPRESENTED BY:			
Share Capital		4,289,849,620	4,289,849,620
Capital Reserve			
Discount On Issue Of Shares		(1,335,963,831)	(1,335,963,831)
Share Deposit Money		350,390,276	350,390,276
Statutory Reserve		22,078,496	22,078,496
Depositors' Protection Fund		5,519,624	5,519,624
Revenue Reserve			
Accumulated Loss		(3,267,991,859)	(2,889,495,579)
Total Capital		63,882,326	442,378,606

MEMORANDUM / OFF- BALANCE SHEET ITEMS 13

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

President / CEO

Chief Financial Officer

Chairman

Director

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2022



	Note	March 31, 2022 Rupees	March 31, 2021 Rupees
Mark-up/Return/Interest Earned	14	790,642,344	Re-stated 847,984,083
Mark-up/Return/Interest Expensed		(373,989,736)	(341,809,272)
Net mark-up/Interest Income		416,652,608	506,174,811
Provision against non-performing loans and advances	9.2.2	(493,122,249)	(31,471,238)
Recovery against bad debts written off		3,790	-
Bad debts written off directly		-	-
		(493,118,459)	(31,471,238)
Net mark-up/Interest Income / (loss) after provisions		(76,465,851)	474,703,573
NON MARK-UP/NON INTEREST INCOME			
Fee, Commission and Brokerage Income		28,033,801	21,986,657
Other Income		9,713,455	10,500,971
Total non mark-up/non interest Income		37,747,256	32,487,628
		(38,718,595)	507,191,201
NON MARK-UP/NON INTEREST EXPENSES			
Administrative expenses		(494,672,476)	(501,118,807)
Other charges		-	-
Total non mark-up/non interest expenses		(494,672,476)	(501,118,807)
		(533,391,071)	6,072,394
Extra ordinary/unusual items		-	-
PROFIT / (LOSS) BEFORE TAXATION		(533,391,071)	6,072,394
Taxation		(10,233,452)	(13,049,561)
- Current		-	-
- Prior years		-	-
- Deferred		165,128,243	9,814,755
		154,894,791	(3,234,806)
PROFIT / (LOSS) AFTER TAXATION		(378,496,280)	2,837,588
Unappropriated Profit / (Loss) brought forward		(2,889,495,579)	(958,524,235)
Profit available for appropriation / (loss)		(3,267,991,859)	(955,686,647)
APPROPRIATIONS:			
Transfer to:			
Statutory Reserve		-	-
Capital Reserve		-	-
Contribution to MSDF/ DPF/ RMF		-	-
Revenue Reserve		-	-
Proposed Cash dividend Rs. Nil per share (2021: Rs. Nil per share)		-	-
Others		-	-
		-	-
Unappropriated Profit / (Loss) carried forward		(3,267,991,859)	(955,686,647)
Earnings / (Loss) per share-Basic & Diluted		(0.882)	0.008

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

President / CEO

Chief Financial Officer

Chairman

Director

Director

CONDENSED INTERIM STATEMENT OF **COMPREHENSIVE INCOME** (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022



	March 31, 2022 Rupees	March 31, 2021 Rupees
		Re-stated
PROFIT / (LOSS) AFTER TAXATION	(378,496,280)	2,837,588
Other comprehensive income / (loss):		
Items that will not be reclassified to the profit and loss account	-	-
Items that may subsequently be reclassified to the profit and loss account	-	-
	-	-
Comprehensive income/(loss) transferred to equity	(378,496,280)	2,837,588
Components of comprehensive income / (loss) not reflected in equity:		
Net change in fair value of available-for-sale investments	-	-
Total comprehensive income / (loss) for the period	(378,496,280)	2,837,588

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

President / CEO

Chief Financial Officer

Chairman

Director

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2022

	Note	March 31, 2022 Rupees	March 31, 2021 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			Re-stated
Profit / (loss) before taxation		(533,391,071)	6,072,394
Adjustments for non-cash charges			
Depreciation of operating fixed assets		24,870,838	17,850,101
Amortization of intangibles		2,129,943	2,457,982
Depreciation on right of use assets		45,471,973	47,724,999
Amortization of deferred grants		-	(62,046)
Provision against non-performing advances		493,122,249	31,471,238
		565,595,003	99,442,274
Operating cash flow before working capital changes		32,203,932	105,514,668
Changes in working capital			
(Increase)/Decrease in operating assets			
Advances		51,884,188	(419,792,153)
Other assets		(212,554,940)	(278,287,578)
		(160,670,752)	(698,079,731)
Increase / (Decrease) in operating liabilities			
Deposits		(1,788,231,819)	(6,528,594,217)
Other Liabilities		(181,745,914)	67,566,717
		(1,969,977,733)	(6,461,027,500)
CASH GENERATED FROM OPERATIONS		(2,098,444,553)	(7,053,592,563)
Net cash flow used in operating activities		(2,098,444,553)	(7,053,592,563)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in held to maturity securities		76,355,938	564,628,277
Repayment of lease liabilities		(47,161,717)	(41,236,061)
Investments in operating fixed assets		(10,732,873)	(18,593,414)
Net cash flow from investing activities		18,461,348	504,798,802
CASH FLOW FROM FINANCING ACTIVITIES			
Share deposit money		-	150,000,000
Borrowings-net		-	(864,861)
Net cash flow from financing activities		-	149,135,139
increase / Decrease in cash and cash equivalents		(2,079,983,205)	(6,399,658,622)
Cash and cash equivalents at the beginning of the period		5,871,386,567	11,899,769,788
Cash and cash equivalents at the end of the period	15	3,791,403,362	5,500,111,166

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

President / CEO

Chief Financial Officer

Chairman

Director

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED MARCH 31, 2022

	Share Capital	Discount On Issue Of Shares	Share Deposit Money	Statutory Reserve	Depositors' Protection Fund	Unappropriated Loss	Total
Balance as at January 01, 2021 - restated	3,439,849,620	(1,335,963,831)	1,046,215,185	22,078,496	5,519,624	(958,524,235)	2,219,174,859
Comprehensive income / (loss) for the period							
Profit after taxation	-	-	-	-	-	7,444,734	7,444,734
Effect of correction of error IFRS-16	-	-	-	-	-	(4,607,146)	(4,607,146)
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	-	-	2,837,588	2,837,588
Transactions with owners directly recorded in equity							
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
Balance as at March 31, 2021	3,439,849,620	(1,335,963,831)	1,196,215,185	22,078,496	5,519,624	(955,686,647)	2,372,012,447
Comprehensive income / (loss) for the period							
Loss after taxation	-	-	-	-	-	(1,931,160,413)	(1,931,160,413)
Effect of correction of error IFRS-16	-	-	-	-	-	(2,648,519)	(2,648,519)
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	-	-	(1,933,808,932)	(1,933,808,932)
Transactions with owners directly recorded in equity							
Share deposit money received	850,000,000	-	4,175,091	-	-	-	4,175,091
Share issued against share deposit money	-	-	(850,000,000)	-	-	-	-
Discount on issue of share	-	-	-	-	-	-	-
Balance as at December 31, 2021 - Audited	850,000,000	-	(845,824,909)	-	-	-	4,175,091
Comprehensive income / (loss) for the period							
Loss after taxation	4,289,849,620	(1,335,963,831)	350,390,276	22,078,496	5,519,624	(2,889,495,579)	442,378,606
Other comprehensive income / (loss)	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	-	-	(378,496,280)	(378,496,280)
Transactions with owners directly recorded in equity							
Share deposit money received during the period	-	-	-	-	-	-	-
Share issued against share deposit money	-	-	-	-	-	-	-
Discount on issue of share	-	-	-	-	-	-	-
Balance as at March 31, 2022 - Un-audited	4,289,849,620	(1,335,963,831)	350,390,276	22,078,496	5,519,624	(3,267,991,859)	63,882,326

Rupees

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



President / CEO



Chief Financial Officer



Chairman



Director



Director





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 118 business locations comprising of 116 branches and 2 service centers (2021: 118 business locations comprising of 116 branches and 2 service centers) in operation. Its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi in the Province of Sindh and its head office is situated at 23 - A, Sundar Das Road, Zaman Park, Lahore, in the Province of Punjab.

1.2 The bank has incurred loss for the year amounting to Rs. 378.496 million and as at period end, its accumulated loss was Rs. 3,267.991 million. The Bank is facing problems in recovery of unsecured non performing advances which includes non-performing advances of Rs. 2,959.59 million against which provision will be made in a phased manner (Note 9.2). The Bank was non-compliant with Minimum Capital Requirements (MCR) and Capital Adequacy Ratio (CAR) requirements of Prudential Regulations for Microfinance Banks, 2014. There has been material uncertainty related to events and conditions which may cast significant doubt about the Bank's ability to continue as a going concern and, therefore the Bank may not be able to realize its assets and discharge its liabilities in the normal course of business.

The management of the Bank, however, developed a multi-faceted plan and is implementing the same to overcome the financial and operational difficulties faced by the Bank. The plan is feasible and its implementation will result in addressing the adverse factors being faced by the Bank. These are discussed below:

- a. The Sponsors are injecting capital and will inject further capital in the ensuing years. The bank has share deposit money of Rs. 350.39 million (2021: 350.39 million) against which shares will be issued in due course. Further capital will be injected by current sponsors / potential sponsors (with whom negotiations are already in process) subject to approval of State Bank of Pakistan (SBP). Injection of further capital will help address the issue of compliance with MCR and CAR. The sponsors have undertaken to continue their support to the Bank.
- b. The Bank is putting efforts to recover the non-performing advances and is hopeful that these advances will be recovered substantially. The delay in recovery of non-performing advances is owing to the adverse economic conditions post Covid-19 which are beyond the control of the borrowers. Non-performing advances of Rs. 613 million have been recovered in year-2021 and non-performing of Rs. 236 million have been recovered by the Bank subsequently. Recovery of the classified portfolio will result in improvement of the financial position of the Bank in the ensuing years.
- c. The Bank is converting its advances portfolio from unsecured to secured portfolio which is reflected in Note to the financial statements. The Bank is utilising the proceeds of further issue of capital and recovery of non-performing advances to enhance its secured portfolio by advancing more secured advances to increase its income and profitability.
- d. The management of the Bank is also making efforts to limit its administrative and operating expenses without, however, effecting the operational efficiency of the Bank.

The management believes that the above mentioned plans / efforts will help the Bank to overcome its financial and operational problems and will result in improvement in the financial position and results of the Bank in ensuing years and is confident that the Bank will be able to continue as a going concern.



2 BASIS OF PRESENTATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- The local laws which comprise of the Companies Act, 2017, the Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks / Institutions and the directives issued under these local laws by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP).

Where provisions of and directives issued under the local laws differ from the IFRS Standards, the provisions of and directives issued under the local laws have been followed.

Accordingly, this condensed interim financial information should be read in conjunction with the annual audited published financial statements of the Bank for the year ended December 31, 2021.

2.2 Basic of measurement

These condensed interim financial Information have been prepared under the historical cost convention except for certain investments which are measured at fair value.

3 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the condensed interim financial information are measured using the currency of the primary economic environment in which the Bank operates. The condensed interim financial information are presented in Pak Rupees, which is the Bank's functional and presentation currency.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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, 2021.

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, 2021.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2022



	Note	March 31, 2022 Rupees Un-audited	December 31, 2021 Rupees Audited
6 CASH AND BALANCES WITH SBP AND NBP			
Cash in hand - local currency		515,276,594	623,895,818
Balance with State Bank of Pakistan	6.1	723,559,770	701,257,484
Balance with National Bank of Pakistan in:			
- Current Account		66,080,554	216,031,224
- Deposit Account	6.2	30,909,075	45,434,897
		1,335,825,993	1,586,619,423

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 R-3 of the Prudential Regulations for Microfinance Banks issued by the SBP.

6.2 This carries mark-up rate at 8.25% per annum (2021: 7.25%).

	Note	March 31, 2022 Rupees Un-audited	December 31, 2021 Rupees Audited
7 BALANCES WITH OTHER BANKS/NBFIs/MFBs			
In Pakistan			
- In current accounts		24,985,277	37,016,276
- In deposit accounts	7.1	1,830,592,092	3,847,750,868
- Certificates of deposits	7.2	600,000,000	400,000,000
		2,455,577,369	4,284,767,144

7.1 These carry mark-up rates ranging from 7.25% to 11.50% per annum (2021: 7.25% to 11.50% per annum).

7.2 These represent placement with different financial institutions carrying mark-up ranging from 7.90% to 12% per annum (2021: 7.90% to 11.75% per annum). Their maturity ranges from three months to one year from the date of placement.

	Note	March 31, 2022 Rupees Un-audited	December 31, 2021 Rupees Audited
8 INVESTMENTS - NET OF PROVISIONS			
Federal Govt. Securities:			
-Market Treasury Bills - (Held to maturity)	8.1	1,083,583,321	1,159,939,259
Silk Bank Ltd. - Term Finance Certificate (TFC's) - (Held to maturity)	8.2	99,920,000	99,920,000
		1,183,503,321	1,259,859,259

8.1 This represents T-Bills issued for periods of three to twelve months having maturities ranging from April 21, 2022 to August 25, 2022. These carry yields ranging from 10.15% to 11.78% per annum (2021: 7.38% to 10.33% per annum). These securities have an aggregate face value of Rs. 1,110 million. (2021: Rs. 1,170 million).

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 (2021: 6 months KIBOR plus 1.85% per annum).



9 ADVANCES - NET OF PROVISIONS

	Note	March 31, 2022		December 31, 2021	
		No. of Loans Outstanding	Rupees	No. of Loans Outstanding	Rupees
		-----Un-audited-----		-----Audited-----	
Micro credits	9.1	116,266	11,945,909,318	118,474	11,997,793,506
Less: Provision held:					
- Specific	9.2		817,650,288		324,528,039
- General			167,558,748		167,558,748
			985,209,036		492,086,787
Advances - Net Of Provisions			<u>10,960,700,282</u>		<u>11,505,706,719</u>

9.1 The Micro credits include secured and un-secured loans as detailed below;

	Note	March 31, 2022	December 31, 2021
		Rupees	Rupees
		Un-audited	Audited
- Secured		5,882,620,890	5,797,887,370
- Unsecured	9.1.1	6,063,288,428	6,199,906,136
		<u>11,945,909,318</u>	<u>11,997,793,506</u>

9.1.1 Advances are secured by personal guarantees and advances amounting to Rs. 3,213.955 million (2021: Rs. 3,059.47 million) are further secured against gold.

9.2 Particulars of non-performing advances

	Note	March 31, 2022	December 31, 2021
		Rupees	Rupees
		Un-audited	Audited
Specific non-performing advances	9.2.1	1,154,467,162	639,732,919
Other non-performing advances		2,959,586,169	3,459,183,047
		<u>4,114,053,331</u>	<u>4,098,915,966</u>

9.2.1 Particulars of non-performing advances

Category of Classification	March 31, 2022			December 31, 2021		
	Principal Amount Outstanding	Provision Required	Provision Held	Principal Amount Outstanding	Provision Required	Provision Held
	----- Rupees -----			----- Rupees -----		
	-----Un-audited-----			-----Audited-----		
OAEM	153,178,191	-	-	167,846,037	-	-
Sub-standard	95,805,860	23,951,465	23,951,465	82,276,228	20,488,184	20,488,184
Doubtful	225,856,866	112,928,433	112,928,433	167,872,331	83,526,401	83,526,401
Loss	679,626,245	680,770,390	680,770,390	221,738,323	220,513,454	220,513,454
	<u>1,154,467,162</u>	<u>817,650,288</u>	<u>817,650,288</u>	<u>639,732,919</u>	<u>324,528,039</u>	<u>324,528,039</u>



9.2.2 Particulars of provision against non-performing advances

	March 31, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
	Rupees			Rupees		
	Un-audited			Audited		
Opening balance	324,528,039	167,558,748	492,086,787	217,095,021	167,558,748	384,653,769
Charge/ (reversal) for the period	493,122,249	-	493,122,249	107,433,018	-	107,433,018
Closing balance	817,650,288	167,558,748	985,209,036	324,528,039	167,558,748	492,086,787

	Note	March 31, 2022 Rupees Un-audited	December 31, 2021 Rupees Audited
10 OTHER ASSETS			
Income / Mark-up Accrued		1,299,902,664	990,053,921
Advances to Staff		184,591,733	185,062,677
Advances and Prepayments		209,314,381	324,906,545
Advance Income Tax - Net of Provision		196,705,114	189,302,881
Security Deposits		37,131,920	37,131,920
Inter Banks ATM Settlement account		12,912,768	11,779,148
Insurance Claims Receivable		442,372,389	442,372,389
		2,382,930,969	2,180,609,481

11 DEPOSITS AND OTHER ACCOUNTS

	Note	March 31, 2022		December 31, 2021	
		No. of accounts	Rupees	No. of accounts	Rupees
Time liabilities		Un-audited		Audited	
Fixed Deposits (Deals)	11.1	6,648	7,264,806,716	7,297	7,267,908,020
Demand liabilities					
Saving Deposits	11.2	31,370	10,329,141,690	31,005	11,564,405,616
Current Deposits		404,206	2,701,537,024	399,347	3,251,403,613
		435,576	13,030,678,714	430,352	14,815,809,229
	11.3	442,224	20,295,485,430	437,649	22,083,717,249

11.1 These represent deposits received from customers ranging from 1 month to 5 years. These carry interest rates ranging from 5.25% to 17.25% per annum (2021: 4.75% to 15.5% per annum).

11.2 These carry interest rates ranging from 3% to 13% per annum (2021: 3% to 5.75% per annum).

11.3 Particulars of deposits by ownership

	March 31, 2022		December 31, 2021	
	No. of accounts	Rupees	No. of accounts	Rupees
	Un-audited		Audited	
Individual Depositors	441,113	15,428,511,558	436,629	16,765,080,170
Institutional Depositors				
- Corporations / Firms	1,097	4,606,453,435	1,007	5,224,560,997
- Banks & Financial Institutions	14	260,520,437	13	94,076,082
	1,111	4,866,973,872	1,020	5,318,637,079
	442,224	20,295,485,430	437,649	22,083,717,249

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2022



	Note	March 31, 2022 Rupees Un-audited	December 31, 2021 Rupees Audited
12 BORROWINGS			
Demand Finance	12.1	472,722	472,722
		472,722	472,722

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

13 MEMORANDUM / OFF- BALANCE SHEET ITEMS

13.1 Contingencies:

- Proceedings for Financial Years (FY) 2016, 2017, and 2018 were initiated by Additional Commissioner (Enforcement-IV) of Punjab Revenue Authority [‘PRA’] regarding alleged inadmissible input tax credit claimed without apportionment a same between taxable and non-taxable service. The Bank responded to the notices as per the Bank contention. The said commissioner passed impugned orders for relevant financial years by raising unjustified demand of Rs. 80.3 million (2020: Rs. 80.3 million) in respect of disallowed input tax. Being aggrieved from the said orders, the Bank filed appeal against the orders to Commissioner (Appeals) of PRA. For FY 2016 the impugned order is upheld by Commissioner (Appeal) and the Bank has filed appeal before honorable PRA Appellate Tribunal. The hearings for FY 2017 and 2018 are still pending before Commissioner (Appeals).
- Proceedings, as per provisions of Punjab Sales Tax on Services (Withholding) Rules, 2015 for tax period January, 2016 to December, 2016 for non-deduction of Punjab Sales Tax, were initiated by The Additional Commissioner, Enforcement-II, PRA. Recovery notice was issued from the same office indicating that order had been passed by the Commissioner HQ, PRA wherein the impugned demand of Rs. 18.4 million was raised on account of alleged default of withholding of Punjab Sales Tax on Services against which the bank filed appeal before Honorable PRA Appellate Tribunal. The honorable tribunal has passed its judgement in which the impugned order passed by Commissioner HQ PRA is set aside and the matter is referred back to the officer concerned having jurisdiction for decision afresh. Now the proceedings are in progress at commissioner PRA forum.
- A show cause notice was issued to bank by Assistant Commissioner (Unit-09) of Sindh Revenue Board [‘SRB’] in which the bank was confronted that it has claimed inadmissible input tax credit during the tax periods from January 2012 to December 2015 in terms applicable Sindh Sales Tax Act 2011. Further, it is also alleged that the Bank has short deducted / not deducted of sales tax on services. The amount demanded in the said order was Rs. 5.8 million (2020: Rs. 5.8 million). The proceedings are held from time to time during the year and impugned order is passed by the officer against which the bank has filed an appeal at SRB Commissioner (Appeals) forum.

In respect of above tax cases, based upon advise of its tax consultants, management expects favorable outcomes and is confident that significant outflow of economic resources will not be required, as a result of final decisions.

	Note	March 31, 2022 Rupees Un-audited	December 31, 2021 Rupees Audited
13.2 Commitments:			
Bank Guarantee issued on behalf of			
The United Insurance Company of Pakistan Limited in favour of Lahore Waste Management Company.		73,650	73,650

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED MARCH 31, 2022



	March 31, 2022 Rupees	March 31, 2021 Rupees
	Un-audited	Un-audited
14 MARK-UP/RETURN/INTEREST EARNED		
Mark-Up on Loans and Advances	695,353,841	674,564,330
Mark-Up on Deposit Accounts	68,838,516	147,803,595
Mark-Up on Investments in Government Securities	26,449,987	25,616,158
	790,642,344	847,984,083

	March 31, 2022 Rupees	March 31, 2021 Rupees
	Un-audited	Un-audited
15 CASH AND CASH EQUIVALENTS		
Cash and Balances with SBP and NBP	1,335,825,993	1,346,061,788
Balances With Other Banks/NBFIs/MFBs	2,455,577,369	4,154,049,378
	3,791,403,362	5,500,111,166

16 TRANSACTION AND BALANCES WITH RELATED PARTIES

Related parties of the Bank comprise of Chief Executive Officer, Directors and their close family members, entities under common control, staff retirement benefits fund, key management personnel, entities with common directors, and major shareholders of the Bank. The details of transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as under:

Nature of Relationship	Nature of Transactions	March 31, 2022 Rupees	December 31, 2021 Rupees
		Un-audited	Audited
Balances at period end:			
Associated company	Deposits	88,326,424	253,725,829
	Share deposit money	350,390,276	350,390,276
	Insurance Claims Receivable	442,372,389	442,372,389
Key management personnel	Deposits	941,260	2,280,077
Directors / Sponsors / Shareholders	Deposits	2,335,421	5,433,003
Transactions during the period:		March 31, 2022 Rupees	March 31, 2021 Rupees
		Un-audited	Un-audited
Associated company	Deposits received	1,534,817,053	959,603,457
	Withdrawals	1,716,014,438	998,820,917
	Mark-up paid on deposits	14,342,482	3,085,595
Key management personnel	Deposits received	23,803,814	31,725,506
	Withdrawals	24,696,543	34,167,545
	Mark-up paid on deposit	5,175	15,585
Directors / Sponsors / Shareholders	Deposits received	19,840,136	15,865,053
	Withdrawals	22,957,326	15,107,205
	Mark-up paid on deposits	8,231	21,858
Staff Provident Fund	Contribution made during the period	5,553,259	5,697,968



17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorised for issue by the Board of Directors on
..August 31, 2022

18 GENERAL

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

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

President / CEO

Chief Financial Officer

Chairman

Director

Director

Head Office:

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

Tel : +92 42-36362475-76

UAN : +92 42 111-771-772

Email : info@apnabank.com.pk

www.apnabank.com.pk



www.twitter.com/amfbl



[www.facebook.com/
apnamicrofinancebank](https://www.facebook.com/apnamicrofinancebank)



[www.linkedin.com/
company/apna-micro-finance-bank-limited](https://www.linkedin.com/company/apna-micro-finance-bank-limited)

