

AMB/PSX/CS/ 24

August 18, 2023

General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Dear Sir,

Corporate Briefing Session (CBS)

This is to inform you that the Corporate Briefing Session of Apna Microfinance Bank Limited, (AMBL) is scheduled to be held on Thursday, August 24, 2023 at 11:00 a.m. at Head office, 23-A, Sunder-das Road, Zaman Park, Lahore to brief about the bank financial performance and future outlook.

Considering the safety and well-being of the Shareholders. It has been decided to hold the CBS electronically as well as physical attendance at the above given date and time. The members can send their comments/ suggestions related to the meeting through following means.

WhatsApp	Email
0317-8222038	agm@apnabank.com.pk

The members are also attend the Session through video link facility via Zoom. Accordingly, those investors, analysts and shareholders who desire to attend the Session are requested to register themselves by sending an email along at above address with the following particular with subject to "Registration for UNIC CBS-2022 by end of August 21, 2023.

Name	Folio/CDC Account No.	CNIC No.	Email

Video Link to join the Session will be shared with only those investors, analysts and shareholders whose email containing the aforementioned particulars are received at the above mentioned email address.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours truly,


Rafat Abbas
Company Secretary





Corporate Briefing Session (CBS)

The analysts, investors and shareholders are cordially invited to attend the Corporate Briefing Session (CBS) of Apna Microfinance Bank Limited, (AMBL) on Thursday, August 24, 2023 from 11:00 to 11:30 a.m. To attend the Session Video Link Zoom facility is also available, wherein the Bank the Senior Management of the Apna Microfinance Bank Limited shell discuss the bank financial performance and future outlook.

Date	:	August 24, 2023
Venue	:	Apna Microfinance Bank Limited, Head office, 23-A, Sunder-das Road, Zaman Park, Lahore.
Registration	:	10:45 (a.m.)
Presentation	:	11:00 (a.m.)
Q&A	:	11:20 (a.m.)
Contact	:	0317-8222038

We look forward to your participation.

A handwritten signature in black ink, followed by a circular stamp. The stamp contains the text 'Apna Microfinance Bank Ltd' around the perimeter, 'Head Office' in the center, and 'Karachi' at the bottom.

Rafat Abbas
Company Secretary



Apna Microfinance Bank

The Microfinance Bank




Introduction

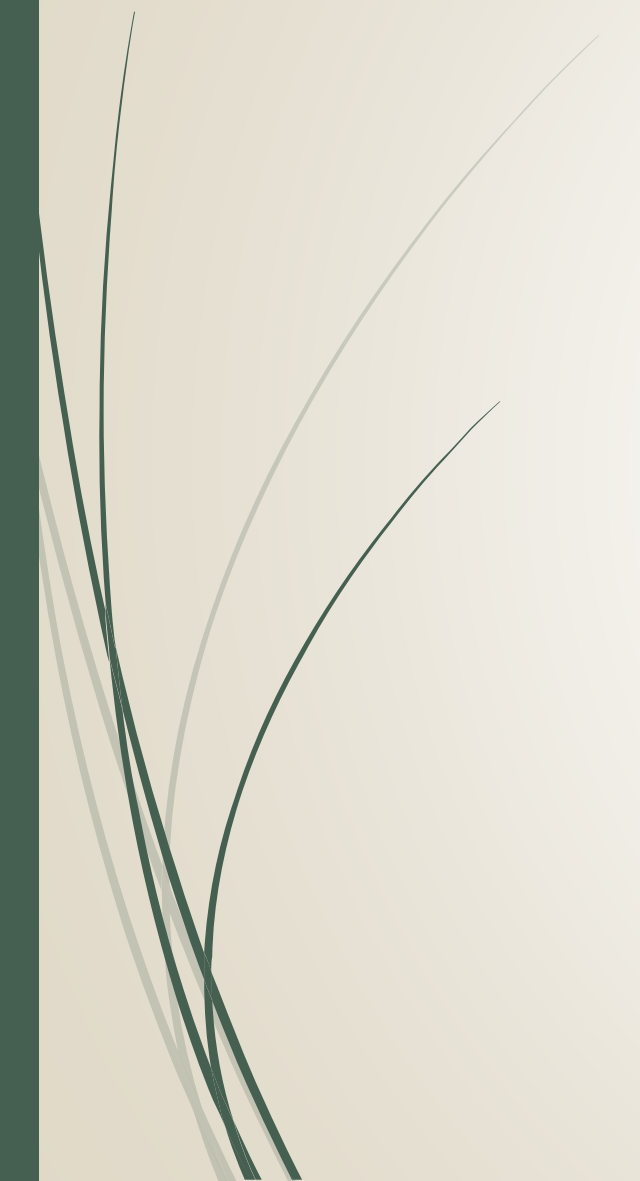

- The management of Network Microfinance Bank was acquire by Group of Investors on January 24, 2012, after acquisition of its 91% share holdings and the rest remaining with public.
- The organization was rename to “Apna Microfinance Bank Limited” on March 06, 2012 as per approval granted by the State Bank of Pakistan and Security Exchanges Corporation of Pakistan.
- Despite all limitations and constraints as a new entity, operations of the bank were revive and new Assets and Liability Products were introduce in the market. The deposits as on 31.12.2020 are Rs. 7,861.80 million, Profit after tax is Rs. 37.22 million and Advances Rs. 10,119.92 million.
- State bank of Pakistan in principal granted permission for Nation-wide banking operations, in a very short time of period its branch network rose from 5 branches to 116 branches as on 31.12.2018.



Bank's Objective

The proposed APNA Microfinance Bank Limited (AMBL) shall be specialized in providing financial services to the Agri. and Microenterprises in rural and urban areas of Pakistan. The main objectives of the Bank shall be:

- To provide sustainable flow of financial services to less privileged/ poor, including economic empowerment of women and micro-entrepreneurs.
 - To arrange capacity building of underserved masses by improving attitudes, skill, knowledge, social-justice and ability to initiate and manage economically viable projects.
 - To coordinate, arrange and supervise grants/funds from various persons or bodies of persons for socio-economic well-being of less privileged / poor.
 - To provide loans, advances and other credit facilities for the development of agriculture and micro market sector including production, marketing and house finance facilities.
 - To mobilize savings by accepting deposits (demand, savings and time deposits)
- 





“Good governance is essential for the long-term survival and success [of an institution] and depends greatly on the skills, experience and knowledge of its directors.” These few words best capture Jonathan Charkham’s guidance to directors of banks and other financial institutions.”



Board of Directors


Names of the Board of Directors. (June 30, 2023)

1	Mr. Muhammad Akram Shahid	Chairman / Director
2	Mr. Imad Muhammad Tahir	Director
3	Mr. Muhammad Asghar	Director
4	Mr. Muhammad Saleem Shaikh	Director
5	Syed Rahat Ali Shah	Director
6	Mr. Abdul Aziz Khan	Independent Director
7	Mr. Shahid Hassan	Director
8	Ms. Tahira Raza	Independent Director
9	Mr. Wajahat Malik	Executive Director/ President & CEO

- 
- 
- All the directors are well experience, sophisticated and have all the expertise of the Banking business. Further, out of eight (9) directors five (6) directors are certified Directors from the reputed institution like ICAP and PICG.
 - Financial Statements are submitted to the Board of Directors and Boards' Audit Committee regularly on quarterly basis and the members study the statements deeply and deliberated.



Bank's Management





The Bank is being managed by a Team of highly professional Bankers possessing diversified and valuable experience and rich exposure almost in all the banking fields. By virtue of their devotion, dedication and strong commitment with the Bank's Vision & Mission, they are quite confident to establish Apna Microfinance Bank, as one of the finest Microfinance Bank of the Country through most moderate and best possible practices which are aimed to providing unmatched services to their clients and to proactively participate in Social uplift of target customers, besides, playing vital role in eradicating and alleviating poverty from the country.





Functions and Powers of MFBs under Prudential Regulations by State Bank of Pakistan

A microfinance institution shall, in accordance with prudential regulations and subject to the terms and conditions of the license issued by the State Bank, render assistance to sustainable manner to poor persons, preferably poor women, with a view to alleviating poverty.


- to provide financing facilitates, with or without collateral security, in cash or in kind, for such terms and subject to such conditions as may be prescribed, to poor persons for all types of economic activities including housing, but excluding business in foreign exchange transactions;
- to accept ledges, mortgages, hypothecations of assignments to it of any kind of movable or immovable property for the purpose of securing loans and advances made by it;
- to undertake the management, control and supervision of any Organization, enterprise, scheme, trust fund or endowment fund for the benefit and advancement of poor person;

- 
- 
- to buy, sell and supply on credit to poor persons industrial and agricultural inputs, livestock, machinery and industrial raw materials, and to act as agent for any Organization for the sale of such goods or livestock;
 - to carry out survey and research, and to issue publication and maintain statistics relating to the improvement of economic condition of poor persons;
 - to provide professional advice to poor persons regarding investments in small business and such cottage industries as may be prescribed;
 - to provide services and facilities to customers to hedge various risks relating to microfinance activities;
 - To render managerial, marketing, technical and administrative advice to customers and assisting them in obtaining services in such fields.

- 
- 
- to establish subsidiaries, whether wholly or partly owned, and to appoint agents in various locations for various activities which it may consider necessary for the proper discharge of its functions;
 - to pay, receive, collect and remit money and securities within the country;
 - to mobilize and provide financial and technical assistance and training to micro enterprises;
 - to undertake mobile banking to expedite transactions and reduce costs;
 - to establish trust and endowment funds;
 - to receive grants from the government and any other sources permitted by the State Bank.



Financial Performance

- Presently the Bank is facing problems in the recovery of its unsecured portfolio which includes non-performing advances of Rs. 3,477 million.
 - Provision against these advances is being made in phased manner.
 - The Bank has incurred loss for the year amounting to Rs.4,489 million for the year ended 31,December 2022 whereas accumulated losses at the year end were Rs. 7,379 million.
 - This has resulted in negative net assets of Rs. 4,047 million as at 31, December 2022.
 - The Bank is presently non-compliant to Minimum Capital Requirements (MCR) and Capital Adequacy Ratio (CAR) requirements of Prudential Regulations for Microfinance Banks, 2014.
- 



Strategic Plan

- The management has developed and is implementing a multi-faceted plan to overcome the financial and operational difficulties faced by the Bank. Salient features of the same are as under:

CAPITAL INJECTION

- The sponsors have shown strong confidence in the Bank by injecting capital in previous periods and share deposit money of Rs.350.39 million is still available for use against which shares will be issued in due course.
- The current sponsors have undertaken to continue their strong support towards the Bank.
- The Microfinance Industry holds immense potential to perspective investors due to largely untapped markets and high returns. Consequently, the management is actively looking for parties to invest in the Bank and prospective sponsors are being considered to boost the Bank's capital base.
- Further capital will be injected by current sponsors and potential sponsors if needed to meet the obligations of the Bank, subject to approval of State Bank of Pakistan (SBP)



Strategic Plan





STRONG RECOVERY EFFORTS

- The Bank is making 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.
- The amount of non-performing advances is reduced by the amounts recovered since their classification and will decrease further owing to large recoveries subsequent to the year end.
- The Bank has recognized significant provision against these non-performing loans during 2022 and remaining provision has been made in the March 31, 2023, therefore, quantum of provision against advances in future periods is not expected to be significant.
- Recovery against classified portfolio will result in reversal of such provision and hence will result in the improvement of the financial position of the Bank in the ensuing years.




Strategic Plan

SHIFT TOWARDS SECURED LENDING

-  The Bank is converting its advances portfolio from unsecured to secured.
-  Presently the 53% of the Banks advances are secured.
-  The management's making focus is to disburse loans which are secured against gold.
-  This will minimize the risk of default and greatly improve the health of the portfolio.

REDUCING ADMIN AND OPERATIONAL COSTS

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



Strategic Plan



- The plan is feasible and its implementation will result in addressing the adverse factors being faced by the Bank
- The management believes that via these efforts the Bank will overcome its financial and operational problems resulting in improved financial position in the ensuing years.
- We are confident that the Bank will be able to continue as a going concern.

KEY FINANCIAL AND OPERATIONAL DATA AT A GLANCE

FINANCIAL DATA

Position for Year Ended								
<i>% Rise</i>	<i>Dec-22</i>	<i>% Rise</i>	<i>Dec-21</i>	<i>Dec-20</i>	<i>Dec-19</i>	<i>Dec-18</i>	<i>Dec-17</i>	
<i>2021 Vs 2022</i>	<i>Rupees</i>	<i>2020 Vs 2021</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
				Re-stated	Re-stated			
Total Assets	-17.21%	19,587,476,542	-20.03%	23,660,326,629	29,585,582,331	21,325,632,083	17,623,046,929	13,983,590,224
Advances-net of provisions	-27.39%	8,354,266,042	13.69%	11,505,706,719	10,119,919,747	8,779,226,353	8,812,740,994	5,226,547,934
Deposits	2.37%	22,606,344,550	-15.64%	22,083,717,249	26,178,886,970	18,317,083,706	15,866,330,742	12,528,727,169
Share Capital	0.00%	4,289,849,620	24.71%	4,289,849,620	3,439,849,620	3,439,849,620	2,500,000,000	2,500,000,000
Share Deposit money	0.00%	350,390,276	-66.51%	350,390,276	1,046,215,185	696,215,185	900,078,363	500,008,080
	0.00%	4,640,239,896	3.44%	4,640,239,896	4,486,064,805	4,136,064,805	3,400,078,363	3,000,008,080
Net Equity	-1014.82%	(4,046,985,297)	-80.07%	442,378,606	2,219,174,859	1,856,432,634	1,468,419,136	1,015,087,402
Accumulated Loss	155.37%	(7,378,859,482)	201.45%	(2,889,495,579)	(958,524,235)	(968,080,904)	(996,574,069)	(1,036,520,157)

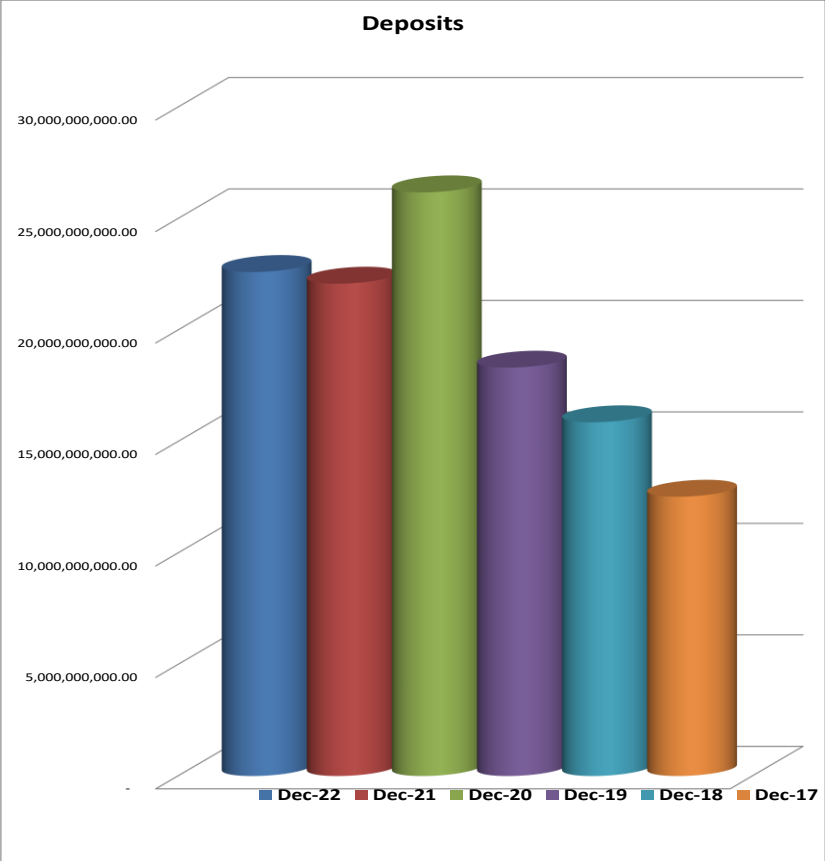
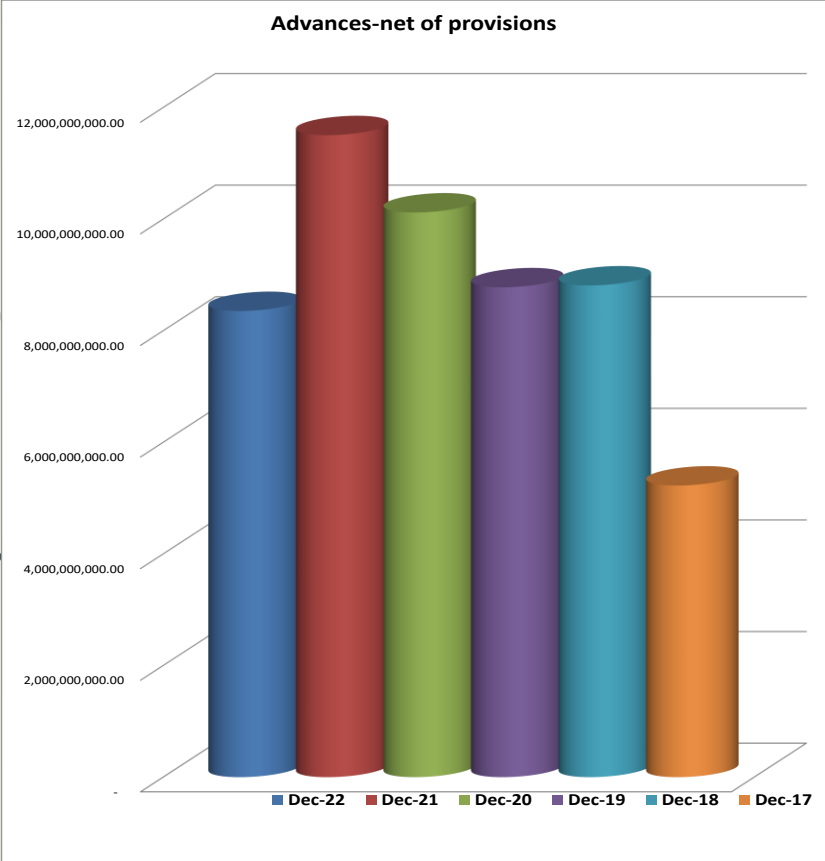
KEY FINANCIAL AND OPERATIONAL DATA AT A GLANCE

Position for Year Ended							
% Rise	Dec-22	% Rise	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17
2021 Vs 2022	Rupees	2020 Vs 2021	Rupees	Rupees	Rupees	Rupees	Rupees
				Re-stated	Re-stated		

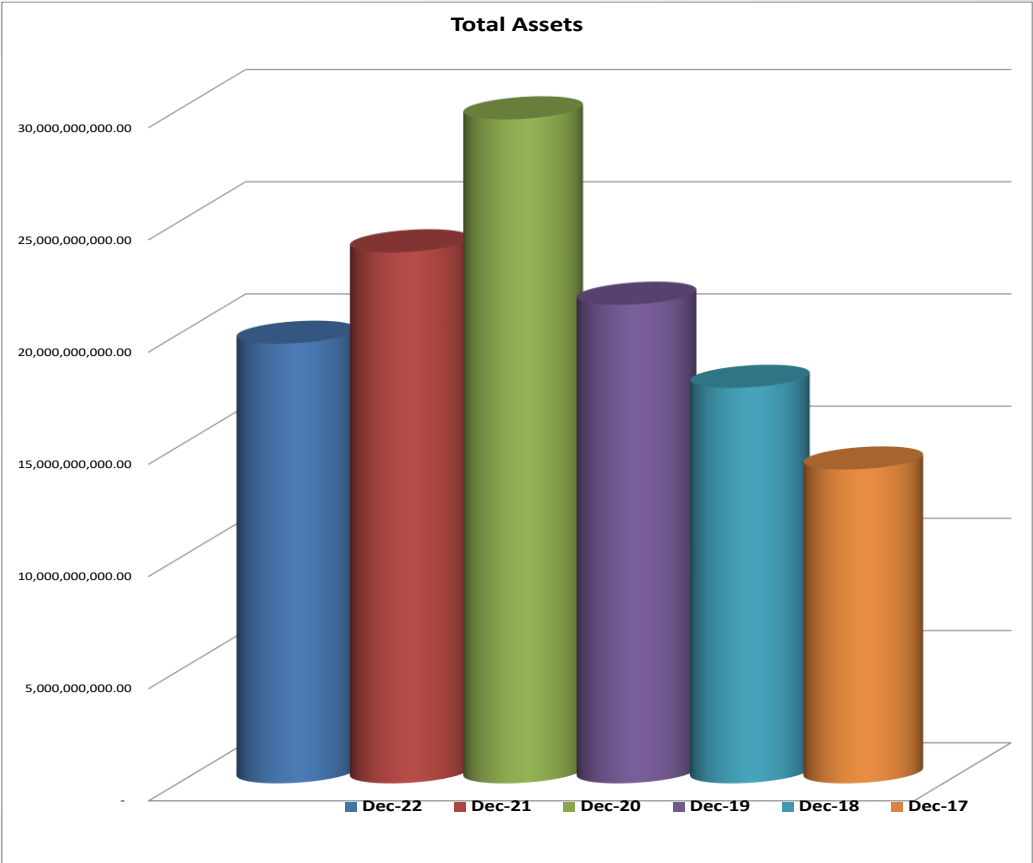
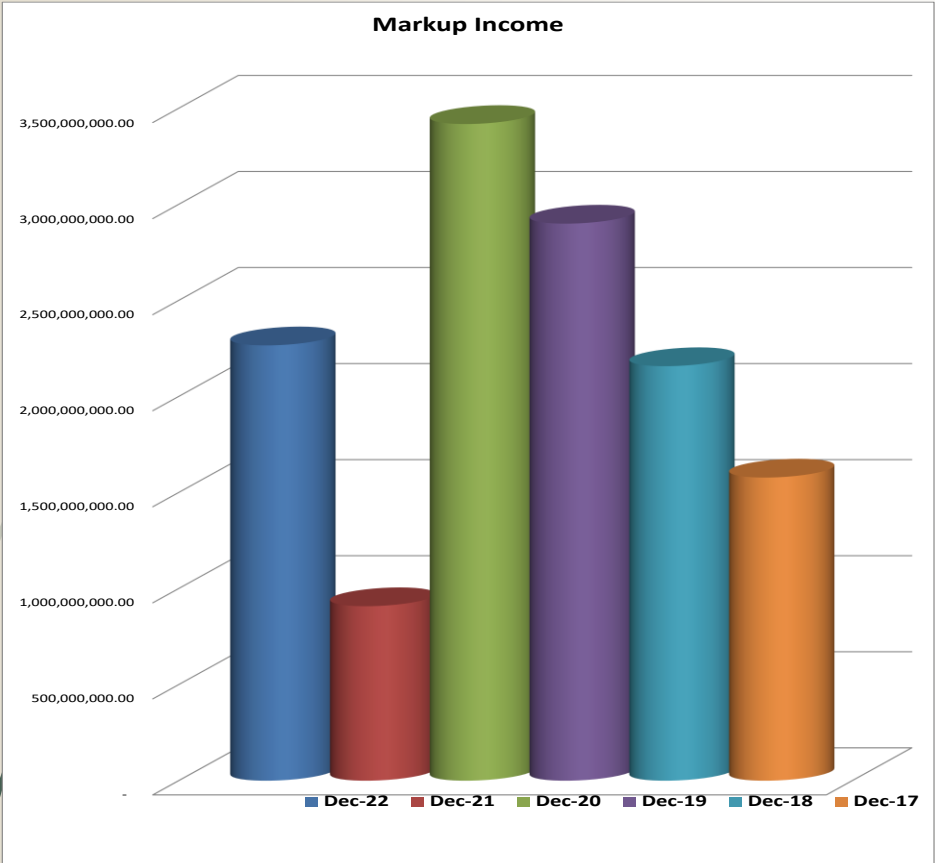
OPERATING DATA

Mark-up / return / interest earned	149.45%	2,265,996,265	-73.43%	908,380,258	3,418,310,151	2,899,784,536 (1,209,081,032)	2,157,835,801 2,157,835,801	1,577,979,881
Mark-up / return / interest expensed	9.68%	(1,600,191,347)	-0.85%	(1,459,014,295)	(1,471,575,005)	(1,209,081,032)	(800,799,272)	(703,943,573)
Administrative expenses	2.99%	(2,232,557,861)	7.25%	(2,167,670,263)	(2,021,197,500)	(1,795,186,386)	(1,595,647,431)	(1,308,598,684)
Profit / (Loss) before taxation	84.48%	(4,875,980,057)	-11398.45%	(2,643,095,035)	23,393,427	89,344,447	100,500,905	(188,301,605)
Profit / (Loss) after taxation	132.49%	(4,489,363,903)	-15254.11%	(1,930,971,344)	12,742,225	53,525,058	53,261,451	(79,510,907)
Earning/(loss) per share	116.32%	(10.47)	-16233.33%	(4.84)	0.03	0.17	0.3	(0.35)

KEY FINANCIAL AND OPERATIONAL DATA AT A GLANCE



KEY FINANCIAL AND OPERATIONAL DATA AT A GLANCE



STATEMENT OF FINANCIAL POSITION

Assets	Dec'22	Dec'21	Variance	Variance %
Cash and balances with SBP and NBP	1,720,318,818	1,586,619,423	133,699,395	8%
Balances with other banks/NBFIs/MFBs	2,236,767,029	4,284,767,144	(2,048,000,115)	-48%
Investments - net of provisions	2,466,243,246	1,259,859,259	1,206,383,987	96%
Advances - net of provisions	8,354,266,042	11,505,706,719	(3,151,440,677)	-27%
Operating fixed assets	905,888,333	976,219,982	(70,331,649)	-7%
Right of use assets	478,513,372	583,062,687	(104,549,315)	-18%
Other assets	1,725,479,702	2,180,609,481	(455,129,779)	-21%
Deferred tax asset	1,700,000,000	1,283,481,934	416,518,066	32%

TOTAL ASSETS	19,587,476,542	23,660,326,629	(4,072,850,087)	-17%
---------------------	-----------------------	-----------------------	------------------------	-------------

LIABILITIES	Rs. In Million			
	Dec'22	Dec'21	Variance	Variance %
Deposits and other accounts	22,606,344,550	22,083,717,249	522,627,301	2%
Borrowings	-	472,722	(472,722)	-100%
Lease liabilities	543,145,813	649,635,526	(106,489,713)	-16%
Other liabilities	484,971,476	484,122,526	848,950	0%

TOTAL LIABILITIES	23,634,461,839	23,217,948,023	416,513,816	2%
--------------------------	-----------------------	-----------------------	--------------------	-----------


NET ASSETS	(4,046,985,297)	442,378,606	(4,489,363,903)	-1015%
-------------------	------------------------	--------------------	------------------------	---------------

EQUITY AND RESERVES	Rs. In Million			
	Dec'22	Dec'21	Variance	Variance %
Share capital	4,289,849,620	4,289,849,620	-	0%
Discount on issue of shares	(1,335,963,831)	(1,335,963,831)	-	0%
Share deposit money	350,390,276	350,390,276	-	0%
Statutory reserve	22,078,496	22,078,496	-	0%
Depositors' protection fund	5,519,624	5,519,624	-	0%
Accumulated loss	(7,378,859,482)	(2,889,495,579)	(4,489,363,903)	155%

Total Equity	(4,046,985,297)	442,378,606	(4,489,363,903)	-1015%
---------------------	------------------------	--------------------	------------------------	---------------

STATEMENT OF PROFIT & LOSS

Description	Dec'22	Dec'21	Variance	Variance %
Mark-up / Return / Interest Earned	2,265,996,265	908,380,258	1,357,616,007	149%
Mark-up / Return / Interest Expensed	(1,600,191,347)	(1,459,014,295)	(141,177,052)	10%
Net Mark-up / Return / Interest (Expense)/Income	665,804,918	(550,634,037)	1,216,438,955	-221%
Provision against non-performing loans and advances	(3,535,765,376)	(107,433,018)	(3,428,332,358)	3191%
Recovery of bad debts-net	56,961,055	21,751,568	35,209,487	162%
	(3,478,804,321)	(85,681,450)	(3,393,122,871)	3960%
Net Mark-up / Interest expense after provisions	(2,812,999,403)	(636,315,487)	(2,176,683,916)	342%
NON MARK-UP/NON INTEREST INCOME			-	
Fee, commission and brokerage income	126,156,713	114,163,404	11,993,309	11%
Other Income	44,393,553	48,109,065	(3,715,512)	-8%
Total non mark-up / non interest income	170,550,266	162,272,469	8,277,797	5%
NON MARK-UP/NON INTEREST EXPENSES			-	
Administrative expenses	(2,232,257,861)	(2,167,670,263)	(64,587,598)	3%
Other charges	(1,273,059)	(1,381,754)	108,695	-8%
Total non mark-up / non interest expenses	(2,233,530,920)	(2,169,052,017)	(64,478,903)	3%
Loss for the year before taxation	(4,875,980,057)	(2,643,095,035)	(2,232,885,022)	84%
Provision for taxation			-	
- Current	(29,901,912)	(25,264,204)	(4,637,708)	18%
- Deferred	416,518,066	737,387,895	(320,869,829)	-44%
	386,616,154	712,123,691	(325,507,537)	-46%
Loss for the year	(4,489,363,903)	(1,930,971,344)	(2,558,392,559)	132%
Accumulated loss brought forward	(2,889,495,579)	(958,524,235)	(1,930,971,344)	201%
Total Accumulated loss	(7,378,859,482)	(2,889,495,579)	(4,489,363,903)	155%
Loss per share – Basic and diluted	(10.47)	(4.84)	(5.63)	116%



This presentation, prepared for the information purpose only, is not and does not form part of any offer for sale or solicitation of any offer to subscribe for or purchase or sell any securities nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever.

