



# 2015

Annual Report



Micro Finance  
**apna bank**  
Limited

خوابوں سے خوشحالی تک



## CORPORATE INFORMATION

### Board of Directors

Chairman  
Directors

Mr. Qamar-uz-Zaman  
Mr. Muhammad Akram Shahid  
Mr. Muhammad Azam Cheema  
Ms. Shahida Bilquis  
Mr. Muhammad Farooq Abid Tung  
Mr. Muhammad Saleem Shaikh  
Mr. Imad Mohammad Tahir

President / Chief Executive

Mr. Muhammad Farooq Abid Tung

Company Secretary

Mr. Rafat Abbas

Chief Financial Officer

Mr. Ali Murtza

### Audit Committee of the Board

Chairman

Mr. Muhammad Saleem Shaikh  
Ms. Shahida Bilquis

Members

Mr. Muhammad Akram Shahid  
Mr. Imad Mohammad Tahir  
Mr. Muhammad Azam Cheema  
Internal Auditor

Secretary

### Executive Committee of the Board

Chairman  
Members

Mr. Muhammad Akram Shahid  
Mr. Qamar-uz-Zaman  
Mr. Imad Mohammad Tahir  
Ms. Shahida Bilquis  
Mr. Muhammad Farooq Abid Tung  
Chief Financial Officer

Secretary

### Risk Management Committee of the Board

Chairman  
Members

Mr. Muhammad Azam Cheema  
Mr. Muhammad Akram Shahid  
Mr. Qamar uz Zaman  
Ms. Shahida Bilquis  
Mr. Muhammad Saleem Shaikh  
Head Risk Management

Secretary

### Human Resource & Remuneration Committee of the Board

Chairman  
Members

Mr. Imad Mohammad Tahir  
Mr. Muhammad Akram Shahid  
Mr. Qamar uz Zaman  
Mr. Muhammad Saleem Shaikh  
Mr. Muhammad Farooq Abid Tung  
Group Head HR

Secretary

### Auditors

RSM Avais Hyder Liaquat Nauman.  
Chartered Accountants

### Tax/ Legal Advisor

RAMDAYS  
Advocates & Corporate Consultants  
Lahore



## Bankers

Bank Islami Pakistan Limited  
Sindh Bank Ltd  
Faysal Bank limited  
Bank AlHabib Limited  
Bank Al-Falah Ltd  
Summit Bank Ltd  
Zarai Taraqati Bank Limited  
JS Bank Limited  
Silk Bank Ltd  
Allied Bank Limited  
Dubai Islamic Bank  
Soneri Bank Limited  
NIB Bank Limited  
Tameer Microfinance Bank  
FINCA Microfinance Bank  
NRSP Microfinance Bank  
Habib Metropolitan Bank Ltd  
National Bank of Pakistan

## Registered Office

K-4/3 & 4/4 Ch. Khaliq-uz- Zaman Road,  
Gizri, Karachi.  
PABX Tel: +92 21 35865352-55  
Fax: +92 21 35865017  
Website: [www.apnabank.com.pk](http://www.apnabank.com.pk)

## Head Office

23-A, Sundar Das Road, Zaman Park  
Lahore.  
PABX Tel: +92 42 36306730  
Website: [www.apnabank.com.pk](http://www.apnabank.com.pk)

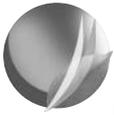
## Share Registrar

Technology Trade (Pvt.) Ltd.  
Dagia House,  
241-C, Block-2, P.E.C.H.S.  
Off. Shahrah-e-Quaideen,  
Karachi.  
Phone: 021-34391316 - 17  
Fax: 021-34391318

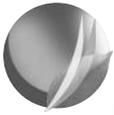
## BRANCHES:

### KARACHI

- |   |   |   |   |   |   |
|---|---|---|---|---|---|
| 1 | 0101<br>I.I. Chundrigar Road Branch<br>Shop No. 1 G Floor, Sheet RY-<br>9, Survey No. 11/9/A Railway<br>Quarter<br>I.I. Chundrigar Road, Karachi.<br>Tel: 021-32623667-70 | 4 | 0104<br>Shah Faisal Colony Branch<br>H-26/4, Shah Faisal Colony<br>No. 4, Karachi.<br>Tel: 021-34601749-50                      | 7 | 0107<br>Korangi Ind. Area Branch<br>Plot no. D-6, Future Colony,<br>Landi, Karachi.<br>Tel: 021-35013400-3    |
| 2 | 0102<br>Shahrah-e-Faisal Branch<br>Adjoining Shop No. 2 & Arika<br>80's 25-B, S.M.C.H.S<br>Shahrah-e-Faisal, Karachi.<br>Tel: 021-34324657-58                             | 5 | 0105<br>North Karachi Branch<br>LS-8, Street 11-K, North,<br>Karachi.<br>Tel: 021-36961067-68                                   | 8 | 0108<br>Napier Road Branch<br>NPR 8/1 Napier Road, Juana<br>Market, Karachi.<br>Tel: 021-32527041-3           |
| 3 | 0103<br>Orangi Town Branch<br>LS-5 Sector 1/A, Street No. 9,<br>Qazi Chowk Orangi Town,<br>Karachi.<br>Tel: 021-36652095-103  | 6 | 0106<br>Bhens Colony Branch<br>Plot No. 42/B Commercial<br>Area, Road No. 08,<br>Bhens Colony, Karachi.<br>Tel: 021-35081282-85 | 9 | 0109<br>Model Branch Gizri<br>K-4/3 & 4/4 Ch. Kaliq-uz-<br>Zaman Road, Gizri, Karachi.<br>Tel: 021-35865022-4 |



- 10 0110  
Liaquat Market, Malir Branch  
Plot No. 161, block B-3 Indus  
Mehran Society, Saudabad  
Malir, Karachi  
Tel: 021-34113782-84
- 11 0111  
Mehmoodabad Branch  
Plot No. 169 Sheet No. M.A.C.  
Mehmoodabad No. 2  
Jamshed Town, Karachi.  
Tel: 021-35319240-3
- 12 0114  
Gulshan Hadeed Branch  
A-2483 Phase Gulshan -e-  
Hadeed Bin Qasim, Karachi.  
Tel: 021-34717820-3
- INTERIOR SINDH**
- 13 0112  
Larkana Branch  
Old Anaj Mandi Larkana Gujan  
Pur Chowk District Larkana,  
Sindh.  
Tel: 074-4055347-50
- 14 0113  
Suigas Branch  
Sui Gas Kumb Road Khairpur  
Mirs, Sindh  
Tel: 024-3614440-5
- 15 0115  
Khairpur Mirs Kachery Road  
Branch  
D/ 270 Mohalla Ali Murad New  
Goth, Deh & Taluka Khairpur  
Mirs, Sindh.  
Tel: 024-3715330-5
- 16 0116  
Risala Road Hyderabad  
Branch  
City Survey No. F 73-74  
Commercial, Risala Road  
Saddar, Hyderabad, Sindh  
Tel: 022-2731282
- 17 0117  
Tando Allahyar Branch  
Plot No. 5/c Main Hyderabad  
Road Tando Allah Yar  
Opposite: Soneri Bank  
Hyderabad, Sindh  
Tel: 022-3890449, 022-  
3890450-8
- 18 0118  
Tando Muhammad Khan  
Branch  
City Survey no. 831 Ward B  
Court Road Tando  
Muhammad Khan.  
Tel: 022- 3341811
- 19 0119  
Ghotki Branch  
Durvey No. 10 Davry Road,  
Near Chando Ram Colony,  
Deh odher Wali Tehsil District  
Ghotki  
Tel: 0723-662461-63
- 20 0120  
Mir Pur Khas Branch  
City Survey No. 731, Ward A  
Tourabad Umerkot Road,  
mirpur Khas  
Tel: 0233- 87509698
- 21 0121  
Umer Kot Branch  
Shop No. 185 & 19 City  
Survey No. 115, Gulshan-e-  
Akber, Mirpur Khas Road  
Umer Kot  
Tel: 0333- 2641848
- 22 0122  
Nawab Shah Branch  
City Survey No. 2146 165/ 1  
Buchery Road, Nawab Shah
- 23 0123  
Sukkur Branch  
Shop No. 8 & 9 City Survey  
No. F-9 Pak Colony Race  
Course Road, Sukkur  
Tel: 024- 4330080
- 24 0124  
Shahdad Pur Branch  
City Survey No. 379 Ward-A,  
Shahdad pur
- 25 0125  
Tando Adam Branch  
City Survey No.932,  
Muhammadi Chowk, Tando  
Adam
- 26 0126  
Sanghar Branch  
Shop No. 2 & 3 City Survey  
No. 752-755, Shopping  
Centre, M.A.Jinnah Road,  
Sanghar
- 27 0128  
Mehrabpur Branch  
Plot No. III A/51 A Thari Road,  
Mehrabpur
- 28 0127  
Mehar Branch  
City Survey No. 659/ A Ward  
A VIP Road, Mehar
- 29 0129  
New Sabzi Mandi Branch  
Shop No. 35, Block E, New  
Sabzi Mandi
- PUNJAB AND KPK**
- 30 0130  
Sunder das Road, Lahore  
23-A, Sundar das Road,  
Lahore  
042- 363053314
- 31 0131  
G. T. Road Kamoki  
Plot No. 10- A/SS Block, Main  
G.T. Road, Kamoki  
Tel: 055-6813676- 7
- 32 0132  
Kotwali Road, Faisalabad  
Kotwali Road, Faisalabad  
Tel: 041- 2633470
- 33 0133  
Jinnah Road, Okara  
1835- Adjacent Allied Bank,  
M. A. Jinnah Road, Okara  
Tel: 0442- 510772-3
- 34 0134  
Adiala Road, Rawalpindi  
148/ 184, Khan Market,  
Syeden Adiala Road,  
Rawalpindi  
Tel: 051- 5187050
- 35 0135  
Main Shaikhupura  
Opposite Wapda plaza,  
Sargodha Road, Shaikhupura  
Tel: 056-3613504
- 36 0136  
Gujranwala G. T. Road  
Ghori Center, Service Road,  
G. T. Road, Gujranwala  
Tel: 055- 3840261
- 37 0137  
Sharaqpur, Shaikhupura  
Sharaqpur Chowk, Faisalabad  
Road, Shaikhupura  
Tel: 056- 3791416
- 38 0138  
Khanqa Dogran  
Khanqa Dogra, Shaikhupura  
Tel: 056- 3726328
- 39 0139  
Church Road, Okara  
Main Church Road, Okara  
Tel: 044- 2510873
- 40 0140  
Kharkhana Bazar, Vehari  
Kharkhana Bazar, Vehari  
Tel: 067- 3366421
- 41 0141  
Stadium Road, Sahiwal  
Stadium Road, Sahiwal



- 42 0142  
Madina Chowk Depalpur  
Arain Bazar, Main Market,  
Depalpur  
Tel: 044- 454001-5
- 43 0143  
Kasur  
Pul Qatal Ghari, Kutchery  
Road, Kasur  
Tel: 0492-761225
- 44 0144  
Hujra Muqem Shah  
Hujra muqem Shah,  
Depalpur  
Tel: 044- 4860202-3
- 45 0145  
Lodhran  
Bahawalpur Road, Lodhran  
Tel: 0608- 361821
- 46 0146  
Model Town, Lahore  
Shop No. 31 & 33, Block A,  
Store Market, Model Town,  
Lahore
- 47 0147  
Ichhra, Lahore  
Shop No. 4, Arshian, Ichhra,  
Lahore  
Tel: 042- 37428273-75
- 48 0148  
Sialkot  
Opposite Allama iqbal Library,  
Paris Road, Sialkot  
Tel: 052- 4583477
- 49 0149  
Saddar Cantt, Lahore  
Al-Rehman Shopping, Decca  
Road, Near Bank Alfalah,  
Saddar Cantt. Lahore
- 50 0150  
Haveili Lakhani  
Pakpatan Road, Haveili  
Lakhani
- 51 0151  
Multan  
Shop No. 1, Mashallah Plaza,  
Azam Basti Road, Sadhu  
Hassan, Multan  
Tel: 061- 4540155
- 52 0152  
Layyah  
House No. 4, Collage Road,  
Jinnah Colony, near Sugar Mill  
Colony, K Layyah  
Tel: 0606-410246
- 53 0153  
Township, Lahore  
Plot no. 13, Block B1, Quaid-  
e-Azam Town, Barkat Chowk,  
Township Scheme, Lahore
- 54 0154  
Ferozepur, Lahore  
Opposite Descon, 18 KM  
Ferozepur Road, Lahore
- 55 0155  
DHA, Lahore  
51 TT Block, phase IV, DHA,  
Lahore
- 56 0156  
Chungi Amar Sidhu  
Kacha Jail Chungi, Amar  
Siddhu, Lahore.
- 57 0157  
Jia Musa Shahdara  
Near Gormet Bakers, Begum  
Kot Road, Lahore
- 58 0158  
Mardan  
Baghdad Parhoti Road,  
Mardana
- 59 0159  
Peshawar, Sabzi Mandi  
Block 15 A, Fruit & Vegetable  
Market, Inqalaba Road,  
Peshawar
- 60 0160  
Newshehra  
Shobra Hotel, G. T. Road,  
Newshehra  
Tel: 0923-6121116
- 61 0161  
Charsaddah  
S.S. Plaza, Batch Khan  
Chowk, Charsaddah
- 62 0162  
Peshawar Dean Trade Center,  
Peshawar Cantt.  
Shop No. LG 13, 13A, 13 B,  
14 and 14 A, Dean Trade  
Centre, Peshawar Cantt
- 63 0163  
Daska  
8723-A, Near Muslim Bank,  
Market Road, near MA Place  
Bank Road, Daska
- 64 0164  
Mirpur Azad Kashmir  
35 A, Sector B/2, Main Mian  
Road, Nagi Bank Squire, Azad  
Kashmir
- 65 0165  
Gilgit  
Khasra No. 4472/2403/579,  
opposite Army Communicates  
NHA Complex Jutial, Gilgit
- 66 0166  
Rahim Yar Khan  
Shop No. 941, Zone-1, Ashraf  
Complex Jutial, Gilgit
- 67 0167  
Quetta  
Commercial Property No. 894,  
235/272, Mission Road, Near  
Meezan Chowk, Quetta  
Tel: 081- 2821021
- 68 0168  
Wah Radha Ram  
Khewat No. 36, Khatooni No.  
494, Main Bazar, Habibabad,  
Tesil Patoki District Kasur
- 69 0169  
Bhawalpur  
Shop no. 12- 15, Pelican  
Shopping plaza, Yazman  
Road, Bhawalpur Cantt.

## Vision

### **'SELF RELIANCE THROUGH SELF GENERATION'**

To strive and play our role in eradicating poverty by providing customers opportunity to make their lives better on sustainable long term basis, through inculcating sense of participation, vision, prioritization, and justified use of available resources; and providing required financial support and technical assistance.

## Mission

To promote socio- economic conditions of the customers, by women empowerment, professional advices, which have a lasting positive impact on their standards of living, their financial sustainability and growth in their income generation.

## Core Values

The Bank is aimed to inculcate a nurturing and invigorating corporate culture based on providing a safe and healthy professional environment, where the employees are valued, respected and able to deliver their full potential through proposed business models.

We pride ourselves with the following core values which will ensure our success and the achievement of our vision.

### **Service**

To provide the best quality services and ensuring our customers an enriching experience. Honoring our commitments to the community and adding value to the society.

### **Creativity**

To come up with the best products that best suits the requirements of our customers by providing flexible and tailor made solutions.

### **Honesty and Transparency**

To support and encourage accountability within the ranks of our hierarchy and to ensure the achievement of ourselves.

### **Equal Opportunities**

Work to ensure that everyone irrespective of sex, age, color, class, religion, creed and cast is provided an equal opportunity and growth options.

### **Reciprocity**

To provide an environment and build up a team of professional entrepreneurs where we, as a team, work together for the collective interest of the company and the society.

## **Banks' Philosophy**

"It is far better to help a poor person by teaching him how to catch a fish instead of buying him a fish."

### **"ALLAH HELPS THOSE WHO HELP THEMSELVE"**

*Microfinance may not be posed a significant impact on the overall poverty scenario but it will certainly change the life of the Micro Entrepreneurs.*

## Ethics and Business Practices

**All employees of Apna Microfinance Bank Limited, hereafter called AMBL, are required to follow a Code of Ethics and Business Practices in all areas of professional conduct. They must abide by the following:**

### Laws and Rules

- All the employees are required to comply with all the laws, rules and regulations governing AMBL, including the Bank's policies, procedures and standards, the State Bank of Pakistan and the Security and Exchange Commission of Pakistan's regulations applicable to the Bank.
- All employees must function with integrity within the scope of their authorities and follow directives given by the person(s) under whose jurisdiction they are deputed with complete honesty.
- Core value of 'Integrity' must be promoted by upholding fairness, equality and respect for all team members. Discrimination, harassment of all types, intimidation and other negative practices are strictly prohibited.
- Harassment includes any unwanted, immoral act or attitude, including abuse of authority, creating a hostile environment and retaliation to non compliance with unethical demands, which is demeaning or detrimental to work performance or the career of any employee in any capacity.
- Adherence to designated time schedules is imperative. The Bank is entitled to take disciplinary action in case of unauthorized absences.
- No employee shall indulge in any political activity, including forming or joining a political, ethnic or linguistic association; get elected to a legislative body, in Pakistan or elsewhere, or indulge in any activity detrimental to the ideology of Pakistan.
- All full-time employees must devote their entire business day to their work; avoid any outside activity that interferes with their judgment in the best interest of the Bank and its clients. The Human Resource & Recruitment Department must be informed in case an employee:
- Holds an outside directorship; carries on business activity outside; holds majority shares/interest in a public or private business; takes direct advantage of securities of a public listed company, or serves as a client's personal representative.
- No employee shall bring political or other outside pressure/ influence to bear on the authorities/superior officers or use the media with intent to induce them to act in a manner inconsistent with rules in any matter relating to the Bank.
- Employees are prohibited from any engagement outside the Bank without prior approval from the Human Resource & Recruitment Department. Employees with financial or other interest in any family business must declare in advance by writing and seek no objection.
- Employees shall not borrow from or lend personal funds or property to any Client or Vendor who has a relationship with the Bank except on market terms and conditions from financial institutions. Borrowing or lending in personal capacity within the Bank is prohibited.
- Employees shall be alert and vigilant with respect to frauds, thefts or significant illegal activity committed within the office, reporting them immediately in writing to higher authority for appropriate action to be taken. Employment or Internship Certificates can only be issued by the Human Resource & Recruitment Department. Receipts of funds can only be issued on prescribed forms.
- Disciplinary action may be taken in case of misconduct or unsatisfactory performance including breach of above mentioned rules; willful insubordination; breach of confidential material; use of drugs or alcohol; falsification of documents; violation of safety/health rules; insider trading; parallel banking; money laundering and any act detrimental to the Bank's business.

### Workplace Environment

- The Bank is committed to creating and maintaining a working, learning and customer care environment, which is free from violence and has zero tolerance for violence against any employee or its property.
- Employees are not allowed to play practical jokes or pranks on each other, indulge in horseplay, or share immoral jokes with other employees or the outside world, through Apna bank email server or computer, or cell phones.
- Employees are prohibited to use, exchange, or sell intoxicants or drugs in the work place or come to work under their influence.
- Employees are required to maintain proper dress code, appear well groomed and presentable at all the time. Livery staff should be in their proper uniform. High standards of behavior and tidy work areas are to be maintained at all times.

### **Responsibilities towards Employer (AMBL)**

- Employees must raise concerns and suspicions, in confidence, about any actual or potential illegal activity or misconduct according to the process in Whistle Blowing Policy and the Anti Harassment Policy. Failure to do so will result in employee being deemed a party to the irregularity.
- Guidance must be sought from relevant department in case any employee receives any demand or request for information from outside party including law enforcement agencies.
- Every employee must protect the Bank's assets, physical and intellectual, and adhere to its Email and Internet Usage Policy and Acceptable Use Policy.
- Employees must maintain all records accurately and are prohibited from making any false or misleading entries, forging or tampering with signatures to compromise integrity of Bank's record.
- Employees are required to identify all conflicts of interest and declare them immediately, including all matters expected to interfere with their duty to the Bank or ability to make unbiased and objective recommendations.

### **Information Management**

- All employees shall regard as strictly confidential any information concerning the business of the Bank which is not intended to be made public unless required to do so under the law, consulting the Human Resource & Recruitment Department in case of ambiguity about a required disclosure. Confidential information must only be shared with employees on a need to know basis consistent with their job assignments as set out in Information Security and Governance Policies.
- All customers' related information should be kept secret, used for intended purpose only and any further use should be allowed only after prior consent of the concerned customer.
- Employees should protect the privacy and confidentiality of personnel records, not sharing them inside or outside the Bank except after approval by Human Resource & Recruitment Department.
- Employees should not use Bank's facilities to access, download or distribute personal or social information, including any material that may pose reputational risk to the Bank. Secrecy of passwords must be maintained to prevent unauthorized access to Bank's systems. Personal use of internet and email is deemed inappropriate in the workplace. Private telephone conversations must be kept at a minimum during office hours.
- Only officially designated spokesperson, as provided under the Bank's Media Policy, may provide comments about the Bank to the media.

### **Relationship with and Responsibilities to Customers, Prospects and other External Constituencies**

- Employees must always act fairly, equitably and objectively with all customers, prospects, suppliers and other external constituencies. Highest degree of integrity, honesty, proprietary and loyalty, towards the interest of the Bank, its customers and regulators is a must.
- Employees are not authorized to accept or agree to accept any gifts or conveyance of anything of value from any current or prospective Apna bank customers or vendors or any person who has a business relationship with the Bank with exception of the following
- Gifts that relate to commonly recognized events or occasions such as a promotion, new job, wedding, retirement etc. provided those gifts are of reasonable value.
- Gifts from a person who has a business relationship with the Bank, provided the acceptance is based on relationship existing independent of the business of the Bank and reported to the Human Resource & Recruitment Department.
- Benefits available to the general public e.g. advertising or promotional materials, and discount or rebates on merchandise or services
- Civic, charitable, educational or religious organizational awards for recognition of service or accomplishment.

### **Other Key Legal/Compliance Rules and Issues**

- Employees are strictly prohibited to engage in insider trading, buying or selling Bank's common stocks or otherwise benefitting from sharing inside information, whether obtained through workplace or outside sources.
- AMBL fully supports the intended drive against serious crime and is committed to assisting the authorities to identify money laundering transactions and where appropriate to confiscate the proceeds of crime. Employees must follow the Anti Money Laundering Policy and Procedures.
- Violation of any of the clauses of this 'Code of Ethics' by any employee, may lead to disciplinary proceedings culminating in punishment as per merits of the case.

## **REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE**

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors ("the Board") of **APNA MICROFINANCE BANK LIMITED** ("the Bank") for the year ended December 31, 2015 to comply with the Listing Regulations of the Karachi Stock Exchange where the Bank is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Bank. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Bank's personnel and review of various documents prepared by the Bank to comply with the Code.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

The Code requires the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Following instance of non-compliance with the requirement of the Code was observed which is not stated in the Statement of Compliance:

- i. No independent Director is appointed on the Board of Directors' by the Bank, whereas the Code requires the appointment of at least one independent Director on the Board.

Based on our review, except for the above instance of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the best practices contained in the Code as applicable to the Bank for the year ended December 31, 2015.

**RSM AVAIS HYDER LIAQUAT NAUMAN**  
Chartered Accountants

**Engagement Partner: Syed Ali Adnan Tirmizey**

**Date:**  
Place: Lahore

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED DECEMBER 31, 2015

**Name of company: Apna Microfinance Bank Limited.**

**Year ending: December 31, 2015.**

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation no. 35 of the listing Regulations of the Karachi Stock Exchanges Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Bank has applied the principles contained in the CCG in the following manner:

1. The Bank encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

<b>Names</b>	<b>Category</b>
Mr. Qamar- uz- Zaman	Chairman/ Non- executive director
Mr. Muhammad Azam Cheema	Non- executive director
Mr. Muhammad Akram Shahid	Non- executive director
Mr. Muhammad Farooq Abid Tung	President/ CEO/ Executive director
Ms. Shahida Bilquis	Non- executive director
Mr. Muhammad Saleem Shaikh	Non- executive director
Mr. Imad Mohammad Tahir	Non-executive director

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Bank. (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Bank are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, DFI or NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the current year.
5. The Bank has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Bank. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive Directors have been taken by the Board/Shareholders. The CEO is working on contract basis.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Directors are well conversant with the listing regulations, legal requirement and operational imperatives of the Bank, and as such are fully aware of their duties and responsibilities. The Board is already attended and certified from PICG as Certified Director, Mr. Qamar uz Zaman, Mr. Muhammad Akram Shahid, Ms. Shahida Bilquis, Mr. Muhammad Azam Cheema, Mr. Muhammad Farooq Abid Tung and Mr. Saleem Shaikh has attended the training programs and certified.

10. The board has approved appointment of Company Secretary, Chief Financial Officer and Head of Internal Audit, including their remuneration and terms and conditions of employments.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Bank were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Bank, other than that disclosed in the pattern of shareholding.
14. The Bank has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed Human Resource and Remuneration Committee comprises of non-executive directors and the duties have been assigned as per Code.
16. The Board has formed an audit committee. It comprises five members, who are non-executive directors including the chairman of the committee. The Chairman of the Committee is an independent director.
17. The meetings of the audit committee were held at least once every quarter prior to approval of the interim and final results of the Bank and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
18. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company and they are involved in the internal audit function on full time basis.
19. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Bank and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results and business decisions which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and Karachi Stock Exchange Limited.
22. Material/ price sensitive information has been disseminated among all market participants at once through Karachi Stock Exchange Ltd.
23. We confirm that all other material principles enshrined in the CCG have been complied.

For Apna Microfinance Bank Ltd

**Chairman**

**STATEMENT SHOWING ATTENDANCE OF BOARD MEETINGS  
FROM JANUARY 1, 2015 TO DECEMBER 31, 2015**

Six (6) Board meetings were held during the year 2015 and attended as follows

Name of Directors	Meetings Due	Meetings Attended
Mr. Qamar uz Zaman	5	5
Mr. Muhammad Azam Cheema	5	4
Mr. Muhammad Akram Shahid	5	5
Ms. Shahida Bilquis	5	5
Mr. Imad Mohammad Tahir	5	5
Mr. Muhammad Farooq Abid Tung	5	5
Mr. Muhammad Saleem Shaikh	5	4

**STATEMENT SHOWING ATTENDANCE OF  
BOARD'S AUDIT COMMITTEE MEETINGS  
FROM JANUARY 1, 2015 TO DECEMBER 31, 2015**

Four (4) Board Audit Committee meeting were held during the year 2015 and attended as follows

Name of Directors	Meetings Due	Meetings Attended
Ms. Shahida Bilquis	4	4
Mr. Muhammad Akram Shahid	4	4
Mr. Muhammad Azam Cheema	4	2



**FORM 34**  
**THE COMPANIES ORDINANCE 1984**  
**(Section 236(1) and 464)**

**PATTERN OF SHAREHOLDING**

1. Incorporation Number - 0045352
2. Name of the Company APNA MICRO FINANCE BANK LTD.
3. Pattern of holding of the shares held by the shareholders as at December 31, 2015

Number of Share holders	Shareholdings	Total Share Held
227	Shareholding From 1 To 100	2,232
75	Shareholding From 101 To 500	30,146
26	Shareholding From 501 To 1000	24,469
33	Shareholding From 1001 To 5000	98,798
8	Shareholding From 5001 To 10000	56,864
2	Shareholding From 10001 To 15000	28,375
3	Shareholding From 15001 To 20000	50,005
2	Shareholding From 25001 To 30000	53,108
1	Shareholding From 55001 To 60000	60,000
1	Shareholding From 140001 To 145000	140,500
1	Shareholding From 155001 To 160000	157,000
1	Shareholding From 210001 To 215000	211,833
1	Shareholding From 235001 To 240000	238,000
1	Shareholding From 535001 To 540000	537,000
1	Shareholding From 835001 To 840000	840,000
2	Shareholding From 995001 To 1000000	2,000,000
1	Shareholding From 1195001 To 1200000	1,200,000
1	Shareholding From 1245001 To 1250000	1,246,922
1	Shareholding From 1310001 To 1315000	1,314,500
1	Shareholding From 3405001 To 3410000	3,406,792
2	Shareholding From 7010001 To 7015000	14,021,617
1	Shareholding From 11430001 To 11435000	11,430,794
1	Shareholding From 11995001 To 12000000	11,996,890
1	Shareholding From 40080001 To 40085000	40,082,921
1	Shareholding From 48690001 To 48695000	48,692,325
1	Shareholding From 82075001 To 82080000	82,078,909
396		220,000,000

## CATEGORIES OF SHAREHOLDERS AS AT DECEMBER 31, 2015

Categories of Shareholders	Shares Held	Percentage
<b>DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN</b>		
QAMAR UZ ZAMAN	48,692,325	
MUHAMMAD AKRAM SHAHID	11,996,890	
MUHAMMAD FAROOQ ABID TUNG	3,406,792	
MR. IMAD MOHAMMAD TAHIR	40,082,921	
SHAHIDA BILQUIS	11,430,794	
MUHAMMAD AZAM CHEEMA	7,010,799	
JAMSHED IQBAL	7,010,818	
<b>Sub-Totals :</b>	<b>129,631,339</b>	<b>58.92</b>
<b>ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES</b>		
THE UNITED INSURANCE COMPANY OF PAKISTAN	82,078,909	
UNITED INSURANCE COMPANY OF PAKISTAN LTD.	537,000	
THE UNITED INSURANCE COMPANY OF PAK. LTD.	157,000	
<b>Sub-Totals :</b>	<b>82,772,909</b>	<b>37.62</b>
<b>MODARABAS AND MUTUAL FUNDS.</b>		
MCBFSL - TRUSTEE NAMCO BALANCED FUND	840,000	
<b>Sub-Totals :</b>	<b>840,000</b>	<b>0.38</b>
<b>OTHERS</b>		
UNITED TRACK SYSTEM (PVT) LIMITED	1,314,500	
DARSON SECURITIES (PVT) LIMITED	13,709	
KARACHI STOCK EXCHANGE LIMITED	59	
TIME SECURITIES (PVT.) LTD.	114	
FIRST NATIONAL EQUITIES LIMITED	1	
MAPLE LEAF CAPITAL LIMITED	1	
<b>Sub-Totals :</b>	<b>1,328,384</b>	<b>0.60</b>
<b>INDIVIDUAL</b>		
Local - Individuals	5,427,368	
<b>Sub-Totals :</b>	<b>5,427,368</b>	<b>2.47</b>
<b>G-Totals :</b>	<b>220,000,000</b>	<b>100.00</b>

**APNA MICROFINANCE BANK LIMITED**  
**LIST OF CDC BENEFICIAL OWNERS HOLDING SHARES 5.00% AND ABOVE**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Serial Number	CDC Folio Number	Name, Father/Husband Name & Address of Share Holder(s)	Number of Shares
1	CDC-05264-036702C	MUHAMMAD AKRAM SHAHID CHAUDHRY MUHAMMAD RASHID 70-E,MODEL TOWN,LAHORE	11996890
2	CDC-03525-079285IIA	QAMAR UZ ZAMAN MAHR MUHAMMAD ASHRAF 481-Z, PHASE III,DHA,LAHORE	48692325
3	CDC-03277-057265CIA	THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED SUITE # 204, 2nd FLOOR, MADINA CITY MALL ABDULLAH HAROON ROAD,KARACHI.	82078909
<b>Total Shares</b>			<b>142768124</b>

**LIST OF CDC BENEFICIAL OWNERS, HOLDING SHARES BY SPONSORS DIRECTORS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Serial Number	CDC Folio Number	Name, Father/Husband Name & Address of Share Holder(s)	Number of Shares
1	CDC-05264-036702C	MUHAMMAD AKRAM SHAHID CHAUDHRY MUHAMMAD RASHID 70-E,MODEL TOWN, LAHORE	11996890
2	CDC-03525-079255IIA	MUHAMMAD AZAM CHEEMA MUHAMMAD KHAN AURIGA GROUP,33 KM,MULTAN ROAD LAHORE	7010799
3	CDC-03525-079285IIA	QAMAR UZ ZAMAN MAHR MUHAMMAD ASHRAF 481-Z, PHASE III,DHA,LAHORE	48692325
4	CDC-03277-057265CIA	THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED SUITE # 204, 2nd FLOOR, MADINA CITY MALL ABDULLAH HAROON ROAD,KARACHI.	82078909
5	CDC-03525-079254IIA	SHAHIDA BILQUIS MUHAMMAD SAEED AKHTAR 128-E-II, MODEL TOWN,LAHORE	11430794
6	CDC-05264-028998C	MUHAMMAD FAROOQ ABID TUNG HOUSE NO.9-E, UPPER MALL LAHORE	3406792
<b>Total</b>			<b>164616509</b>

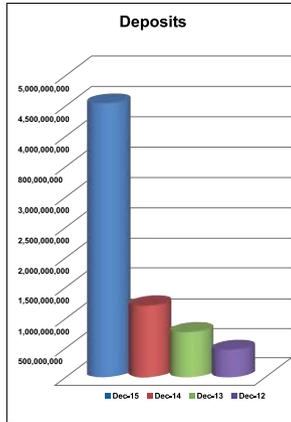
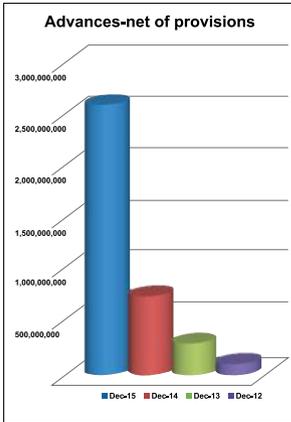
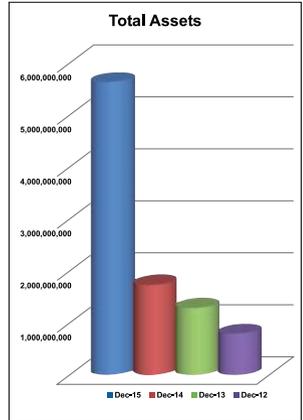
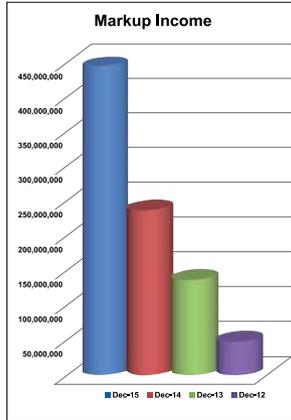
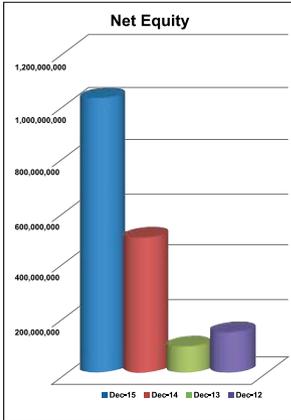
**APNA MICROFINANCE BANK LTD.**  
Key Financial and Operational Data at a Glance

**Position for the Year Ended**

	% 2015 Vs 2014	Dec. 15 Rupees	% 2014 Vs 2013	Dec. 14 Rupees	Dec. 13 Rupees	Dec. 12 Rupees
<b>FINANCIAL DATA</b>						
Total Assets	222.38%	5,670,478,820	33.93%	1,758,954,506	1,313,382,730	814,817,866
Advances-net of provisions	237.85%	2,588,423,092	140.16%	766,138,548	319,016,883	121,788,004
Deposits	280.95%	4,546,697,079	56.62%	1,193,506,624	762,025,569	468,024,864
Share Capital	100.00%	2,200,000,000	266.67%	1,100,000,000	300,000,000	300,000,000
Share Deposit money	-	-	-100.00%	-	403,300,000	153,000,000
	212.81%	2,200,000,000	56.41%	1,100,000,000	703,300,000	453,000,000
Net Equity	103.05%	1,030,113,789	391.75%	509,329,478	103,169,116	156,490,508
Accumulated Loss	15.20%	(221,485,690)	-2.34%	(192,270,001)	(196,880,895)	(143,559,503)
<b>OPERATING DATA</b>						
Mark-up / return / interest earned	86.77%	447,154,900	71.84%	239,418,864	139,325,686	50,188,635
Mark-up / return / interest expensed	137.38%	(187,445,668)	50.82%	(78,963,877)	(52,354,812)	(16,771,663)
Administrative expenses	112.35%	(351,792,126)	33.00%	(165,664,970)	(124,559,804)	(84,753,436)
Profit / (Loss) before taxation	-379.16%	(24,346,382)	-116.73%	8,721,335	(52,120,573)	(48,812,717)
Profit / (Loss) after taxation	-575.22%	(29,215,689)	-111.53%	6,147,859	(53,321,392)	(49,314,623)
EPS	-328.57%	(0.16)	-103.93%	0.07	(1.78)	(1.64)



## APNA MICROFINANCE BANK LTD. Key Financial and Operational Data at a Glance



## Directors' Report

On behalf of the Board of Directors, I am pleased to present the audited Financial Statements of the Bank for the year ended December 31, 2015.

### Operational and Financial Review

The operational highlights for the year under review are;

Particulars	31 Dec. 2015	31 Dec. 2014	% Change
	Audited	Audited	
Advances-net of provisions	2,588,423,092	766,138,548	237.85%
Deposits and other accounts	4,546,697,079	1,193,506,624	280.95%
Mark-up/return/interest earned	447,154,900	239,418,864	86.77%
Mark-up/return/interest expensed	(187,445,668)	(78,963,877)	137.38%
Administrative expenses	(351,792,126)	(165,664,970)	112.35%
Profit / (loss) after taxation	(29,215,689)	6,147,859	(575.22%)
EPS	(0.16)	0.07	(328.57%)

The profit & loss account of the Bank has shown a loss after tax in the current year amounting to PKR 29.216 million as compared to a profit of PKR 6.148 million in the year 2014. The equity (net of losses) of the bank stood at PKR 1,030.114 million and the total assets have grown to PKR 5,670.479 million from PKR 1,758.955 million as at 31, December 2015. The major factor attributable to this loss is the increase in administrative and operational costs as a result of the branch network expansion during the year.

Since the beginning of this financial year the management is intensively working on increasing their foot prints in those areas which are still unbanked and where absorptive capacity for micro finance services exists. On achieving the national level license from State Bank of Pakistan (SBP) the management continued with this growth strategy by enhancing their presence in other provinces of Pakistan. The bank has opened 32 new branches in Punjab, 12 in Sindh, 5 in Khyber Pakhtunkhwa and a further of 1 branch each has been opened in Gilgit, Azad Kashmir and Baluchistan. This brings the total number of new branches opened during the year to 52.

As per Bank's plan to increase lending in the year 2015 and as expected, the advances portfolio has shown a healthy growth and has increased to PKR 2,654.416 million in comparison to December 31, 2014 figure of PKR 798.673 million registering a rise of 232.35%. The bank's liquidity profile remains strong at PKR 2,254.127 million in liquid assets which is approximately 39.75% of our total assets.

As a result of the managements approach to improve its markup income by rationalizing its returns on funds deployed, the interest/mark-up income shows an increase of 86.77% over the last year. However markup interest expense has increased by 137.38% over the year, this increase could be rationalized due to increase in quantum of deposits by 280.95%. Future strategy of the management is to attract low cost deposits which will hopefully cover future/ upcoming cost.

The administrative expenses have increased by 112.35% over the figures of the last year. The major factor attributable to this rise is the increase in manpower as a direct result of the new branches opened during the year. For the coverage of the bank's growth and expansion strategy in the current year the bank persisted with the hiring of professional and competent people to further strengthen the team to bring efficiency in the Internal Controls over system & procedures. The management is focusing its efforts on extensive training of existing HR in order to bring efficiency and order in operations.

The ratio of non-performing (NPLs) is reduced from 12.69% to 4.49% from 2014, however the provision against NPLs loans has increased by PKR. 33.46 million in the current year as compared to the last year's figure of PKR. 25.55 registering an increase of 30.96%. The management is making intensive efforts for the recovery of NPLs and setting a new strategy to reduce the quantum of NPLs. We are hopeful that ratio and quantum of NPL will be reduced under our new recovery campaign.

The management has successfully obtained the membership of NIFT, in this respect a Service Level Agreement with NIFT has been signed and centralized clearing in Karachi & Lahore for selected branches has started from the current year.

The management has successfully obtained NOC from State Bank of Pakistan and entered into agreement with U-FONE for introducing Mobile Banking to its customers and this new technology based service to customers will not only enhance the goodwill of the Bank but will also rank the Bank above other peers in the industry providing these advanced level of services.

In view of the ongoing and planned expansion in Punjab, KPK and Baluchistan, the management shifted their Head Office to Lahore after due approval of State Bank of Pakistan. The renovation work on the identified site was completed during the current year.

#### **Future Outlook**

As per phase two (2) of the bank's policy of continued expansion the management plans to open 53 new branches in 2016 in different cities across Pakistan. In this regard the management has already initiated correspondence with SBP for due approval. The expansion plan for 2016 includes 44 new branches to be opened in Punjab, 1 in Sindh, 6 in Khyber Pakhtunkhwa and 1 branch each in Gilgit and Azad Kashmir. The management is preferably considering opening new branches only in unbanked micro finance area so that the deserving customers could be served. We are confident that opportunities in Punjab and KPK will definitely support in the growth of our business.

#### **Credit Rating**

The Pakistan Credit Rating Agency (Pvt) Ltd. has upgraded the long term rating for the Bank from "BBB" (Triple B) to "BBB+" (Triple B+) and maintained the short term rating at "A3" (A Three), with a "Stable future Outlook". The ratings denote an adequate capacity for timely payment of financial commitments.

#### **Corporate Governance**

As required under the Code of Corporate Governance, the Board of Directors states that:

- The Financial Statements has been prepared by the management of the Bank and present fairly the state of affairs of the bank, the results of its operations, cash flow statement and statements of changes in equity.
- Proper books of accounts of the bank have been maintained.
- Accounting policies as stated in the notes to the accounts have been consistently applied preparation of the financial statements, accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applied in Pakistan have been followed in preparation of the financial statements.
- The system of internal controls is sound in design and has been effectively implemented and monitored.
- There is no doubt about the ability of the Bank to continue as a going concern.
- No payment has been remained outstanding on account of any taxes, duties, levies and charges.

#### **Employees Benefit Scheme**

The bank operates a funded provident fund scheme covering all its permanent employees. The un-audited balance of the fund as at December 31, 2015 is PKR 5.979 million (2014: PKR 4.122 million - Audited restated).

#### **Transfer Pricing**

All transactions with related parties undertaken during the financial year were at arm's length using comparable controlled price method, as admissible in the best interest of the Bank.

#### **Audit Observations**

The external auditors have modified their audit report upto the extent of prior year qualification on restructured/rescheduled cases.

#### **Auditors**

Our auditors M/s RSM Avais Hyder Liaquat Nauman Chartered Accountants, being eligible to carryout audit of the Bank, have provided their consent for re-appointment as Auditors of the Bank. The Board recommended for their appointment for the year ending December 31, 2016.

#### **Pattern of Shareholding**

The pattern of shareholding is annexed to the annual report.

#### **Acknowledgement**

We would like to take this opportunity to thank our valued clients, shareholders and other stakeholders for their patronage and confidence and our management and employees for their dedication and hard work.

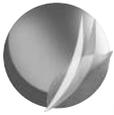
We would also like to express our gratitude to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange for their continued guidance and support.

Lahore: March 4th, 2016

On behalf of the Board



Muhammad Farooq Abid Tung  
President and CEO



## ڈائریکٹرز رپورٹ

یوزر کے ڈائریکٹرز کی طرف سے میں اس بات پر خوش ہوں کہ بینک کے پورے سال کی گئی مالیاتی اہمیت پیش کر رہا ہوں۔  
آپ ریٹیل اور مالیاتی نظر ثانی۔

2015 کی آپریٹنگ نظر ثانی کی چیدہ چیدہ باتیں درج ذیل ہیں:

کوائف	2015 ستمبر 31 آؤنڈ	2014 ستمبر 31 آؤنڈ	% تبدیلی
فراہم کیا گیا کل ایڈوائس (پروڈن کے بعد)	2,588,423,092	766,138,548	237.85%
ڈپازٹس اور دیگر اکاؤنٹس	4,546,697,079	1,193,506,624	280.95%
مارک اپ آمدنی	447,154,900	239,418,864	86.77%
مارک اپ خرچ	(187,445,668)	(78,963,877)	137.38%
اشٹھامی اخراجات	(351,792,126)	(165,664,970)	112.35%
نفع (نقصان) بعد از ٹیکس اور اینگی	(29,215,689)	6,147,859	(575.22%)
EPS	(0.16)	0.07	(328.57%)

بینک کے نفع اور نقصان کے کاؤنٹ سے یہ بات واضح ہوتی ہے کہ ٹیکس کی ادائیگی کے بعد 2015 میں 29,216 ملین (پاکستانی روپے) کا نقصان ہوا جبکہ مقابلہ 2014 میں 6,148 ملین (پاکستانی روپے) کا منافع ہوا تھا۔ بینک کے کل ایکٹیو سال 2015 میں 1,030,114 ملین (پاکستانی روپے) جبکہ بینک کے کل اثاثے جو کہ رواں سال 1,758,995 ملین (پاکستانی روپے) سے بڑھ کر 5,670,479 ملین (پاکستانی روپے) ہو گئے ہیں۔ اس نقصان کی بڑی وجہ انتظامی اور آپریٹنگ اخراجات میں اضافہ تھا جو کہ 2015 میں پانچ فیصد روک کی وجہ سے ہوا۔

2015 کی ابتداء سے ہی انتظامیہ اس بات سے لئے کوشش کرتی رہی کہ عموماً عموماً میں اپنے قدم جانے جہاں ایک ٹیکس کی سہولتیں میسر نہیں ہیں اور جہاں چھوٹی مالیاتی خدمات کے لئے کافی گنجائش موجود ہے۔ اسٹیٹ بینک آف پاکستان سے قومی سطح کا لائسنس حاصل کرنے پر انتظامیہ نے پاکستان کے دوسرے صوبوں میں زیادہ سے زیادہ اپنے آپ کو روٹھاس کرانے سے اضافے کی پالیسی جاری رکھی۔ بینک نے پنجاب میں 32 نئی شاخیں، سندھ میں 12 اور خیبر پختونخوا میں 5 نئی شاخیں قائم کیں۔ بینک نے مزید ایک ایک شاخ غلگت، آزاد کشمیر اور بلوچستان میں بھی قائم کی ہے۔ اس طرح 2015 کے دوران ایک نئی گئی کل شاخوں کی تعداد 52 ہے۔

2015 میں بینک کی قرضے فراہم کرنے کی پالیسی اور قواعد کے مطابق ایڈوائس پورٹ فولیو نے ایک اچھا اضافہ ظاہر کیا ہے جو کہ 798.673 ملین (پاکستانی روپے) سے بڑھ کر 2,654.416 ملین (پاکستانی روپے) ہو گیا ہے۔ اس طرح اضافے کی شرح 232.35 فیصد بنتی ہے بینک کی گلوبل پینڈی پروفاٹس 2,254.127 ملین (پاکستانی روپے) کی ٹھوس سطح پر رہی جو کہ ہمارے کل اثاثوں کا تقریباً 39.75 فیصد ہے۔ انتظامیہ نے مارک اپ کی آمدنی بڑھانے کے لئے، لگاتار جانے والے فنڈز پر حاصل ہونے والی رقموں کو مناسب سطح پر رکھنے کی پالیسی اختیار کی۔ مارک اپ کی آمدنی میں پچھلے سال کے مقابلے میں 86.77 فیصد اضافہ ہوا تاہم رواں سال مارک اپ کے خرچے میں 137.38 فیصد تک اضافہ ہوا۔ یہ اضافہ 280.95 فیصد ڈیپازٹری رقم میں اضافے کی وجہ سے ہوا ہے۔ انتظامیہ کی مستقل کی پالیسی میں یہ بات شامل ہے کہ ہم مارک اپ والے ڈیپازٹرز کو زیادہ سے زیادہ بڑھا دیا جائے اس اضافے سے امید کی جاتی ہے کہ مستقبل کے اخراجات پورے ہو سکیں گے۔

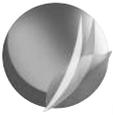
انتظامی اخراجات میں پچھلے سال کے مقابلے میں 112.35 فیصد تک اضافہ ہوا ہے۔ اس اضافے کی ایک بڑی وجہ فراہمی قوت میں اضافہ ہے جو کہ 2015 میں نئی شاخیں کھولنے کی صورت میں ہوا۔ 2015 میں بینک کی وجہ سے بینک کی پالیسی کو پورا کرنے کے چیلنجز پیش آئے اور قابل لوگوں کو ملازمت پر رکھنا تاکہ ٹیم کو مزید مضبوط کیا جائے اور سسٹم اور طریقے کار پر اندرونی کنٹرول بہتر ہو۔ انتظامیہ اس بات سے لئے کوشاں ہے کہ یہ صوبہ فراہمی قوت کو اضافی ٹریڈنگ کروائی جائے تاکہ کارکردگی کو مزید بہتر بنایا جائے اور آپریٹنگ کوسٹ تیب دیا جائے۔

2014 سے NPLs کی شرح 12.69 فیصد سے 4.49 فیصد تک کم کی گئی ہے تاہم NPLs قرضوں کی مدد میں رکھی گئی پروڈنٹی 33.46 ملین (پاکستانی روپے) سے بڑھ گئی ہے۔ سال 2014 میں یہ پروڈنٹی 25.55 ملین (پاکستانی روپے) تھی جو کہ 30.96 فیصد کا اضافہ ہے۔ انتظامیہ اپنی پھر پور کوشش کر رہی ہے کہ NPLs کے حصول کو یقینی بنایا جائے تاکہ NPLs کی تعداد کم سے کم کی جائے تاہم اس کے ساتھ ساتھ NPLs کی شرح اور تعداد ہمارے نئے وصولیوں کے تحت کم ہوگی۔

انتظامیہ نے نہایت کامیابی سے NIFT کی ممبرز شپ حاصل کر لی ہے اس سلسلے میں NIFT کے ساتھ ایک سر ویس لیول انگریجمنٹ پر دستخط ہوئے ہیں اور اس کی اور لاہور میں مخصوص شاخوں کے لئے رواں سال سے مرکزی گریڈنگ عمل میں آئی گئی ہے۔

انتظامیہ نے نہایت کامیابی سے اسٹیٹ بینک آف پاکستان سے NOC حاصل کیا ہے اور یوزن سے ایک معاہدہ کیا ہے تاکہ بینک اپنے صارفین کو ہاکی بینکنگ متعارف کرانے اور صارفین کو مدد دینے والی نئی ٹیکنالوجی والی سر ویس صرف بینک کی شہرت میں اضافہ کرنے کی بلکہ یہ جدید قسم کی سر ویس ڈیجیٹل سہولتیں کے مقابلے میں ہمارے بینک کو نمایاں مقام دے گی۔

پانچاب، خیبر پختونخوا اور بلوچستان میں جاری منصوبوں کی وجہ سے مد نظر رکھتے ہوئے، انتظامیہ نے اسٹیٹ بینک آف پاکستان کی منظوری کے بعد اپنا ہیڈ آفس لاہور منتقل کیا۔ اس ہیڈ آفس پر ترقیاتی کام رواں سال کے درمیان مکمل ہوں گے۔



مستقل کے ساتھ ادارہ کار۔

بینک کی پالیسی کے دور سے نئے وسعت سے متعلق انتظامیہ نے اس بات کا منصوبہ بنایا ہے کہ 53 فی صدیوں پاکستان کے مختلف شہروں میں 2016 میں کوئی جائیگی۔ اس سلسلے میں انتظامیہ پہلے ہی اسٹیٹ بینک آف پاکستان سے منظوری کے لئے خط و کتابت شروع کر چکی ہے۔ 2016 کے وسعت کے اس منصوبے میں یہ بات شامل ہے کہ بنجاب میں 44 فی صدیوں سندھ میں ایک شاخ، خیبر پختون خواہ میں 6 شاخیں اور ایک ایک شاخ گلگت اور آزاد کشمیر میں کوئی جائے۔ انتظامیہ درجہ بندی بنیادوں پر ہی شاخیں صرف ایسے علاقوں میں کھولنے پر غور کر رہی ہے جہاں چھوٹے پیمانے پر پیسہ فراہم کرنے کے لئے بینک موجود نہیں ہیں تاکہ مستحق صارفین کی خدمت کی جاسکے۔ ہمیں اس بات کا بھرپور یقین ہے کہ بنجاب اور خیبر پختون خواہ میں یہ سہولیات فراہم کرنے سے ہمارے برنس میں یقیناً خاطر خواہ اضافہ ہوگا۔

کرڈینر بینک:-

پاکستان کرڈینر بینک ایجنسی (پرائیویٹ) لمیٹڈ نے بینک کی طویل عرصے کی ریٹنگ "BBB" (تین مرتبہ B) سے بڑھا کر "BBB+" (تین مرتبہ B+) (کرڈینر بینک ایجنسی لمیٹڈ) کو "A3" اے قمری "پر برقرار رکھا ہے۔ جو کہ مستقل کے لئے معقولاً کارہاں ہیں۔ اس Ratings پر یہ بات ظاہر ہوتی ہے کہ بینک اپنے مالیاتی وعدوں کو بروقت پورا کرنے کی صلاحیت رکھتا ہے۔

کارپوریٹ گورننس:-

کارپوریٹ گورننس کے قانون کے مطابق، بورڈ آف ڈائریکٹرز بیان دیتے ہیں کہ:

- ۱۔ مالیاتی اسٹیٹمنٹس، بینک کی انتظامیہ نے تیار کیں ہے۔ بینک کی انتظامیہ نے بینک کے معاملات، پریزنٹس، کیچ بک، بلو اسٹیٹمنٹ اور ایکٹیوٹی میں تبدیلی کو صحیح انداز میں بیان کیا ہے۔
- ۲۔ بینک کے کھاتے مناسب طریقے سے نئے کئے گئے ہیں۔
- ۳۔ اکاؤنٹنگ کی حکمت عملیاں جیسا کہ اکاؤنٹس میں بیان کی گئی ہیں، مالیاتی اسٹیٹمنٹس کی تیاری میں متواتر استعمال ہوتی رہی ہیں۔ اکاؤنٹنگ کے اعزاز سے بڑی احتیاط اور مناسب فیصلوں کی بنیادوں پر کئے گئے ہیں۔
- ۴۔ مالیاتی اسٹیٹمنٹس کی تیاری میں اسٹیٹمنٹس کا ڈیٹا اسٹیٹمنٹرز اپنائے گئے ہیں جو کہ پاکستان میں استعمال کیا جاتا۔
- ۵۔ انٹرنل کنٹرول کا نظام مضبوط بنیادوں پر ترتیب دیا گیا ہے اور مزید انداز میں عمل میں لایا گیا ہے اور باعمل جانزدایا گیا ہے۔
- ۶۔ بینک کی قابلیت سے متعلق کوئی ٹک ڈیفینٹس ہے کہ وہ پروڈیکٹ کو مالیاتی سے جاری نہ کر سکے۔
- ۷۔ گورنمنٹ ڈپوٹی ٹیکس کی مدد میں بینک پر کوئی بھی جمعیت واجب الادا نہیں ہے۔

ملازمین کے فائدے کی اسکیم:-

بینک اپنے مستقل ملازمین کے لئے فنڈ ڈیویڈنڈ فنڈز ممبریا کرتا ہے۔ 31 دسمبر 2015 کو فنڈز کا ڈیویڈنڈ کے لئے فیصد 5.979 ملین (پاکستانی روپے) ہے جو کہ 2014 میں ڈیویڈنڈ 4.122 ملین (پاکستانی روپے) تھا۔

فرائض پر انگ:-

متعلقہ پارٹیز کے ساتھ کی تمام مہماز بیکسٹیر مالیاتی سال کے درمیان کی گئیں۔ ان میں مناسب قیمت کا طریقہ کار استعمال کیا گیا جو کہ بینک کے بھرپور مفاد میں ہے۔

آڈٹ کا نتیجہ:-

ایکسٹرنل آڈیٹرز نے اپنی آڈٹ رپورٹ میں پچھلے سال کی اسٹریکچر ڈائریکٹرز اور ایڈمنسٹریٹو ڈیپارٹمنٹ کے بارے میں اپنی رائے کو مدد دینے لیا ہے۔

آڈیٹرز:-

ہمارے آڈیٹرز میسرز آر۔ ایس۔ ایم او ایس ایچ ریلٹیوٹ انمان چارٹرڈ اکاؤنٹنٹس، ہمارے بینک کے آڈٹ کرنے کے اہل ہیں۔ انہوں نے ہمارے بینک کو دوبارہ آڈٹ کرنے پر آمادگی ظاہر کی ہے۔ بورڈ نے 31 دسمبر 2016 تک کے لئے انہیں آڈیٹنگ کے لئے رکھ رکھا گیا ہے۔

شمیر ہولڈنگ پوزیشن:-

شمیر ہولڈنگ کا طریقہ کار سالانہ رپورٹ کے ساتھ لگا دیا گیا ہے۔

تعلیمات:-

ہم اپنے گراں قدر صارفین، شمیر ہولڈرز اور دوسرے اسٹیک ہولڈرز کے دل سے متشکر ہیں کہ ان کی سرپرستی اور اعتماد ہمارے ساتھ شامل حال رہا۔ ہم اپنی انتظامیہ اور ملازمین کا بھی شکریہ ادا کرتے ہیں کہ ان کی اخصت مستقل جاری رہی۔

ہم اسٹیٹ بینک آف پاکستان، سیکورٹی اور ایچ ایچ کیو آف پاکستان اور پاکستان اسٹاک ایکسچینج کی کون کی رہنمائی کی وجہ سے شکریہ ادا کرتے ہیں۔

بورڈ کی طرف سے  
*Mumtaz*  
محمد فاروق ماہدنگ  
صدر ای۔ ای۔ او

لاہور۔ 4 مارچ 2016

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of APNA MICROFINANCE BANK LIMITED ("the Bank") as at December 31, 2015, and the related profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Bank's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984 and the Microfinance Institutions Ordinance, 2001. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) During the year ended December 31, 2014, the bank rescheduled / restructured around 2,068 cases having outstanding principal and mark-up aggregating to Rupees 106.36 million. The predecessor auditor expressed a qualified opinion on this matter for determining whether any provision might have been necessary owing to limitations of the Bank's information system. During the year out of Rupees 106.36 million, loans amounting to Rupees 76.43 million were settled/adjusted and loans amounting to Rupees 29.93 million were outstanding at year end. Provision required as per Prudential Regulations for Microfinance Banks of Rupees 23.33 million on outstanding loans of Rupees 29.93 million has been made in the financial statements. Our opinion on the current period financial statements is modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Except for the effects of adjustments, if any, as might have been determined to be necessary, had we been able to satisfy ourselves in respect of the matters stated in the preceding paragraph (a) we report that:

- (b) in our opinion, proper books of account have been kept by the Bank as required by the Companies Ordinance, 1984 and the Microfinance Institutions Ordinance, 2001;
- (c) in our opinion:
- i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with Companies Ordinance, 1984 and the Microfinance Institutions Ordinance, 2001 and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;
  - ii. the expenditure incurred during the year was for the purpose of the Bank's business; and
  - iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank;
- (d) in our opinion and to the best of our information and according to the explanations given to us, except for the possible effects on the corresponding figures of the matter described in paragraph (a) above, the balance sheet, profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 and Microfinance Institutions Ordinance, 2001, in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at December 31, 2015, and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and
- (e) in our opinion, Zakat was deducted at source under the Zakat and Ushr Ordinance, 1980, (XVIII of 1980).

The financial statements of the Bank for the year ended December 31, 2014 were audited by another firm of chartered accountants who expressed a qualified opinion on these statements on February 27, 2015.

**RSM Avais Hyder Liaquat Nauman**  
Chartered Accountants

**Engagement Partner: Syed Ali Adnan Tirmizey**

**Date:**

**Lahore**



**APNA MICROFINANCE BANK LIMITED  
BALANCE SHEET  
AS AT DECEMBER 31, 2015**

<b>ASSETS</b>	<b>Note</b>	<b>2015 PKR</b>	<b>2014 PKR</b>
Cash and balances with SBP and NBP	7	237,836,612	68,226,942
Balances with other banks/MFBs	8	1,758,682,849	528,251,817
Lending to financial institutions		-	-
Investments - net of provisions	9	257,598,018	190,767,143
Advances - net of provisions	10	2,588,423,092	766,138,548
Operating fixed assets	11	351,136,431	93,725,598
Other assets	12	476,801,818	111,844,458
Deferred tax asset		-	-
<b>Total assets</b>		<u>5,670,478,820</u>	<u>1,758,954,506</u>
 <b>LIABILITIES</b>			
Deposits and other accounts	13	4,546,697,079	1,193,506,624
Borrowings	14	-	-
Subordinated debt		-	-
Other liabilities	15	68,758,801	22,839,032
Deferred tax liabilities		-	-
<b>Total liabilities</b>		<u>4,615,455,880</u>	<u>1,216,345,656</u>
<b>NET ASSETS</b>		<u><b>1,055,022,940</b></u>	<u><b>542,608,850</b></u>
 <b>REPRESENTED BY:</b>			
Share capital	16	2,200,000,000	1,100,000,000
Discount on issue of shares		(950,000,000)	(400,000,000)
Statutory reserve		1,279,583	1,279,583
Depositors' protection fund		319,896	319,896
Accumulated loss		(221,485,690)	(192,270,001)
		1,030,113,789	509,329,478
Surplus / (deficit) on revaluation of assets		(50,142)	1,740,937
Deferred grants	17	24,959,293	31,538,435
Share deposit money		-	-
		<u><b>1,055,022,940</b></u>	<u><b>542,608,850</b></u>

**MEMORANDUM/OFF BALANCE SHEET ITEMS 18**

The annexed notes 1 to 35 form an integral part of these financial statements.

President/Chief Executive Officer

Chairman

Director

Director

**APNA MICROFINANCE BANK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Note	2015 PKR	2014 PKR
Mark-up/return/interest earned	19	447,154,900	239,418,864
Mark-up/return/interest expensed	20	(187,445,668)	(78,963,877)
<b>Net mark-up/interest income</b>		<b>259,709,232</b>	<b>160,454,987</b>
Provision against non-performing loans and advances	10.3	(33,458,766)	(25,549,731)
Provision for diminution in the value of investments		-	-
Recovery against bad debts written off		3,323,328	5,973,069
Bad debts written off directly		-	-
		(30,135,438)	(19,576,662)
<b>Net mark-up/interest income after provisions</b>		<b>229,573,794</b>	<b>140,878,325</b>
<b>Non mark-up/non interest income</b>			
Fee, commission and brokerage income		39,775,757	9,423,475
Dividend income		-	-
Other income	21	58,096,193	24,084,505
Total non mark-up/non interest income		97,871,950	33,507,980
		<b>327,445,744</b>	<b>174,386,305</b>
<b>Non mark-up/non interest expenses</b>			
Administrative expenses	22	(351,792,126)	(165,664,970)
Other provisions/write offs		-	-
Other charges		-	-
Total non mark-up/non interest expenses		(351,792,126)	(165,664,970)
		(24,346,382)	8,721,335
Extra ordinary/unusual items		-	-
<b>Profit / (loss) before taxation</b>		<b>(24,346,382)</b>	<b>8,721,335</b>
Taxation - Current	23	(4,869,307)	(2,548,154)
Prior years		-	(25,322)
Deferred		-	-
		(4,869,307)	(2,573,476)
<b>Profit / (loss) after taxation</b>		<b>(29,215,689)</b>	<b>6,147,859</b>
Accumulated loss brought forward		(192,270,001)	(196,880,895)
		<b>(221,485,690)</b>	<b>(190,733,036)</b>
<b>Appropriations</b>			
Transfer to			
Statutory reserve		-	(1,229,572)
Capital reserve		-	-
Contribution to MSDF/ DPF/ RMF		-	(307,393)
Revenue reserve		-	-
Proposed cash dividend Rupee Nil per share (2014: Rupee Nil per share)		-	-
Others		-	-
		-	(1,536,965)
<b>Accumulated loss carried forward</b>		<b>(221,485,690)</b>	<b>(192,270,001)</b>
<b>Earnings / (loss) per share - basic and diluted (2014: restated)</b>	24	<b>(0.16)</b>	<b>0.07</b>

The annexed notes 1 to 35 form an integral part of these financial statements.



President/Chief Executive Officer



Chairman



Director



Director



**APNA MICROFINANCE BANK LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015 PKR	2014 PKR
<b>Profit / (loss) after taxation</b>	<b>(29,215,689)</b>	<b>6,147,859</b>
Other comprehensive income		
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>(29,215,689)</b>	<b>6,147,859</b>
Components of comprehensive income not reflected in equity		
Net change in fair value of available-for-sale investments	(1,791,079)	3,188,967
<b>Total comprehensive income / (loss) for the year</b>	<b><u>(31,006,768)</u></b>	<b><u>9,336,826</u></b>

Surplus / (deficit) on revaluation of available-for-sale investments is presented under a separate account below equity in accordance with the format of financial statements as prescribed under BSD Circular No. 11 dated 30 December 2003 issued by the State Bank of Pakistan.

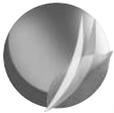
The annexed notes 1 to 35 form an integral part of these financial statements.

\_\_\_\_\_  
President/Chief Executive Officer

\_\_\_\_\_  
Chairman

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Director

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Director



**APNA MICROFINANCE BANK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 PKR	2014 PKR
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		(24,346,382)	8,721,335
Profit / (loss) before taxation			
<b>Adjustments for non-cash items</b>			
Depreciation		17,541,539	9,404,402
Amortization of intangibles		9,645,750	9,033,866
Amortization of deferred grants		(23,648,573)	(15,304,616)
Amortization of premium on PIBs		-	1,048,039
Amortization of discount on TFCs		(1,541,706)	(599,892)
Provision against non-performing advances		33,458,766	25,549,731
Fair value adjustment on investments classified as held-for-trading		(617,156)	(263,505)
Loss on outright sale of PIBs		-	1,000,584
Loss / (Gain) on disposal of fixed assets - net		997,594	(1,274,013)
		<u>35,836,214</u>	<u>28,594,596</u>
<b>Operating cash flow before working capital changes</b>		11,489,832	37,315,931
<b>Changes in working capital</b>			
<b>(Increase)/decrease in operating assets</b>			
Advances		(1,855,743,310)	(472,671,396)
Other assets		(358,064,475)	(64,544,937)
		<u>(2,213,807,785)</u>	<u>(537,216,333)</u>
<b>Increase / (decrease) in operating liabilities</b>			
Deposits		3,353,190,455	431,481,055
Other liabilities		45,919,769	(11,443,159)
		<u>3,399,110,224</u>	<u>420,037,896</u>
<b>CASH FLOW FROM OPERATIONS</b>		1,196,792,271	(79,862,506)
Income tax paid		(6,942,361)	(4,536,558)
Net cash (used in) / flow from operating activities		<u>1,189,849,910</u>	<u>(84,399,064)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Net investments in available for sale securities		87,845,513	72,824,074
Net investments in held for trading securities		(11,638,505)	39,625,000
Net investments in held to maturity securities		(141,742,418)	(10,135,740)
Investments in operating fixed assets		(290,568,909)	(28,497,696)
Investments in intangible assets		(774,320)	(3,333,547)
Sale proceeds of operating fixed assets disposed off		-	2,296,740
Net cash flow from / (used in) investing activities		<u>(356,878,639)</u>	<u>72,778,831</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Share deposit money-net		550,000,000	(3,300,000)
Grant received from SBP - Net		17,069,431	43,822,788
Net cash flow from financing activities		<u>567,069,431</u>	<u>40,522,788</u>
<b>Increase in cash and cash equivalents during the year</b>		1,400,040,702	28,902,555
<b>Cash and cash equivalents at the beginning of the year</b>		596,478,759	567,576,204
<b>Cash and cash equivalents at the end of the year</b>	25	<u>1,996,519,461</u>	<u>596,478,759</u>

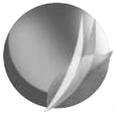
The annexed notes 1 to 35 form an integral part of these financial statements.

President/Chief Executive Officer

Chairman

Director

Director



**APNA MICROFINANCE BANK LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share Capital	Discount on Issue of Shares	Statutory Reserve	Depositors' Protection Fund	Accumulated Loss	Total
	PKR					
<b>Balance as at 31 December 2013</b>	300,000,000	-	50,011	12,503	(196,880,895)	103,181,619
Issue of right shares	800,000,000	(400,000,000)	-	-	-	400,000,000
<b>Comprehensive income for the year</b>						
Profit after taxation	-	-	-	-	6,147,859	6,147,859
Transfer to Statutory Reserve *	-	-	1,229,572	-	(1,229,572)	-
Transfer to Depositors' Protection Fund (DPF) **	-	-	-	307,393	(307,393)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,229,572	307,393	4,610,894	6,147,859
<b>Balance as at 31 December 2014</b>	<b>1,100,000,000</b>	<b>(400,000,000)</b>	<b>1,279,583</b>	<b>319,896</b>	<b>(192,270,001)</b>	<b>509,329,478</b>
Issue of right shares	1,100,000,000	(550,000,000)	-	-	-	550,000,000
<b>Comprehensive loss for the year</b>						
Loss after taxation	-	-	-	-	(29,215,689)	(29,215,689)
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(29,215,689)	(29,215,689)
Transfer to Statutory Reserve *	-	-	-	-	-	-
Transfer to Depositors' Protection Fund (DPF) **	-	-	-	-	-	-
<b>Balance as at 31 December 2015</b>	<b>2,200,000,000</b>	<b>(950,000,000)</b>	<b>1,279,583</b>	<b>319,896</b>	<b>(221,485,690)</b>	<b>1,030,113,789</b>

\* The Prudential Regulations for microfinance banks require the microfinance banks to create a statutory reserve to which shall be credited an amount equal to at least 20% of its annual Profits after taxes till such time the reserve fund equals to Paid-up Capital of Microfinance bank and thereafter, an amount not less than 5% of its annual Profits after taxes.

\*\* The Microfinance Institutions Ordinance, 2001 requires microfinance banks to maintain Depositors' Protection Fund (DPF) for the purpose of mitigating risk of its depositors to which shall be credited not less than 5 percent of the annual profit after taxes.

The annexed notes 1 to 35 form an integral part of these financial statements.

President/Chief Executive Officer

Chairman

Director

Director

**APNA MICROFINANCE BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**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 Companies Ordinance, 1984. The Bank was granted a certificate of commencement of business on December 28, 2004 and its operations started from 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. During the year the Bank has been licensed to operate at national level in Pakistan. As at the reporting date, the Bank operates 69 branches (2014: 17 branches) and its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi.
- 1.2 During the year, the bank has achieved the status of national level microfinance bank pursuant to license issued by state Bank of Pakistan and its equity (free of losses) as at the balance sheet date meets the minimum capital requirements (MCR) of Rupees 1,000 million as stipulated in Prudential Regulations for Microfinance Banks.

**2 BASIS OF PRESENTATION**

These financial statements have been presented in accordance with BSD Circular No.11 dated 30 December 2003 issued by the State Bank of Pakistan (SBP).

**3 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 the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions 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). Wherever the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks / Institutions or the directives issued by the SECP and SBP differ with the requirements of the IFRSs, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks / Institutions or the requirements of the said directives shall prevail.

- 3.1 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 411(1) / 2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars.
- 3.2 **Standards, amendments and interpretations to published approved accounting standards that are not yet effective**

The following standards, amendments and interpretation of approved accounting standards will be effective for the accounting periods beginning on or after January 1, 2016:

<b>Accounting Standard</b>	<b>Description</b>	<b>Effective date (accounting period beginning on or after)</b>
FRS – 5	- Non-current Assets Held for Sale and Discontinued Operations (Amendments)	1-Jul-16
IFRS – 7	- Financials Instruments: Disclosures (Amendments)	1-Jul-16
IAS – 1	- Presentation of Financial Statements (Amendments)	1-Jan-16
IAS – 16	- Property, Plant and Equipment (Amendments)	1-Jan-16
IAS – 19	- Employee Benefits (Amendments)	1-Jan-16
IAS – 27	- Separate Financial Statements (Amendments)	1-Jan-16
IAS – 28	- Investment in Associates and Joint Ventures (Amendments)	1-Jan-16
IAS – 34	- Interim Financial Reporting (Amendments)	1-Jan-16
IAS – 38	- Intangible Assets (Amendments)	1-Jan-16
IFRS 13	- Fair Value Measurement	1-Jan-16

There are other new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after January 01, 2015 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these financial statements.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

#### **4 BASIS OF MEASUREMENT**

These financial statements have been prepared under the historical cost convention except for certain investments which are measured as per accounting policy disclosed in Note 6.2.

#### **5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. The estimates / judgments and associated assumptions used in the preparation of the financial statements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The estimates, judgments and assumptions that have significant effect on the financial statements are as follows:

- Classification and valuation of investments (Note 6.2)
- Provision against non-performing advances (Note 6.3)
- Residual values and useful lives of assets and methods of depreciation (Note 6.4)
- Recognition of current and deferred taxation (Note 6.5)

## 6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted and applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 6.1 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand, balances with State Bank of Pakistan (SBP), National Bank of Pakistan and balances held with other banks in current and investment in treasury bills having maturity of less than three months.

### 6.2 Investments

The investments of the Bank, upon initial recognition, are classified as held-for-trading, held-to-maturity or available-for-sale, as appropriate.

Investments (other than held-for-trading) are initially measured at fair value plus transaction costs associated with investments. Held-for-trading investments are initially measured at fair value and transaction costs are expensed out in the profit and loss account.

Purchase and sale of investments that require delivery within the time frame established by regulation or market convention are recognized at the trade date, which is the date the Bank commits to purchase or sell the investments.

#### Held-for-trading

These represent securities, which are either acquired for the purpose of generating profit from short-term fluctuations in prices or dealer's margin or are securities included in the portfolio in which a pattern of short-term profit making exists. After initial measurement, such investments are carried at fair value and the surplus / (deficit) arising as a result of revaluation is taken to profit and loss account.

#### Held-to-maturity

These are securities with fixed or determinable payments and fixed maturities in respect of which the Bank has the positive intent and ability to hold to maturity. After initial measurement, such investments are carried at amortized cost less impairment, if any.

#### Available-for-sale

These represent securities, which do not fall under the held-for-trading or held-to-maturity categories. After initial measurement, such investments are measured at fair value. The surplus/ (deficit) arising on revaluation is shown in the balance sheet below equity which is taken to the profit and loss account when actually realized upon disposal.

Premium or discount on securities classified as available-for-sale and held-to-maturity is amortized using effective interest method and taken to the profit and loss account.

Provision for impairment in the value of equity securities is made after considering objective evidence of impairment. Provision for diminution in the value of debt securities is made as per the Prudential Regulations.

### 6.3 Advances including net investment in micro lease

Advances are stated net of specific and general provisions which are determined on the basis of Prudential Regulations. Advances are written off according to the Prudential Regulations or when there is no realistic prospect of recovery.

Leases, where substantially all risks and rewards incidental to ownership of an asset are transferred to the lessee, are classified as micro lease. A receivable is recognized at an amount equal to the present value of the lease payments. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income.

#### **6.4 Operating fixed assets and depreciation**

##### **Tangible**

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of property and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying asset directly attributable cost of bringing the asset to working condition. Depreciation is charged against income applying the straight line method using the rates stated in note 11.2 to the financial statements. Depreciation on additions is charged from the month in which the asset is acquired and on disposals till the month in which assets are sold.

Maintenance and repairs are charged against income as and when incurred. Subsequent costs including major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Bank.

An item of fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

The assets residual values, useful lives and methods are reviewed and adjusted, if appropriate, at each financial year end.

Gains and losses on disposals, if any, of assets are determined by comparing the sale proceeds with the carrying amount of asset and are included in income currently.

The carrying values of tangible fixed assets are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount and an impairment loss is recognized in the profit and loss account. The recoverable amount of property, plant and equipment is greater of fair value less selling costs and value in use.

##### **Intangible assets**

These are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the useful life of the asset on a systematic basis to income applying the straight line method at the rate specified in note 11.3 to the financial statements.

Amortization on additions is charged from the month in which the assets are put to use while no amortization is charged in the month in which the assets are deleted.

Software and other development costs are only capitalized to the extent that future economic benefits are expected to be derived by the Bank.

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amount.

##### **Capital work-in-progress**

All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when these assets are available for use. These are carried at cost less impairment loss, if any.

## 6.5 Taxation

### Current

Provision for current taxation is based on the taxable income at current rates of taxation after taking into consideration available tax credits and rebates, if any, in accordance with provision of Income Tax Ordinance, 2001. The charge for tax also includes adjustments, where considered necessary relating to prior years.

### Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be realized. Unrecognized deferred tax asset are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is utilized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

## 6.6 Provisions

Provisions are recognized when the Bank has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

## 6.7 Employee benefits

### Defined Contribution plan

The Bank operates approved funded contributory provident fund for all its permanent employees to whom equal monthly contributions are made both by the bank and the employees at the rate of 10% per annum of basic salary. The contributions made by the Bank are recognized as employee benefit expense when they are due.

## 6.8 Revenue recognition

Mark-up / return / interest on regular advances is recognized on accrual basis using effective interest rate method. Profit on classified advances is recognized on receipt basis.

Return on investment is recognized on accrual basis using effective interest rate method.

Income on net investment in micro lease is recognized over the term of the lease so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Income on classified micro lease is recognized on receipt basis in compliance with the Prudential Regulations issued by SBP.

Fee, commission and brokerage income is recognized when earned.

Dividend income from investments is recognized when Bank's right to receive the dividend is established.

Gain and loss on sale of securities is accounted for in the period in which the sale / settlement occurs. All exchange differences are recognized in income. Income on balances with other banks is recognized in profit and loss account as it is earned.

## **6.9 Financial instruments**

Financial instruments carried on the statement of financial position include cash and balances with State Bank of Pakistan and other banks, investments, advances and other assets, bills payable, deposits and other liabilities. Financial assets and financial liabilities are recognized at the time when the Bank becomes a party to the contractual provisions of the instruments. Financial assets are de-recognized when the contractual right to future cash flows from the asset expire or is transferred along with the risk and rewards of the asset. Financial liabilities are de-recognized when obligation specified in the contract is discharge, cancelled or expired. Any gain or loss on de-recognition of the financial assets and liabilities is recognized in the profit or loss account of the current period.

## **6.10 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognized amount and the Bank intends either to settle the assets and liabilities on a net basis or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also off-set and the net amount is reported in the financial statements.

## **6.11 Related party transactions**

Prices for transactions with related parties are determined using the comparable uncontrolled price method except for those transactions which in exceptional circumstances are specifically approved by the Board.

## **6.12 Derivative financial instruments**

Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account.

## **6.13 Deposits**

Deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities.

## **6.14 Foreign currencies**

### **Functional and presentation currency**

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

### **Foreign currency transactions**

Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange ruling on the balance sheet date. Forward foreign exchange promise /

options are valued at forward rates applicable to their respective maturities.

#### **Translation gains and losses**

Translation gains and losses are included in the profit and loss account.

### **6.15 Segment reporting**

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing product or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

#### **6.15.1 Business segments**

##### **Investments in Government Securities**

- Includes investment in market treasury bills and Pakistan Investment Bonds

##### **Retail Banking**

- It includes retail deposits and banking services

##### **Micro Finance Banking**

- Micro finance banking comprises advances provided to customers on Micro Credit and Micro Lease basis.

#### **6.15.2 Geographical segment**

The Bank has 69 branches as at 31 December 2015 (2014: 17 branches) and operates only at national level in Pakistan.

### **6.16 Deferred Grants**

Grants are initially recognized at fair value in the balance sheet when there is reasonable assurance that the grants will be received and the Bank will comply with all the attached conditions. Grants that compensate the Bank for expenses incurred are recognized as other income in the profit and loss account on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Bank for the cost of an asset are recognized in the profit and loss account as other income on a systematic basis over the useful life of the asset.

7 CASH AND BALANCES WITH SBP AND NBP	Note	2015 PKR	2014 PKR
Cash in hand – local currency	7.1	107,058,721	26,627,936
Balance with State Bank of Pakistan		122,119,149	31,804,154
Balance with National Bank of Pakistan in Current account		8,658,742	9,794,852
Deposit account		-	-
		<u>237,836,612</u>	<u>68,226,942</u>

7.1 This represents balance maintained in current account with the State Bank of Pakistan 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.

8 BALANCES WITH OTHER BANKS/MFBs	Note	2015 PKR	2014 PKR
In Pakistan			
- on current account		49,480,887	10,004,461
- on deposit account	8.1	1,259,201,962	236,247,356
- certificates of deposits	8.2	450,000,000	282,000,000
		<u>1,758,682,849</u>	<u>528,251,817</u>

8.1 These carry mark-up rates ranging from 4 to 9 percent (2014: 7.5 to 9.5 percent) per annum.

8.2 These represents Placement with different financial institutions carrying mark-up ranging from 7.1 to 9.75 percent (2014: 9.5 to 10.5 percent) per annum. Their maturity ranges from three months to one year from the date of placement.

8.3 The Bank has obtained a running finance facility of Rs. 190 million to ensure that sufficient funds are available in the current account with State Bank of Pakistan (SBP) to honor clearing obligations in case the funds in current account with SBP fall short. These borrowings are secured against lien over time deposit receipt of Rs. 200 million in the name of Apna Microfinance Bank Limited.

9 INVESTMENTS - NET OF PROVISIONS	Note	2015 PKR	2014 PKR
<b>Held-for-trading</b>			
Term Finance Certificates (TFCs)	9.1	19,631,516	38,993,011
Fair value adjustment		(437,579)	263,505
		19,193,937	39,256,516
<b>NAMCO Income Fund - Mutual Fund</b>			
Opening Balance		-	20,000,000
Placements made during the year		-	80,000,000
Redemptions made during the year		-	(100,000,000)
Closing Balance		-	-

National Bank of Pakistan NAFA - Mutual Fund		Note	2015 PKR	2014 PKR
Opening Balance			-	-
Placements made during the year			31,000,000	-
Fair value adjustment			1,054,735	-
Redemptions made during the year			-	-
Closing Balance			32,054,735	-
<b>Available-for-sale</b>				
Federal Government Securities	9.2		53,579,516	139,633,950
Pakistan Investment Bonds (PIBs)			(50,142)	1,740,937
Fair value adjustment			53,529,374	141,374,887
<b>Held-to-maturity</b>				
B.R.R Guardian Modaraba - Term Finance Certificates (TFCs)	9.3		10,115,192	9,535,848
Amortization of discount			1,541,706	599,892
			11,656,898	10,135,740
Treasury Bills	9.4		141,163,074	-
			<u>257,598,018</u>	<u>190,767,143</u>

9.1 These represent Term Finance Certificates of Jahangir Siddiqui Company Limited. These carry mark-up at the rate of 6 Months KIBOR + 2.4% per annum.

9.2 This represents PIBs issued for a period of three years having maturity on 17 July 2017. These carries interest at the rate 11.25% per annum.

9.3 This represents 4000 units of TFCs of B.R.R Guardian Modarba, which were issued for 8 years having maturity on 07 December 2016 and carry markup at rate of 1 month KIBOR per annum.

9.4 This represents T-Bill issued for a period of three months having maturity on 21 January 2016. These carries interest at the rate of 6.4% per annum.

#### 10. ADVANCES - NET OF PROVISIONS

Note	No. of Loans Outstanding	2015		2014	
		No. of Loans Outstanding	PKR	No. of Loans Outstanding	PKR
Micro credits	21,614		2,654,416,400	11,390	798,673,090
Less: Provision held:					
- Specific			42,365,121		25,090,505
- General			23,628,187		7,444,037
	10.3		65,993,308		32,534,542
Advances - net of provision		<u>21,614</u>	<u>2,588,423,092</u>	<u>11,390</u>	<u>766,138,548</u>

#### 10.1 Particulars of non-performing advances

Advances include Rupees 119,238,155/- (31 December 2014: Rupees 101,396,356) which have been placed under non performing status as detailed below.

Category of classification	2015			2014		
	Principal Amount outstanding	Provision required	Provision held	Principal Amount outstanding	Provision required	Provision held
	----- PKR -----					
OAEM	55,458,267	-	-	39,915,242	-	-
Sub-standard	4,050,471	969,782	969,782	21,919,887	5,380,007	5,380,007
Doubtful	36,396,830	18,062,752	18,062,752	39,557,732	19,707,003	19,707,003
Loss	23,332,587	23,332,587	23,332,587	3,495	3,495	3,495
	<u>119,238,155</u>	<u>42,365,121</u>	<u>42,365,121</u>	<u>101,396,356</u>	<u>25,090,505</u>	<u>25,090,505</u>

10.2 All advances falling into 'Loss' category are 100% insured from 'The United Insurance Company of Pakistan Limited' (a related party).

### 10.3 Particulars of provision against non-performing advances

	2015			2014		
	Specific	General	Total	Specific	General	Total
	----- PKR -----					
Opening balance	25,090,505	7,444,037	32,534,542	19,768,105	3,052,551	22,820,656
Charge for the year	17,274,616	16,184,150	33,458,766	21,158,245	4,391,486	25,549,731
Amount written off	-	-	-	(15,835,845)	-	(15,835,845)
Closing balance	<u>42,365,121</u>	<u>23,628,187</u>	<u>65,993,308</u>	<u>25,090,505</u>	<u>7,444,037</u>	<u>32,534,542</u>

Note 2015 2014

----- PKR -----

### 10.4 Particulars of write offs:

Against provision - 15,835,845

Note 2015 2014

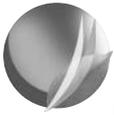
----- PKR -----

### 11 OPERATING FIXED ASSETS

Capital work in progress	11.1	228,187,664	15,533,663
Property and equipment	11.2	114,544,018	60,915,756
Intangible assets	11.3	8,404,749	17,276,179
		<u>351,136,431</u>	<u>93,725,598</u>

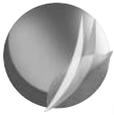
### 11.1 Capital work in progress

Advance payment towards suppliers, contractors and property 228,187,664 15,533,663



11.2 Property and equipment		COST				DEPRECIATION		Written down value as at December 31, 2015
		As at January 01, 2015	Additions	As at December 31, 2015	Rate %	Charge for the year	(Adjustment)	
<b>2015</b>								
<b>PARTICULARS</b>								
Leasehold improvements	21,090,851	31,260,788	(3,846,122)	48,505,517	5	2,620,904	3,333,323	45,172,194
Furniture and fixtures	13,916,136	9,500,158	(4,937,751)	18,478,543	10	4,131,197	1,487,754	2,689,441
Electricity and office equipment	15,090,418	18,121,510	(3,422,317)	29,789,611	20	5,685,276	3,658,428	6,642,581
Computer hardware & peripheral	22,940,252	14,789,209	(5,592,339)	32,137,122	30	9,420,633	8,384,217	12,828,944
Motor vehicles	15,626,710	4,243,243	(72,500)	19,797,453	20	5,990,601	2,751,838	8,669,939
<b>TOTAL</b>	<b>88,664,367</b>	<b>77,914,908</b>	<b>(17,871,029)</b>	<b>148,708,246</b>		<b>27,748,611</b>	<b>17,541,539</b>	<b>34,164,228</b>
<b>2014</b>								
<b>PARTICULARS</b>								
Leasehold improvements	17,769,966	3,320,885	-	21,090,851	5	1,704,969	915,935	2,620,904
Furniture and fixtures	11,122,476	2,814,570	(20,910)	13,916,136	10	2,959,994	1,182,215	4,131,197
Electricity and office equipment	9,758,082	6,570,404	(1,238,068)	15,090,418	20	3,842,288	1,968,227	5,585,276
Computer hardware & peripheral	14,392,473	9,328,056	(780,277)	22,940,252	30	6,279,140	3,921,770	9,420,633
Motor vehicles	11,718,266	7,561,440	(3,652,996)	15,626,710	20	8,227,342	4,146,255	5,990,601
<b>TOTAL</b>	<b>64,761,263</b>	<b>29,595,355</b>	<b>(5,692,251)</b>	<b>88,664,367</b>		<b>23,013,733</b>	<b>9,404,402</b>	<b>27,748,611</b>

11.2.1 Property and equipment include assets costing Rupees 6,698,507 (2014: Rupees 9,174,907) which are fully depreciated and still in use.



### 11.2.2 Details of disposal of property and equipment during the year:

Items having book value in aggregate more than Rs. 250,000 or cost more than Rs. 1,000,000	PKR			Particulars of buyers
	Cost	Accumulated depreciation	Written down value	
Leasehold improvements	3,434,369	(341,743)	3,092,626	The United Insurance Company of Pakistan Limited (a related party).
Furniture and fixtures	3,459,357	(2,668,375)	790,982	Written off from books.
Furniture and fixtures	1,478,394	(261,135)	1,217,259	The United Insurance Company of Pakistan Limited (a related party).
Electricity and office equipment	1,040,853	(1,040,853)	-	Written off from books.
Electricity and office equipment	2,381,464	(1,560,270)	821,194	The United Insurance Company of Pakistan Limited (a related party).
Computer hardware & peripheral	1,471,858	(1,471,858)	-	Written off from books.
Computer hardware & peripheral	4,120,481	(3,504,048)	616,433	The United Insurance Company of Pakistan Limited (a related party).
Leasehold improvements	411,753	(205,140)	206,613	Written off from books.
Motor vehicles	72,500	(72,500)	-	Written off from books.
	<b>17,871,029</b>	<b>(11,125,922)</b>	<b>6,745,107</b>	
	<b>5,692,251</b>	<b>(4,669,524)</b>	<b>1,022,727</b>	

### 11.3 Intangible assets

PARTICULARS	COST				AMORTISATION		(In PKR)
	As at January 01	Additions	(Deletions)	As at December 31	As at January 01 for the year	Charge (Adjustment) for the year	
Computer software	43,254,505	774,320	-	44,028,825	25,978,326	9,645,750	8,404,749
2015	39,920,958	3,333,547	-	43,254,505	16,944,460	9,033,866	17,276,179
2014							

11.3.1 Intangibles include assets costing Rupees 5,167,025 (2014: Rupees 5,167,025) which are fully amortized and still in use.

12 OTHER ASSETS	Note	2015 PKR	2014 PKR
Income/ mark-up accrued		171,301,700	40,584,078
Advances to staff	12.1	88,374,977	20,251,296
Advances, deposits, advance rent and other prepayments		148,459,648	42,107,475
Advance income tax - net of provision		4,040,340	1,967,286
Security deposits		22,772,375	893,100
Inter banks ATM settlement account		-	1,410,681
Insurance claim receivable	12.2	41,852,778	4,630,542
		<u>476,801,818</u>	<u>111,844,458</u>

#### 12.1 Advances to staff

Loan to executive director of the company	-	8,000,000
Loan to executives and other staff	88,374,977	12,251,296
	<u>88,374,977</u>	<u>20,251,296</u>

These advances are secured and given to employees as per terms of the employment. Maximum amount of loan outstanding during the year was of Rs. 88 million/-.

12.2 The bank has signed an MOU with The United Insurance Company of Pakistan (UIC), (a related party) dated July 15, 2014. According to the MOU, the Bank will assign/notify the stuck-up loans in the category of doubtful/loss classified as per Prudential Regulations and UIC will arrange/facilitate recovery full/partial through monitoring/transport facility till final claim settlement.

13 DEPOSITS AND OTHER ACCOUNTS	2015		2014	
	No of accounts	Amount PKR	No of accounts	Amount PKR
Fixed deposits	5,521	2,109,586,605	1,865	693,879,253
Saving deposits	12,014	1,361,731,612	4,378	229,586,147
Current deposits	58,760	1,075,378,862	37,289	270,041,224
	<u>76,295</u>	<u>4,546,697,079</u>	<u>43,532</u>	<u>1,193,506,624</u>

13.1 Particulars of deposits by ownership	2015		2014	
	No of accounts	Amount PKR	No of accounts	Amount PKR
Individual depositors	76,144	4,411,507,083	43,402	1,062,916,009
Institutional depositors				
- Corporation / firm	147	135,153,197	119	53,047,099
- Banks and financial institutions	4	36,799	11	77,543,516
	<u>76,295</u>	<u>4,546,697,079</u>	<u>43,532</u>	<u>1,193,506,624</u>

#### 14 BORROWINGS

The Bank has obtained a running finance facility of Rs. 190 million to ensure that sufficient funds are available in the current account with State Bank of Pakistan (SBP) to honor clearing obligations in case the funds in current account with SBP fall short. The loan carries interest rate of 1% over and above rate offered for time deposits receipts (TDR) per annum with a Tenor of one year on renewal mode from 20 November 2015. These borrowings are secured against lien over time deposit receipt of Rs. 200 million in the name of Apna Microfinance Bank Limited. However no utilization of the facility has been made.

15 OTHER LIABILITIES	2015 PKR	2014 PKR
Mark-up/ return/ interest payable	12,088,292	6,472,356
Bills payable	24,184,415	12,620,951
Accrued expenses	8,705,879	2,144,126
Inter banks ATM settlement account	86,720	-
Others	23,693,495	1,601,599
	<u>68,758,801</u>	<u>22,839,032</u>

**16 SHARE CAPITAL**

**16.1 Authorized Capital**

2015	2014		2015 PKR	2014 PKR
No. of shares				
250,000,000	150,000,000	Ordinary shares of Rs. 10/-each	2,500,000,000	1,500,000,000
<u>250,000,000</u>	<u>150,000,000</u>		<u>2,500,000,000</u>	<u>1,500,000,000</u>

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

2015	2014		2015 PKR	2014 PKR
No. of shares				
220,000,000	110,000,000	Ordinary shares of Rs. 10/- each fully paid in Cash	2,200,000,000	1,100,000,000
-	-	Discount on issue of shares	<u>(950,000,000)</u>	<u>(400,000,000)</u>
<u>220,000,000</u>	<u>110,000,000</u>		<u>1,250,000,000</u>	<u>700,000,000</u>

**16.3 Reconciliation of issued, subscribed and paid-up capital**

2015	2014		2015 PKR	2014 PKR
No. of shares				
110,000,000	30,000,000	Share capital in issue as at 01 January	1,100,000,000	300,000,000
110,000,000	80,000,000	Add: Shares issued during the year on discount	1,100,000,000	800,000,000
<u>220,000,000</u>	<u>110,000,000</u>	Share capital in issue as at 31 December	<u>2,200,000,000</u>	<u>1,100,000,000</u>

**17 DEFERRED GRANTS**

	Note	2015 PKR	2014 PKR
Institutional Strengthening Fund (ISF)	17.1	5,553,328	16,903,539
Financial Innovation Challenge Fund (FICF)	17.2	19,405,965	14,634,896
		<u>24,959,293</u>	<u>31,538,435</u>

**17.1 Institutional Strengthening Fund**

Balance as at January 01	16,903,539	12,020,263
Grant recognized during the year	-	18,057,788
Less: Amortization of deferred grants	(11,184,643)	(13,174,512)
Grant returned to SBP	<u>(165,568)</u>	<u>-</u>
	<u>5,553,328</u>	<u>16,903,539</u>

**17.1.1** In the year 2013, the SBP approved a grant of Rupees 36,078,051/- for meeting the project cost to be incurred by the Bank to support its institutional capacity building under the project "Strengthening the Institution via a Business Capacity Building, IT infrastructural Improvement and Human Capital Development" with 25% contribution by the bank. The Bank has recognized the grant against the assets and expenses as prescribed thereby meeting the conditions attached to the grant during 2013 and 2014. During the current year, receipt and amortization of grant was audited by a firm of Chartered Accountants. As a result, un-utilized grant of Rs. 165,568/- was refunded to SBP. Amortization of the grant is being made on a systematic basis over the remaining useful life of related assets.

<b>17.2 Financial Innovation Challenge Fund</b>	<b>Note</b>	<b>2015 PKR</b>	<b>2014 PKR</b>
Balance as at January 01		14,634,896	-
Grant received during the year		17,235,000	16,765,000
Less: Amortization of deferred grants		<u>(12,463,930)</u>	<u>(2,130,104)</u>
		<b><u>19,405,966</u></b>	<b><u>14,634,896</u></b>
<b>17.2.1</b> In the year 2013, the SBP approved a grant of Rupees 34,000,000/- under the Financial Inclusion Program (FIP) out of which grant of Rs. 16,765,000/- was received during 2014 and of Rs. 17,235,000/- was received during current year. The main purpose of the FIP is the provision of improved access to financial services for poor and marginalized groups and for micro, small and medium enterprises in Pakistan with the help of two partners; Pedavar and AGD Pakistan (Pvt.) Ltd. The Bank has recognized the grant against assets and expenses as prescribed, thereby meeting the conditions attached to the grant. Amortization of the grant is being made for expenses incurred and on a systematic basis over the remaining useful life of related assets.			
<b>18 MEMORANDUM/OFF - BALANCE SHEET ITEMS</b>			
The guarantees of Rs. 4.950 million, issued to the Controller Department of Tourist Services by the bank for the customers, outstanding as at year ended December 31, 2014 has expired during the year. However, no guarantee has been renewed/issued during the current year.			
There were no other contingencies and commitments as at 31 December 2015 (2014: Nil).			
<b>19 MARK-UP/ RETURN/ INTEREST EARNED</b>	<b>Note</b>	<b>2015 PKR</b>	<b>2014 PKR</b>
Mark-up on loans and advances		347,077,274	163,101,496
Mark-up on investments in government securities		13,549,443	21,957,118
Mark-up on deposit accounts		86,528,183	54,360,250
		<u>447,154,900</u>	<u>239,418,864</u>
<b>20 MARK-UP/RETURN/INTEREST EXPENSED</b>	<b>Note</b>	<b>2015 PKR</b>	<b>2014 PKR</b>
Deposits			
Borrowings		(187,445,668)	(78,963,877)
		<u>(187,445,668)</u>	<u>(78,963,877)</u>
<b>21 OTHER INCOME</b>	<b>Note</b>	<b>2015 PKR</b>	<b>2014 PKR</b>
Gain/(Loss) on disposal of fixed assets		(997,594)	1,274,013
Fair value adjustment on investments classified as held-for-trading		617,156	263,505
Amortization of deferred grants	<b>17.1 &amp; 17.2</b>	23,648,573	15,304,616
Insurance claim against defaulted loans	<b>10.2</b>	23,332,587	-
Others		<u>11,495,471</u>	<u>7,242,371</u>
		<b><u>58,096,193</u></b>	<b><u>24,084,505</u></b>

22 ADMINISTRATIVE EXPENSES	Note	2015 PKR	2014 PKR
Salaries, allowances, etc.		189,696,579	79,991,983
Training / Capacity building		11,088,730	-
Contribution to defined contribution plan		1,495,643	354,776
Rent, taxes, insurance, electricity, etc.		44,602,794	18,060,936
Communication		10,795,310	4,687,932
Legal and professional charges		2,581,965	3,137,406
Security charges		7,750,299	3,354,635
Traveling		11,924,479	7,716,892
Fee and subscription		7,627,010	4,136,194
Fueling expense		1,012,740	1,121,946
Repair and maintenance		12,260,404	9,145,834
Stationery and printing		8,249,184	3,972,715
Advertisement and publicity		2,083,978	1,006,042
Auditors' remuneration	22.1	897,800	627,000
Depreciation	11.2	17,541,539	9,404,402
Amortization of intangibles	11.3	9,645,750	9,033,866
Entertainment		3,832,640	1,564,184
Credit verification expenses		734,514	890,701
Others		7,970,768	7,457,526
		<u>351,792,126</u>	<u>165,664,970</u>
<b>22.1 Auditors' Remuneration</b>	<b>Note</b>	<b>2015 PKR</b>	<b>2014 PKR</b>
Audit fee		600,000	300,000
Half yearly review and other certifications		132,000	110,000
Other certifications fee		52,500	57,000
Out-of-pocket		113,300	160,000
		<u>897,800</u>	<u>627,000</u>
<b>23 TAXATION</b>			
<b>23.1 CURRENT TAX</b>			
The Bank has carried forward tax losses of Rs. 83,566,268/- (2014: 92,608,376) 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 Rupees 4,869,307/- (2014: Rupees 2,548,154/-) has been made.			
<b>23.2 DEFERRED TAX</b>			
Deferred tax asset amounting to Rs. 82,052,972/- (2014: Rs. 30,560,764) has not been accounted for in these financial statements. The management expects that it is not probable that taxable profits / taxable temporary differences would be available in near future against which the deferred tax asset can be utilized.			
<b>24 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED</b>	<b>Note</b>	<b>2015</b>	<b>2014</b>
(Loss) / Profit after taxation for the year	(PKR)	<u>(29,215,689)</u>	<u>6,147,859</u>
Weighted average number of ordinary shares outstanding during the year	Numbers	<u>180,608,350</u>	<u>92,725,575</u>
Basic and diluted profit / (loss) per share	(PKR)	<u>(0.16)</u>	<u>0.07</u>
<b>25 CASH AND CASH EQUIVALENTS</b>	<b>Note</b>	<b>2015 PKR</b>	<b>2014 PKR</b>
Cash and balances with SBP		237,836,612	58,432,090
Balances with other banks/MFBs		1,758,682,849	538,046,669
		<u>1,996,519,461</u>	<u>596,478,759</u>

26 NUMBER OF EMPLOYEES	2015			2014		
	Credit/ Sales Staff	Banking/ Support	Total	Credit/ Sales Staff	Banking/ Support	Total
Permanent	146	163	309	13	42	55
Contractual	311	317	628	78	175	253
Daily wages	-	-	-	-	-	-
	<b>457</b>	<b>480</b>	<b>937</b>	<b>91</b>	<b>217</b>	<b>308</b>

## 27 REMUNERATION OF DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including all benefits to President/ Chief Executive Officer of the Bank was as follows:

	President/ Chief Executive Officer		Executives	
	2015 PKR	2014 PKR	2015 PKR	2014 PKR
Managerial remuneration	4,800,000	2,800,000	16,795,813	10,184,727
Rent and house maintenance	-	-	6,718,325	4,073,890
Utilities	-	-	1,679,581	1,018,473
Medical	-	-	1,679,581	1,018,473
Contribution to provident fund	-	-	-	-
Bonus and other benefits	-	-	44,120	-
	<u>4,800,000</u>	<u>2,800,000</u>	<u>26,917,420</u>	<u>16,295,563</u>
Number of persons	<u>2</u>	<u>1</u>	<u>21</u>	<u>22</u>

27.1 The President / Chief Executive Officer and Executives are entitled to use Bank maintained cars and perquisites in accordance with the terms of their employment.

27.2 During the year, Bank has paid amounting to Rs. 100,000/- to non-executive directors for attending Board of Directors meetings.

## 28 MATURITIES OF ASSETS AND LIABILITIES

	2015				
	Total	upto one month	Over one month upto 6 months	Over 6 months upto 1 year	Over one year upto 5 years
<b>Assets</b>			(PKR)		
Cash and balances with SBP	237,836,612	-	237,836,612	-	-
Balances with other banks/MFBs	1,758,682,849	1,308,682,849	300,000,000	150,000,000	-
Investments	257,598,018	141,163,074	32,054,735	30,850,835	53,529,374
Advances - net of provisions	2,588,423,092	403,832,793	333,549,554	1,409,677,346	441,194,023
Operating fixed assets	351,136,431	-	-	-	351,136,431
Other assets	476,801,818	476,801,818	-	-	-
	<u>5,670,478,820</u>	<u>2,330,480,534</u>	<u>903,440,901</u>	<u>1,590,528,181</u>	<u>845,859,828</u>

### Liabilities

Deposits and other accounts	4,546,697,079	2,528,131,475	614,601,213	1,265,297,892	138,666,499
Borrowing	-	-	-	-	-
Other liabilities	68,758,801	68,758,801	-	-	-
	<u>4,615,455,880</u>	<u>2,596,890,276</u>	<u>614,601,213</u>	<u>1,265,297,892</u>	<u>138,666,499</u>
<b>Net assets</b>	<u>1,055,022,940</u>	<u>(266,409,742)</u>	<u>288,839,688</u>	<u>325,230,289</u>	<u>707,193,329</u>

### Represented by:

Share capital	2,200,000,000
Discount on issue of shares	(950,000,000)
Statutory reserve	1,279,583
Depositors' Protection Fund	319,896
Accumulated loss	(221,485,690)
	<u>1,030,113,789</u>
Surplus/(deficit) on revaluation of assets	(50,142)
Deferred grants	24,959,293
Share deposit money	-
	<u>1,055,022,940</u>



2014

	Total	upto one month	Over one month upto 6 months		
			Over 6 months upto 1 year	Over 6 months upto 1 year	Over one year upto 5 years
			(PKR)		
<b>Assets</b>					
Cash and balances with SBP	58,432,090	-	58,432,090	-	-
Balances with other banks/MFBs	538,046,669	256,046,669	282,000,000	-	-
Investments	190,767,143	-	-	141,065,121	49,702,022
Advances - net of provisions	766,138,548	20,956,584	240,633,018	396,273,204	108,275,742
Operating fixed assets	93,725,598	-	-	-	93,725,598
Other assets	111,844,458	111,844,458	-	-	-
	<u>1,758,954,506</u>	<u>388,847,711</u>	<u>581,065,108</u>	<u>537,338,325</u>	<u>251,703,362</u>
<b>Liabilities</b>					
Deposits and other accounts	1,193,506,624	506,752,371	73,160,000	569,034,253	44,560,000
Other liabilities	22,839,032	22,839,032	-	-	-
	<u>1,216,345,656</u>	<u>529,591,403</u>	<u>73,160,000</u>	<u>569,034,253</u>	<u>44,560,000</u>
<b>Net assets</b>	<u><b>542,608,850</b></u>	<u><b>(140,743,692)</b></u>	<u><b>507,905,108</b></u>	<u><b>(31,695,928)</b></u>	<u><b>207,143,362</b></u>

**Represented by:**

Share capital	1,100,000,000
Discount on issue of shares	(400,000,000)
Statutory reserve	1,279,583
Depositors' Protection Fund	319,896
Accumulated loss	(192,270,001)
	<u>509,329,478</u>
Surplus/(deficit) on revaluation of assets	1,740,937
Deferred grants	31,538,435
Share deposit money	-
	<u><b>542,608,850</b></u>

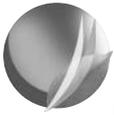
**29 FINANCIAL RISK MANAGEMENT**

**29.1 Interest/ mark-up rate risk**

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates.

The Bank interest rate exposure is low due to the short-term nature of the majority of business transactions. Interest rate risk is also controlled through flexible credit pricing mechanism and variable deposit rates. Optimization of yield is achieved through the Bank's investment strategy which aims at attaining a balance between yield and liquidity under the strategic guidance of ALCO.

The advances and deposits of the Bank are on periodic basis based on interest rates scenario as detailed below:



2015

Description	Effective yield/ interest rate %	Exposed to yield / interest risk			
		upto one month	One month to six months	Over six months to one year	Over one year to five years
<b>Assets</b>					
Balances with other banks/MFBs	4-9	1,308,682,849	300,000,000	150,000,000	-
Investments - net of provisions	6-12	257,998,018	141,163,074	30,054,735	53,529,374
Advances - net of provisions	19-41	2,588,423,092	403,832,793	333,549,554	441,194,023
		4,604,703,959	1,853,678,716	665,604,289	494,723,397
<b>Liabilities</b>					
Deposits and other accounts	7-14.5	4,546,697,079	2,528,131,475	614,601,213	1,285,297,892
		<b>58,006,880</b>	<b>(674,452,759)</b>	<b>51,003,076</b>	<b>325,230,289</b>

2014

Description	Effective yield/ interest rate %	Exposed to yield / interest risk			
		upto one month	One month to six months	Over six months to one year	Over one year to five years
<b>Assets</b>					
Balances with other banks/MFBs	8-10	538,046,669	256,046,669	282,000,000	-
Investments - net of provisions	9.5-12	190,767,143	-	141,065,121	49,702,022
Advances - net of provisions	19-41	766,138,548	20,956,584	240,633,018	396,273,204
		1,494,952,360	277,003,253	522,633,018	537,338,325
<b>Liabilities</b>					
Deposits	7-14.5	1,193,506,624	506,752,371	73,160,000	569,034,253
		<b>301,445,736</b>	<b>(229,749,118)</b>	<b>449,473,018</b>	<b>(31,695,928)</b>

## 29.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Bank's credit risk is primarily attributable to its advances, balances at banks and investments. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Bank has an effective loan disbursement and recovery monitoring system which allows it to evaluate borrowers' credit worthiness and identify potential problem loans. A provision for loan losses is maintained as required by the Prudential Regulations. Investments are mainly in the government security or other securities having good credit rating. Maximum amount of financial assets which are subject to credit risk amount to Rupees 4,604.53 million (2014: 1,494,352 million).

## 29.3 Liquidity risk

Liquidity risk is the risk that the Bank will not be able to raise funds to meet its commitments. At present the bank is not exposed to this risk as there is sufficient cash placed with various commercial banks at the year end.

## 29.4 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair value.

## 30. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activity is as follows:

	Investment in Government Securities	Retail Banking	Micro Finance Banking	Total
	PKR			
<b>Year ended 31 December 2015</b>				
Total income	13,549,443	137,799,411	397,001,324	<b>548,350,178</b>
Total expenses	-	275,393,700	302,172,168	<b>577,565,868</b>
Net income/(loss)	<b>13,549,443</b>	<b>(137,594,289)</b>	<b>94,829,156</b>	<b>(29,215,690)</b>
<b>Year ended 31 December 2015</b>				
Segment assets	<b>53,529,374</b>	<b>1,996,519,461</b>	<b>3,620,429,985</b>	<b>5,670,478,820</b>
Segment non performing loans	-	-	<b>119,238,155</b>	<b>119,238,155</b>
Segment provision required	-	-	<b>65,993,308</b>	<b>65,993,308</b>
Segment liabilities	-	<b>4,582,969,786</b>	<b>32,486,094</b>	<b>4,615,455,880</b>
<b>Year ended 31 December 2014</b>				
Total income	21,957,118	71,026,096	185,916,699	278,899,913
Total expenses	-	120,380,119	152,371,935	272,752,054
Net income/(loss)	21,957,118	(49,354,023)	33,544,764	6,147,859
<b>Year ended 31 December 2014</b>				
Segment assets	<b>141,374,887</b>	<b>596,478,759</b>	<b>1,053,035,510</b>	<b>1,790,889,156</b>
Segment non - performing loans	-	-	<b>101,396,356</b>	<b>101,396,356</b>
Segment provision required	-	-	<b>32,534,542</b>	<b>32,534,542</b>
Segment liabilities	-	<b>1,212,599,931</b>	<b>3,745,725</b>	<b>1,216,345,656</b>

### 31 TRANSACTION AND BALANCES WITH RELATED PARTIES

Related parties of the Bank comprise 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 these financial statements are as under:

<b>Balances at year end:</b>	<b>2015 PKR</b>	<b>2014 PKR</b>
<b>Associated company:</b>		
Deposits	5,775,402	1,872,288
<b>Key management personnel:</b>		
Deposits	6,337,559	3,368,434
<b>From directors/ sponsors:</b>		
Deposits	595,074	1,983,753
<b>Transactions during the year:</b>		
<b>Associated company:</b>		
Deposits received	388,519,865	283,634,948
Withdrawals	384,616,750	283,538,740
Insurance premium	445,166	1,822,688
<b>Other related parties</b>		
Contribution to Staff Provident Fund	1,495,643	354,776
<b>Key management personnel:</b>		
<b>Deposits</b>		
Deposits received	54,642,043	57,218,080
Withdrawals	52,267,946	56,604,756
Mark-up on deposit paid	493,762	303,235
<b>From directors/ sponsors:</b>		
Deposits received	335,786,548	117,653,199
Share deposit money received	338,513,710	67,993,790
Share deposit money repaid	338,513,710	70,993,790
Withdrawals	237,068,934	129,245,096
Mark-up paid on deposits	3,248,844	-

### 32 PROVIDENT FUND RELATED DISCLOSURE

The following information is based on audited financial statements of the provident fund for the year ended 31 December 2014 and unaudited financial statements for the year ended 31 December 2015.

	<b>2015 PKR Un-Audited</b>	<b>2014 PKR Audited</b>
Size of the funds- Total assets	5,978,530	4,121,611
Cost of investments	2,538,210	3,543,496
Percentage of investments made	42.46%	85.97%
Fair value of investments	2,538,210	3,543,496

32.1 The break-up cost of investments is as follows:

	2015 Percentage	2014 Percentage	2015 PKR	2014 PKR
Deposits	100.00%	100.00%	2,538,210	3,543,496
	100.00%	100.00%	2,538,210	3,543,496

32.2 The above investment / placement of funds has been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

### 33 RECLASSIFICATION

Corresponding figures have been reclassified / re-arranged, wherever necessary for better presentation. The impact of reclassification is as under:

Particulars	Note	From	To	Amount (PKR)
Cash and balances with SBP and NBP and Balances with other banks/MFBs	7 & 8	Balances with other banks/MFBs	Cash and balances with SBP and NBP	9,794,852

### 34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on March 04, 2016 by the Board of Directors of the Bank.

### 35 GENERAL

35.1 Where there are no balances or amounts to be disclosed in the account captions as prescribed by BSD Circular No. 11 dated December 30, 2003 issued by the State Bank of Pakistan, format of financial statements for Microfinance Banks/ Institutions, these captions have not been reproduced in these financial statements except for in the balance sheet and profit and loss account.

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



President/Chief Executive Officer



Chairman



Director



Director

## NOTICE FOR THE THIRTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting of Apna Microfinance Bank Limited is scheduled to be held on Tuesday, April 5, 2016 at 12:30 p.m. at its Institute of Chartered Accountants, Chartered Accountants Avenue, Clifton, Karachi to transact the following business:

### AGENDA

1. To read and confirm the minutes of the Annual General Meeting held on March 30, 2015.
2. To receive, consider and adopt the Annual Audited Financial Statements for the year ended December 31, 2015 together with Directors' and Auditors' Reports thereon.
3. To review, consider and appoint RSM Avais Hyder Liaquat Nauman, Chartered Accountants as auditors of the bank for the year ending December 31, 2016 as proposed by the Board of Directors and to fix their remuneration.
4. To transact any other business with the permission of the chair.

By Order of the Board



Rafat Abbas  
Company Secretary

March 16, 2016  
Karachi

### NOTES:

1. A member of the Bank entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must receive by the Bank not less than 48 hours before the meeting.  
Central Depository Company of Pakistan Limited (CDC) account holders will further have the following under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.
  - A) **For Attending Meeting:**
    - i) In the case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original National Identity Card (CNIC) or original Passport at the time of attending the meeting.
    - ii) In the case of Corporate Entity, the Board of Directors' Resolution/ Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
  - B) **For Appointing Proxies:**
    - i) In the case of individuals, the account holder or sub-account holder and /or the person whose securities are in-group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
    - ii) Two persons whose names, addresses and CNIC numbers shall be mentioned on the form shall witness the proxy.
    - iii) Attested copies of CNIC or the passport of the beneficial owners and proxy shall be furnished with the Proxy Form.
    - iv) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
    - v) In the case of Corporate Entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) along with proxy form to the Bank.
2. Members are requested to immediately notify the change of their address, if any.
3. The Share Transfer Book of the company will remain closed from March 30, 2016 to April 5, 2016 (both days inclusive). The share transfer office is situated at Dagia House, 241-C, Block-2, P.E.C.H.S., Off. Shahrah-e-Quaideen, Karachi. (Phone No. 3439-1316 & 3439-1317). Transfer received at the registered office at the close of business on March 22, 2016 will be treated in time.

For Apna Microfinance Bank Ltd.



Rafat Abbas  
Company Secretary



**APNA MICROFINANCE BANK LIMITED**  
**FORM OF PROXY**  
**ANNUAL GENERAL MEETING**

I/ We \_\_\_\_\_ of \_\_\_\_\_ a member/ members of the company/ merged companies, do hereby appoint Mr./ Ms. \_\_\_\_\_ of \_\_\_\_\_ a member of the company, or failing him/ her Mr./ Ms. \_\_\_\_\_ of \_\_\_\_\_ who is also a members of the company, as my/ our proxy to attend, speak and vote for me/ us and on my/our behalf at the **Annual General Meeting** of the bank to be held on \_\_\_\_\_, 2016 at \_\_\_\_\_ a.m./p.m. at The Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi, Pakistan and at any adjourment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Please affix  
Revenue  
Stamp

**Witness 1**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
CNIC No. \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_  
(The signature should agree with the Specimen Registered with the Company)

**Witness 2**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
CNIC No. \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

Folio No. \_\_\_\_\_  
CDC A/c No. \_\_\_\_\_  
No. of Shares held \_\_\_\_\_  
Distinctive Numbers \_\_\_\_\_

**IMPORTANT:**

- 1 The proxy Form must be deposited at the registrar office of the company, Technology Trade (Pvt.) Ltd, Dagia House, 241-C, Block-2, P.E.C.H.S. off. Shahrah-e-Quaideen, Karachi, as soon as possible but not later than 48 hours before the time of holding the meeting and default Proxy form will not be treated as valid.
- 2 No person shall act as proxy unless he/ she is a member of the company except a corporation being a member may appoint as its proxy any officer of such corporation whether a member of the company or not.
- 3 The proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- 4 Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- 5 The proxy shall produce his/ her original CNIC or original passport and bring Folio number at the time of the meeting.
- 6 In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature shall be submitted along with proxy form to the Company (if not provided earlier).

AFFIX  
CORRECT  
Postage

The Company Secretary

**APNA MICROFINANCE BANK LIMITED**

K-4/3 & 4/4, Ch. Khaliq-uz-Zaman Road,  
Gizri, Karachi,  
Pakistan.



**AMBL**

خوابوں سے خوشحالی تک

**HEAD OFFICE:**

23-A, Sundar Das Road, Zaman Park, Lahore

Ph: 042-36305314-15, Fax: 042-36306730

E-mail: [info@apnabank.com.pk](mailto:info@apnabank.com.pk)

Website: [www.apnabank.com.pk](http://www.apnabank.com.pk)