

apna bank  
Limited

خوابوں سے خوشحالی تک

اپنا بینک

## ***Un-Audited Interim Condensed Financial Statements***

***for the Nine Months Ended September 30, 2017***



Micro Finance  
**apna bank**  
Limited



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## CORPORATE INFORMATION

### Board of Directors

Chairman  
Directors

Mr. Muhammad Akram Shahid  
Mr. Qamar-uz-Zaman  
Mr. Muhammad Azam Cheema  
Mr. Imad Mohammad Tahir  
Mr. Muhammad Saleem Shaikh  
Syed Rahat Ali Shah  
Mr. Muhammad Asghar  
Mr. Imam Bukhsh Baloch

President / Chief Executive  
Company Secretary  
Chief Financial Officer

Mr. Muhammad Gulistan Malik (Officiating)  
Mr. Rafat Abbas  
Mr. Ali Murtza

Audit Committee of the Board  
Composition  
Chairman  
Members

Mr. Muhammad Asghar  
Mr. Imad Mohammad Tahir  
Mr. Muhammad Saleem Shaikh  
Syed Rahat Ali Shah  
Mr. Muhammad Azam Cheema

Executive Committee of the Board  
Composition  
Chairman  
Members

Mr. Muhammad Akram Shahid  
Mr. Qamar uz Zaman  
Mr. Muhammad Asghar  
Syed Rahat Ali Shah  
Mr. Muhammad Azam Cheema

Human Resource and Remuneration Committee  
Composition  
Chairman  
Members

Mr. Imad Mohammad Tahir  
Mr. Muhammad Akram Shahid  
Mr. Qamar uz Zaman  
Syed Rahat Ali Shah  
Mr. Muhammad Saleem Shaikh

Risk Management Committee of the Board  
Composition  
Chairman  
Members

Mr. Muhammad Azam Cheema  
Mr. Muhammad Akram Shahid  
Mr. Muhammad Asghar  
Mr. Imad Mohammad Tahir  
Syed Rahat Ali Shah

Auditors

Ilyas saeed & Co.  
Chartered Accountants

Tax/ Legal Advisor

RAMDAYS  
Advocates & Corporate Consultants  
Lahore

**Bankers**

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

**Registered Office**

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

**Head Office**

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Lahore.  
PABX Tel: +92 42 36306730  
Fax:  
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

## Director's Report

On behalf of the Board of Directors, I am pleased to present the Condensed Interim Un-Audited Financial Statements of the Bank for the nine-months period ended September 30, 2017.

### Operational and Financial Review

| Particulars                 | Sep 30,<br>2017<br>PKR | Dec 31,<br>2016<br>PKR | %      |
|-----------------------------|------------------------|------------------------|--------|
|                             | Un-audited             | Audited                | Change |
| Advances net of provision   | <b>3,688,537,364</b>   | 5,484,025,056          | -33%   |
| Deposits and other accounts | <b>11,366,725,305</b>  | 12,347,070,954         | -8%    |

| Particulars                      | Sep 30,<br>2017<br>PKR | Sep 30,<br>2016<br>PKR | %      |
|----------------------------------|------------------------|------------------------|--------|
|                                  | Un-audited             | Un-audited             | Change |
| Income on Advances               | <b>941,035,987</b>     | 978,343,290            | -4%    |
| Income on Deposits & Investments | <b>259,417,342</b>     | 101,768,862            | 155%   |
| Mark-up/return/interest expenses | <b>(562,339,872)</b>   | (443,051,189)          | 27%    |
| Administrative expenses          | <b>(979,232,601)</b>   | (741,039,027)          | 32%    |
| Profit / (loss) after taxation   | <b>(142,763,982)</b>   | 28,144,693             | -607%  |

The Bank posted a loss after tax in the current period amounting to PKR (142.76) million as compared to a profit of PKR 28.14 million in corresponding period. The equity (net of losses) of the Bank stood at PKR 701.83 million and the total assets have been decreased to PKR 12,381.46 million as on reporting period from PKR 13,554.00 million as at December 31st, 2016.

Mark up income of the bank on advances decreased by 4%, whereas the mark up income on deposits & investments increased by 155% in comparison to the corresponding period. The reason behind the decrease in banks primary income is the suspension of new financing for the period of 7 months from the end of November 2016 to June 2017, caused the fall in bank's markup income in comparison to the corresponding period. While during the suspension period the bank improved its credit & information system control procedures in order to ensure the quality and transparency of its financing methods. Further the bank also installed new credit module keeping in view the competitive technology edge and devise various strategy to control over bank's non-performing loans. These procedural advancements in our credit and information system extremely contributed towards the resumption of bank's financing in June 2017.

Despite of suspension of financing, the banks optimized its resources and managed to post a total markup income of PKR 1,200 million. However, now as the financing is resumed, we are expecting that the bank will stand on the break even position by the end of December 31st, 2017.

The one of the major reason for bank's operational loss in current reporting period is the increase in bank's administrative expenses by 32% as compared to the corresponding period. During the corresponding period, the bank opened 38 new branches within different time frame and these branches did not contribute into administrative expenses of the whole of nine months of corresponding period as these were not remained fully operational for the matching period of nine months. However in the current reporting period, these 38 branches remained fully operational and the additional 20 touch points were also opened made their respective contribution in uplifting the administrative expenses of current reporting period.

## Future Outlook

Keeping in view the best industry practices, all possible steps will be taken to ensure the transparency and efficiency in the Bank's processes and improvements in all aspects of business. Additionally, we will focus attention towards competitive team building, regulatory compliance and risk assessment to address regulatory standards.

Further, we will continue to strengthen our presence in potential market places and as of reporting date, we operate through 127 touch points comprising of 116 branches and 11 service centers all over the Pakistan. The Bank is also fully geared to capitalize the business opportunities presented by the market. We are in the process for the introduction of branchless banking in near future and these new technology based services will not only enhance the goodwill of the bank but shall increase the outreach and will serve as a tool for income diversification as well.

Subsequent to the resumption of financing, the bank will explore the unbanked areas of business for the deserving and underprivileged section of society. We are hopeful that owing to the resumption of financing the bank's revenue stream will increase to cater the operational and administrative expenses of the bank.

The Bank's equity (free of losses) stood at PKR 701.83 million as at the reporting date which is not in compliance with the minimum capital requirement (MCR) as specified in the Prudential Regulations for MFBs, however the sponsors are fully committed to meet Minimum Capital Requirement (MCR) till December 31, 2017.

Despite of injection of PKR 550 million as fresh capital since June 2016 the MCR could not be met by the bank due to suspension of bank's financing since November 2016 to June 2017. The management is still positive that as a result of resumption of bank's financing the ultimate markup income will increase that will contribute up to possible extent towards the fulfillment of regulatory requirements of the bank's equity in respect of MCR.

## Credit Rating

The Pakistan Credit Rating Agency (Pvt.) Ltd. has assigned the Bank "BBB" (Triple B) and "A3" (A Three) as long term and as short-term ratings respectively with a "Stable" future outlook.

## 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.

October 27<sup>th</sup>, 2017

Lahore:

On behalf of the Board



Muhammad Gulistan Malik  
President and CEO

## ڈائریکٹرز رپورٹ

☆ بورڈ آف ڈائریکٹرز کی اجازت سے میں انتہائی مسرت کے ساتھ 30 ستمبر 2017ء کو ختم ہونے والے عبوری نو ماہی سال کی غیر آڈٹ شدہ مختصر بینک مالیاتی رپورٹ پیش کر رہا ہوں۔

### انتظامی اور مالیاتی جائزہ:

| کوائف:                                    | 30 ستمبر 2017   | 31 دسمبر 2016   | % تبدیلی |
|---|-----------------|-----------------|----------|
|   | ان آڈٹ          | آڈٹ             |          |
|   | (پاکستانی روپے) | (پاکستانی روپے) |          |
| فراہم کیا گیا کل ایڈوائس (پروویژن کے بعد) | 3,688,537,364   | 5,484,025,056   | -33%     |
| ڈیپازٹس اور دیگر کاروباری                 | 11,366,725,305  | 12,347,070,954  | -8%      |

### کوائف:

| کوائف:                           | 30 ستمبر 2017   | 30 ستمبر 2016ء  | % تبدیلی |
|----------------------------------|-----------------|-----------------|----------|
|                                  | ان آڈٹ          | ان آڈٹ          |          |
|                                  | (پاکستانی روپے) | (پاکستانی روپے) |          |
| ایڈوائسز پر آمدنی                | 941,035,987     | 978,343,290     | -4%      |
| ڈیپازٹس اور سرمایہ کاری پر آمدنی | 259,417,342     | 101,768,862     | 155%     |
| مارک آپ ٹریج                     | (562,339,872)   | (443,051,189)   | 27%      |
| انتظامی اخراجات                  | (979,232,601)   | (741,039,027)   | 32%      |
| نقصان / منافع بعد از ٹیکس        | (142,763,982)   | 28,144,693      | -607%    |

بینک نے ٹیکس کے بعد رواں مدت میں 142.76 ملین پاکستانی روپے کا نقصان ظاہر کیا ہے جبکہ گزشتہ برس اسی مدت میں منافع 28.14 ملین پاکستانی روپے تھا۔ بینک کی کل ایکویٹی بعد از نقصانات 701.83 ملین پاکستانی روپے ہے جبکہ بینک کے کل اثاثہ جات 31 دسمبر 2016ء کے مقابلے میں رواں مدت میں 13,554.00 ملین پاکستانی روپے سے کم ہو کر 12,381.46 ملین پاکستانی روپے ہو گئے ہیں

گزشتہ برس اسی مدت میں کے مقابلے میں ایڈوائسز پر آمدنی میں 4% کمی، جبکہ ڈیپازٹس اور سرمایہ کاری پر آمدنی میں 155% کا اضافہ ہوا۔ گزشتہ برس اسی مدت میں کے مقابلے میں رواں مدت میں بینک کی بنیادی آمدنی میں کمی کی وجہ نومبر 2016ء کے اختتام سے جون 2017ء تک نئی فنانسنگ کی معطلی ہے۔ بچہ یہ بینک کی آمدنی کم ہوئی معطل مدت کے دوران بینک نے اپنے فنانسنگ کے طریقوں، کریڈٹ اور انفارمیشن سسٹم کو کنٹرول کرنے کے طریقہ کار کو بہتر بنایا۔ اس کے علاوہ بینک نے مسابقتی ٹیکنالوجی کو مد نظر رکھتے ہوئے نئے کریڈٹ ماڈیول نصب کیے اور NPL's پر قابو پانے کے لئے نئی حکمت عملی تیار کی۔ ہمارے کریڈٹ اور انفارمیشن سسٹم کے طرز عمل کی تبدیلی سے جون 2017ء میں فنانسنگ کی بحالی کے لئے بہت اہم کردار ادا کیا۔

نئی فنانسنگ پر پابندی کے باوجود بینک اپنے وسائل کو بروئے کار لاکر 1200 ملین روپے کا مارک اپ حاصل کرنے میں کامیاب رہا تاہم اب فنانسنگ دوبارہ شروع ہونے کے بعد ہم امید کر رہے ہیں کہ 31 دسمبر 2017ء کے اختتام تک ہم بیک ایون کی سطح پر آجائیں گے

رواں مدت میں گزشتہ مدت کے مقابلے میں مالیاتی نقصان کی ایک بڑی وجہ 32% انتظامی اخراجات میں اضافہ ہے۔ گزشتہ عرصہ کے دوران بینک نے مختلف اوقات میں 38 نئی شاخیں کھولیں اور ان شاخوں نے اس نو ماہ کے انتظامی اخراجات میں حصہ نہیں لیا کیونکہ نو ماہ کے ممانعت کے دوران مکمل طور پر آپریشنل نہیں تھیں تاہم رواں مدت میں یہ 38 شاخیں مکمل طور پر آپریشنل رہیں اور شاخانی 20 چھ پوائنٹس موجودہ انتظامی اخراجات میں اضافے کا سبب بنے

### مستقبل کا لاٹھی عمل

ہم بہترین صنعتی طریقوں کو مد نظر رکھتے ہوئے بینک کے تمام انتظامات میں بہتری اور شفافیت کو یقینی بنانے کے لئے تمام ممکنہ اقدامات کریں گے اس کے ساتھ مسابقتی تنظیم سازی، لازمی قیام اور خطرے کی تشخیص پر بھی قابو پانے پر توجہ دے رہے ہیں اس کے علاوہ ہم ممکنہ مارکیٹ مقامات میں اپنی موجودگی کو مستقل مضبوط سے مضبوط تر کر رہے ہیں ستمبر 2017ء تک ہم اپور سے



پاکستان میں 116 شاخوں اور 11 سروں مراکز پر مشتمل 127 پوائنٹس کے ذریعے کام کر رہے ہیں بینک مارکیٹ میں موجودہ کاروباری مواقع سے فائدہ اٹھانے کے لئے مکمل طور پر تیار ہے ہم مستقبل قریب میں گنجانے والے بینکاری کے تعارف کے لئے بھی کام کر رہے ہیں اور نئی ٹیکنالوجی کی بنیاد پر ناصرف بینک کی سادگی میں اضافہ ہوگا بلکہ بینک کے ذرائع آمدن میں بھی اضافہ ہوگا

اب فنانشنگ کی بحالی کے بعد بینک کاروبار کے غیر منقولہ علاقوں کو معاشرے کے متعلق اور غیر معمولی لوگوں کیلئے تلاش کرے گا ہم پر امید ہیں کہ بینک کی فنانشنگ کی بحالی کی وجہ سے بینک کی آمدنی کے سلسلے میں اضافہ ہوگا جو کہ بینک کے آپریشن اور انتظامی اخراجات کو پورا کرے گا۔

رواں مدت کے اختتام پر بینک کی ایکویٹی (نقصانات کے بعد) 701.83 ملین پاکستانی روپے ہے جو کہ کم سے کم سرمایہ کاری کی ضروریات (MCR) مائیکرو فنانس بینکوں کے لئے پروڈیوسل ریگولیشن میں مخصوص طور پر سرمائے کی شرح کے مطابق نہیں ہے تاہم بینک کی ایکویٹی (نقصانات کے بعد) ریپبلک تارخ کے مطابق 701.83 ملین روپے ہیں جو کہ سرمائے کی کم از کم حد (MCR) جیسا کہ احتیاطی قواعد و ضوابط کے بالکل مطابقت نہیں رکھتا تاہم بینک کے اسپانسرز 31 دسمبر 2017 تک کم از کم سرمائے کی ضرورت (MCR) کو پورا کرنے کے لئے مکمل طور پر پرعزم ہیں

نومبر 2016ء سے جون 2017 تک معطل فنانشنگ کی وجہ سے جون 2016ء کے بعد کی گئی 550.00 ملین پاکستانی روپے کی سرمایہ کاری کے باوجود (MCR) پوری نہ ہو سکی انتظامیہ اب بھی پر امید ہے کہ فنانشنگ کی بحالی کے نتیجے میں بینک کی آمدنی میں خاطر خواہ اضافہ ہوگا جو کہ مکمل حد تک بینک کی ایکویٹی کی ریگولیشن کی ضروریات (MCR) کو پورا کرنے میں اپنا کردار ادا کرے گی

#### کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی پرائیویٹ لمیٹڈ نے بینک مستقبل کے معتمد الائٹمنٹ کے تناظر میں لئے لائٹ ٹرم اور شارٹ ٹرم ریٹنگ "BBB" (ٹرپل B) اور AAA (AAA) جاری کی ہے۔


#### اعترافات:

اس موقع پر ہم اپنے معزز صارفین، حصص داران، کھاتہ داروں کے ساتھ سرپرستوں کے اعتماد اور انتظامیہ کے ساتھ ملازمین کا محنت اور لگن سے اپنا بھرپور کردار ادا کرنے پر شکر یہ ادا کرتے ہیں۔

اس کے ساتھ ہم ٹیٹ بینک آف پاکستان، سٹیو ریٹز اینڈ ایچ پی سی آف پاکستان اور پاکستان سٹاک ایکسچینج کے بھی مشکور ہیں جنہوں نے ہماری مستقل رہنمائی جاری رکھی۔

بورڈ کی جانب سے

27 اکتوبر 2017ء  
لاہور

  
محمد گلستان ملک  
صدر ایگزیکٹو چیف ایگزیکٹو آفیسر

**APNA MICROFINANCE BANK LIMITED  
CONDENSED INTERIM BALANCE SHEET  
AS AT SEPTEMBER 30, 2017**

|   |             | 30-Sep-17             | 31-Dec-16             |
|---|-------------|-----------------------|-----------------------|
|   |             | ----- Rupees -----    |                       |
| <b>ASSETS</b>                             | <b>Note</b> | <b>(Un-audited)</b>   | <b>(Audited)</b>      |
| Cash and balances with SBP and NBP        | 5           | 703,194,611           | 1,028,052,212         |
| Balances with other banks/NBFIs/MFBs      | 6           | 4,413,988,177         | 4,280,247,005         |
| Lending to financial institutions         |             | -                     | -                     |
| Investments - net of provisions           | 7           | 659,330,078           | 605,409,478           |
| Advances-net of provisions                | 8           | 3,688,537,368         | 5,484,025,056         |
| Operating fixed assets                    | 9           | 819,050,436           | 821,089,654           |
| Other assets                              | 10          | 1,575,830,925         | 958,095,553           |
| Deferred tax asset                        |             | 521,531,143           | 377,084,060           |
| <b>Total assets</b>                       |             | <b>12,381,462,738</b> | <b>13,554,003,018</b> |
| <b>LIABILITIES</b>                        |             |                       |                       |
| Deposits and other accounts               | 11          | 11,366,725,304        | 12,347,070,954        |
| Borrowings                                | 12          | 13,208,595            | 204,001,745           |
| Subordinated debt                         |             | 50,000,000            | -                     |
| Other liabilities                         | 13          | 241,937,157           | 295,730,881           |
| Deferred tax liabilities                  |             | -                     | -                     |
| <b>Total liabilities</b>                  |             | <b>11,671,871,056</b> | <b>12,846,803,580</b> |
| <b>NET ASSETS</b>                         |             | <b>709,591,682</b>    | <b>707,199,438</b>    |
| <b>REPRESENTED BY:</b>                    |             |                       |                       |
| Share capital                             |             | 2,500,000,000         | 2,200,000,000         |
| Discount on issue of Shares               |             | (950,000,000)         | (950,000,000)         |
| Share deposit money                       |             | 250,008,080           | 400,000,000           |
| Statutory and general reserves            |             | 1,279,583             | 1,279,583             |
| Depositors' Protection Fund               |             | 319,896               | 319,896               |
| Accumulated loss                          |             | (1,099,773,232)       | (957,009,250)         |
|   |             | <b>701,834,327</b>    | <b>694,590,229</b>    |
| Deficit on revaluation of assets          |             | (3,279,516)           | (1,901,020)           |
| Deferred grants                           | 14          | 11,036,871            | 14,510,229            |
|   |             | <b>709,591,682</b>    | <b>707,199,438</b>    |
| <b>MEMORANDUM/OFF BALANCE SHEET ITEMS</b> | 16          | -                     | -                     |

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



\_\_\_\_\_  
**President & Chief Executive Officer**



\_\_\_\_\_  
**Chairman**



\_\_\_\_\_  
**Director**



\_\_\_\_\_  
**Director**

**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

| Note   | Nine Months Ended      |                      | Quarter Ended          |                      |
|--|------------------------|----------------------|------------------------|----------------------|
|  | 30-Sep-17              | 30-Sep-16            | 30-Sep-17              | 30-Sep-16            |
|  | ----- Rupees -----     |                      |                        |                      |
|  | (Un-Audited)           | (Un-Audited)         | (Un-Audited)           | (Un-Audited)         |
| Mark-up/return/interest earned   | 1,200,453,329          | 1,080,112,152        | 380,061,896            | 485,032,948          |
| Mark-up/return/interest expensed                                       | (562,339,867)          | (443,051,189)        | (160,159,813)          | (194,526,231)        |
| <b>Net mark-up/interest income</b>                                     | <b>638,113,462</b>     | <b>637,060,963</b>   | <b>219,902,083</b>     | <b>290,506,717</b>   |
| Provision against non-performing loans and advances                    | (237,630,595)          | (33,305,534)         | (45,539,429)           | (39,491,988)         |
| Provision for diminution in the value of investments                   | -                      | -                    | -                      | -                    |
| Recovery against written off advances                                  | 296,466                | 918,493              | 91,727                 | 229,266              |
| Bad debts written off directly   | -                      | -                    | -                      | -                    |
|  | (237,334,129)          | (32,387,041)         | (45,447,702)           | (39,262,722)         |
| Net mark-up/interest income after provisions                           | 400,779,333            | 604,673,922          | 174,454,381            | 251,243,995          |
| <b>Non mark-up/non interest income</b>                                 |                        |                      |                        |                      |
| Fee, commission and brokerage income                                   | 19,938,243             | 57,811,199           | 6,643,762              | 8,987,684            |
| Other income - includes against insurance claims                       | 286,558,855            | 53,378,023           | 273,005,304            | 8,877,594            |
| Total non mark-up/non interest income                                  | 306,497,098            | 111,189,222          | 279,649,066            | 17,865,278           |
|  | 707,276,431            | 715,863,144          | 454,103,447            | 269,109,273          |
| <b>Non mark-up/non interest expenses</b>                               |                        |                      |                        |                      |
| Administrative expenses  | (979,232,601)          | (741,039,027)        | (342,011,312)          | (287,711,901)        |
| Other provisions/write offs/adjustments                                | -                      | -                    | -                      | -                    |
| Other charges  | -                      | -                    | -                      | -                    |
| Total non mark-up/non interest expenses                                | (979,232,601)          | (741,039,027)        | (342,011,312)          | (287,711,901)        |
|  | (271,956,170)          | (25,175,883)         | 112,092,135            | (18,602,628)         |
| Extra ordinary/unusual items   | -                      | -                    | -                      | -                    |
| <b>Profit/(loss) before taxation</b>                                   | <b>(271,956,170)</b>   | <b>(25,175,883)</b>  | <b>112,092,135</b>     | <b>(18,602,628)</b>  |
| Taxation   |                        |                      |                        |                      |
| - Current  | (15,254,895)           | (11,841,353)         | (4,833,821)            | (4,937,507)          |
| - Prior year   | -                      | -                    | -                      | -                    |
| - Deferred   | 144,447,083            | 65,161,929           | -                      | -                    |
|  | 129,192,188            | 53,320,576           | (4,833,821)            | (4,937,507)          |
| <b>Profit/(Loss) after taxation</b>                                    | <b>(142,763,982)</b>   | <b>28,144,693</b>    | <b>107,258,314</b>     | <b>(23,540,135)</b>  |
| Accumulated (loss) brought forward                                     | (957,009,250)          | (221,485,690)        | (1,207,031,546)        | (169,800,862)        |
| Accumulated (loss) carried forward                                     | <u>(1,099,773,232)</u> | <u>(193,340,997)</u> | <u>(1,099,773,232)</u> | <u>(193,340,997)</u> |
| <b>Appropriations</b>  |                        |                      |                        |                      |
| Transfer to  |                        |                      |                        |                      |
| Statutory reserve  | -                      | -                    | -                      | -                    |
| Capital reserve  | -                      | -                    | -                      | -                    |
| Contribution to MSDF/ DPF/ RMF   | -                      | -                    | -                      | -                    |
| Revenue reserve  | -                      | -                    | -                      | -                    |
| Proposed cash dividend Rupee Nil per share (2016: Rupee Nil per share) | -                      | -                    | -                      | -                    |
| Others   | -                      | -                    | -                      | -                    |
|  | -                      | -                    | -                      | -                    |
| <b>Accumulated loss carried forward</b>                                | <b>(1,099,773,232)</b> | <b>(193,340,997)</b> | <b>(1,099,773,232)</b> | <b>(193,340,997)</b> |
| <b>Earnings/(loss) per share - basic and diluted</b>                   | <b>(0.57)</b>          | <b>0.13</b>          | <b>0.43</b>            | <b>(0.10)</b>        |

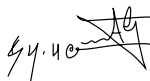
The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



\_\_\_\_\_  
President & Chief Executive Officer



\_\_\_\_\_  
Chairman



\_\_\_\_\_  
Director



\_\_\_\_\_  
Director

**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

|   | Nine Months Ended    |              | Quarter Ended      |              |
|---|----------------------|--------------|--------------------|--------------|
|   | 30-Sep-17            | 30-Sep-16    | 30-Sep-17          | 30-Sep-16    |
|   | ----- Rupees -----   |              |                    |              |
|   | (Un-Audited)         | (Un-Audited) | (Un-Audited)       | (Un-Audited) |
| <b>Profit / (loss) after taxation</b>                             | <b>(142,763,982)</b> | 28,144,693   | <b>107,258,314</b> | (23,540,135) |
| <b>Other comprehensive income</b>                                 |                      |              |                    |              |
| Items that will not be reclassified to profit or loss             | -                    | -            | -                  | -            |
| Items that may be subsequently reclassified to profit or loss     | -                    | -            | -                  | -            |
| <b>Comprehensive income/(loss) transferred to equity</b>          | <b>(142,763,982)</b> | 28,144,693   | <b>107,258,314</b> | (23,540,135) |
| <b>Components of comprehensive income not reflected in equity</b> |                      |              |                    |              |
| Net change in fair value of available-for-sale investments        | <b>(1,378,496)</b>   | (1,187,830)  | <b>(115,469)</b>   | (580,086)    |
| <b>Total comprehensive income/(loss) for the period</b>           | <b>(144,142,478)</b> | 26,956,863   | <b>107,142,845</b> | (24,120,221) |

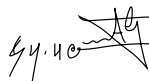
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\_\_\_\_\_  
**President & Chief Executive Officer**



\_\_\_\_\_  
**Chairman**



\_\_\_\_\_  
**Director**



\_\_\_\_\_  
**Director**

**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

|   | 30-Sep-17              | Rupees | 30-Sep-16              |
|---|------------------------|--------|------------------------|
| Note  | (Un-Audited)           | -----  | (Un-Audited)           |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                      |                        |        |                        |
| (Loss) before taxation  | (271,956,170)          |        | (25,175,883)           |
| <b>Adjustments for non-cash items</b>                           |                        |        |                        |
| Depreciation  | 77,318,488             |        | 20,210,466             |
| Amortization of Intangibles                                     | 5,968,370              |        | 5,670,787              |
| Provision against non-performing advances                       | 237,630,595            |        | 33,305,534             |
| Amortization of deferred grants                                 | (3,473,358)            |        | (3,913,715)            |
| Gain on disposal of fixed assets - net                          | (2,304)                |        | (688,900)              |
| Finance charges on leased assets                                | -                      |        | 50,380                 |
|   | <b>317,441,791</b>     |        | <b>54,634,552</b>      |
| <b>Operating cash flow before working capital changes</b>       | <b>45,485,621</b>      |        | <b>29,458,669</b>      |
| <b>Changes in working capital</b>                               |                        |        |                        |
| <b>Increase in operating assets</b>                             |                        |        |                        |
| Advances  | 1,557,857,091          |        | (4,135,020,935)        |
| Other assets  | (632,990,267)          |        | (573,828,436)          |
|   | <b>924,866,824</b>     |        | <b>(4,708,849,371)</b> |
| <b>Increase in operating liabilities</b>                        |                        |        |                        |
| Deposits  | (980,345,650)          |        | 6,898,225,700          |
| Other liabilities   | (53,793,724)           |        | 98,615,467             |
|   | <b>(1,034,139,374)</b> |        | <b>6,996,841,167</b>   |
| <b>Cash flow from operations</b>                                | <b>(63,786,929)</b>    |        | <b>2,317,450,465</b>   |
| Income tax paid   | -                      |        | (13,223,834)           |
| Finance lease charges paid                                      | -                      |        | (50,380)               |
| <b>Net cash flow from operating activities</b>                  | <b>(63,786,929)</b>    |        | <b>2,304,176,251</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                      |                        |        |                        |
| Net investments in held for trading securities                  | -                      |        | 51,248,672             |
| Net investments in held to maturity securities                  | (55,299,096)           |        | (396,654,250)          |
| Investments in operating fixed assets                           | (81,286,801)           |        | (361,291,857)          |
| Investments in intangible assets                                | -                      |        | (15,195,700)           |
| Sales proceeds from disposal of operating fixed assets          | 41,466                 |        | 688,900                |
| <b>Net cash used in investing activities</b>                    | <b>(136,544,431)</b>   |        | <b>(721,204,235)</b>   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                      |                        |        |                        |
| Share deposit money - net                                       | 150,008,080            |        | 200,000,000            |
| Borrowings  | (140,793,149)          |        | -                      |
| Repayment of lease obligations                                  | -                      |        | (189,476)              |
| <b>Net cash flow from financing activities</b>                  | <b>9,214,931</b>       |        | <b>199,810,524</b>     |
| Increase/(decrease) in cash and cash equivalents for the period | (191,116,429)          |        | 1,782,782,540          |
| Cash and cash equivalents at the beginning of the period        | 5,308,299,217          |        | 1,996,519,461          |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>5,117,182,788</b>   |        | <b>3,779,302,001</b>   |

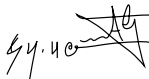
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\_\_\_\_\_  
**President & Chief Executive Officer**



\_\_\_\_\_  
**Chairman**



\_\_\_\_\_  
**Director**

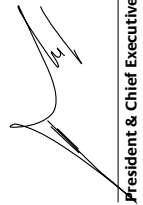


\_\_\_\_\_  
**Director**

**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

|  | Share Capital | Discount on Issue of Shares | Share Deposit Money | Statutory Reserve | Depositors' Protection Fund | Accumulated Profit / (Loss) | Total         |
|--|---------------|-----------------------------|---------------------|-------------------|-----------------------------|-----------------------------|---------------|
|  | Rupees        |                             |                     |                   |                             |                             |               |
| <b>Balance as at December 31, 2015</b>               | 2,200,000,000 | (950,000,000)               | -                   | 1,279,583         | 319,896                     | (22,148,690)                | 1,030,113,769 |
| <b>Comprehensive income/(loss) for the period</b>    |               |                             |                     |                   |                             |                             |               |
| Profit/(loss) after taxation                         | -             | -                           | -                   | -                 | -                           | 28,144,693                  | 28,144,693    |
| Other comprehensive income                           | -             | -                           | -                   | -                 | -                           | -                           | -             |
| Total comprehensive income/(loss) for the period     | -             | -                           | -                   | -                 | -                           | 28,144,693                  | 28,144,693    |
| Share deposit money                                  | -             | -                           | 200,000,000         | -                 | -                           | -                           | 200,000,000   |
| <b>Balance as at September 30, 2016</b>              | 2,200,000,000 | (950,000,000)               | 200,000,000         | 1,279,583         | 319,896                     | (193,340,997)               | 1,258,258,482 |
| <b>Comprehensive income/(loss) for the period</b>    |               |                             |                     |                   |                             |                             |               |
| Profit/(loss) after taxation                         | -             | -                           | -                   | -                 | -                           | (763,668,253)               | (763,668,253) |
| Other comprehensive income                           | -             | -                           | -                   | -                 | -                           | -                           | -             |
| Total comprehensive income/(loss) for the period     | -             | -                           | -                   | -                 | -                           | (763,668,253)               | (763,668,253) |
| Share deposit money                                  | -             | -                           | 200,000,000         | -                 | -                           | -                           | 200,000,000   |
| <b>Balance as at December 31, 2016 (Audited)</b>     | 2,200,000,000 | (950,000,000)               | 400,000,000         | 1,279,583         | 319,896                     | (957,009,250)               | 694,590,229   |
| Share issued against share deposit money             | -             | -                           | (299,991,920)       | -                 | -                           | -                           | (299,991,920) |
| Profit/(loss) after taxation                         | -             | -                           | -                   | -                 | -                           | (142,763,982)               | (142,763,982) |
| Share deposit money                                  | -             | -                           | 150,000,000         | -                 | -                           | -                           | 150,000,000   |
| Other comprehensive income                           | -             | -                           | -                   | -                 | -                           | -                           | -             |
| Shares issued  | 300,000,000   | -                           | -                   | -                 | -                           | -                           | 300,000,000   |
| Total comprehensive income/(loss) for the period     | 300,000,000   | -                           | (149,991,920)       | -                 | -                           | (142,763,982)               | 7,244,098     |
| <b>Balance as at September 30, 2017 (Un-Audited)</b> | 2,500,000,000 | (950,000,000)               | 250,008,080         | 1,279,583         | 319,896                     | (1,099,773,232)             | 701,834,327   |

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



**President & Chief Executive Officer**



**Chairman**



**Director**



**Director**

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

**1 STATUS AND NATURE OF BUSINESS**

Apna Microfinance Bank Limited (“the Bank”) was incorporated on 08 May 2003 as a public limited Bank under the Companies Ordinance, 1984. The Bank was granted a certificate of commencement of business on 28 December 2004 and its operations started from 01 January 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. As at the reporting date, the Bank operates 116 branches and 11 service centres (December 2016: 116 branches & 6 service centres) and its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi.

**2 STATEMENT OF COMPLIANCE**

**2.1** This condensed interim financial report of the Bank for the nine months ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 – ‘Interim Financial Reporting’, provisions of the Companies Ordinance, 1984, the Microfinance Institution Ordinance, 2001, the Prudential Regulations for Microfinance Banks/Institutions and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case where the requirements differ, the provisions of Companies Ordinance, 1984, the Microfinance Institution Ordinance 2001, the Prudential Regulations of Microfinance Banks/Institutions or the requirements of the said directives have been followed.

**2.2** SBP has deferred the applicability of International Accounting Standards (IAS) 39 ‘Financial Instruments Recognition and Measurement’ and International Accounting Standards (IAS) 40 ‘Investment Property’ for Banking Companies through BSD Circular No. 10 dated 26 August 2002. Further, the Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS-7 “ Financial Instruments: Disclosures” through its notification S.R.O 633(1) / 2014 dated 10th July 2014. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information.

**2.3 Basis of preparation and presentation**

This condensed interim financial information is prepared in accordance with BSD Circular No. 11 dated 30 December 2003 issued by the State Bank of Pakistan (SBP) and IAS – 34 ‘Interim Financial Reporting’ and hence do not include all the information required in the annual financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2016.

This condensed interim financial information is presented in Pak Rupees, which is the Bank’s functional and presentation currency.

**3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Bank’s accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Bank for the year ended 31 December 2016.

**4 ACCOUNTING POLICIES AND COMPUTATION METHODS**

The accounting policies and the methods of computation adopted in preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited published financial statements for the year ended 31 December 2016.

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

|          |      |   | 30-Sep-17          | 31-Dec-16     |
|----------|------|---|--------------------|---------------|
|          | Note |   | ----- Rupees ----- | -----         |
|          |      |   | (Un-audited)       | (Audited)     |
| <b>5</b> |      | <b>CASH AND BALANCES WITH SBP AND NBP</b>   |                    |               |
|          |      | Cash in hand – local currency   | 275,065,586        | 321,221,064   |
|          | 5.1  | Balance with State Bank of Pakistan   | 409,954,154        | 592,817,045   |
|          |      | Balance with National Bank of Pakistan in Current Accounts  | 18,174,871         | 114,014,103   |
|          |      |   | 703,194,611        | 1,028,052,212 |
| 5.1      |      | 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. |                    |               |
| <b>6</b> |      | <b>BALANCES WITH OTHER BANKS/NBFIs/MFBs</b>   |                    |               |
|          |      | In Pakistan   |                    |               |
|          |      | - on current account  | 24,317,377         | 46,781,023    |
|          | 6.1  | - on deposit account  | 3,139,670,800      | 3,118,465,982 |
|          | 6.2  | - certificates of deposits  | 1,250,000,000      | 1,115,000,000 |
|          |      |   | 4,413,988,177      | 4,280,247,005 |
| 6.1      |      | These carry mark-up rates ranging from 3.75 to 8 percent (December 2016: 3.75 to 8 percent) per annum.  |                    |               |
| 6.2      |      | These represent placements with different financial institutions carrying markup ranging from 6.75 to 9.50 percent (December: 2016: from 7 to 11.75 percent) per annum. Their maturity ranges from three months to one year from the date of placement.                                 |                    |               |
| <b>7</b> |      | <b>INVESTMENTS - NET OF PROVISIONS</b>  |                    |               |
|          |      | <b>Held-for-trading</b>   |                    |               |
|          |      | Term Finance Certificate (TFCs)   | -                  | 19,193,937    |
|          |      | Fair value adjustment   | -                  | 431,063       |
|          |      | Redemptions made during the year  | -                  | (19,625,000)  |
|          |      |   | -                  | -             |
|          |      | <b>National Bank of Pakistan NAFA - Mutual Fund</b>   |                    |               |
|          |      | Opening Balance   | -                  | 32,054,735    |
|          |      | Placements made during the period   | -                  | -             |
|          |      | Fair value adjustment   | -                  | 468,576       |
|          |      | Redemptions made during the period  | -                  | (32,523,311)  |
|          |      | Closing Balance   | -                  | -             |
|          |      | <b>Held-to-maturity</b>   |                    |               |
|          | 7.1  | B R R Guardian Modaraba - Term Finance Certificate (TFCs)   | 4,897,730          | 7,235,390     |
|          | 7.2  | Term Finance Certificate (TFCs)   | 100,000,000        | -             |
|          |      | Amortization of discount  | -                  | -             |
|          |      |   | 104,897,730        | 7,235,390     |
|          | 7.3  | Treasury Bills  | 554,432,348        | 546,495,592   |
|          |      | <b>Available for sale</b>   |                    |               |
|          |      | <b>Federal Government Securities</b>  |                    |               |
|          |      | Pakistan Investment Bonds (PIBs)  | -                  | 53,579,516    |
|          |      | Fair value adjustment   | -                  | (1,901,020)   |
|          |      |   | -                  | 51,678,496    |
|          |      | <b>Total Investments</b>  | 659,330,078        | 605,409,478   |



**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

- 7.1 This represents investment in 4000 units in B.R.R Guardian Modaraba. The investment will mature on 06 April 2019. It carries mark-up at the rate of 1 month KIBOR plus 1.5% per annum (December 2016: 1 month KIBOR plus 1.5% per annum).
- 7.2 This represents investment in 20,000 units of TFC's issued by Silk Bank Limited. The investment will mature on August 10, 2025. It carries mark-up at the rate of 6 months KIBOR plus 1.85% per annum.
- 7.3 This represents T-Bills issued having maturities ranging from three to six months and carry yields of 5.93% - 5.94 % per annum (December 2016: 5.82% - 5.86% per annum). These securities have an aggregate face value of Rs. 560 million (December 2016: Rs. 548 million).

**8 ADVANCES - NET OF PROVISIONS**

| Note                              | 30-Sep-17                |                      | 31-Dec-16                |                      |
|-----------------------------------|--------------------------|----------------------|--------------------------|----------------------|
|                                   | No. of Loans Outstanding | Rupees               | No. of Loans Outstanding | Rupees               |
|                                   | ----- (Un-audited) ----- |                      | ----- (Audited) -----    |                      |
| Micro credits                     | 38,338                   | 4,553,763,159        | 50,096                   | 6,397,188,441        |
| <b>Less: Provision held:</b>      |                          |                      |                          |                      |
| - Specific                        |                          | 830,223,280          |                          | 861,724,628          |
| - General                         |                          | 35,002,511           |                          | 51,438,757           |
| <b>8.2</b>                        |                          | <b>865,225,791</b>   |                          | <b>913,163,385</b>   |
| <b>Advances -net of provision</b> | <b>38,338</b>            | <b>3,688,537,368</b> | <b>50,096</b>            | <b>5,484,025,056</b> |

**8.1 Particulars of non-performing advances**

Advances include Rs.1,072,071,546/- (December 2016: Rs.1,484,012,565/-) which have been placed under non performing status as detailed below:

|                                   | 30-Sep-17                |                    |                    | 31-Dec-16             |                    |                    |
|-----------------------------------|--------------------------|--------------------|--------------------|-----------------------|--------------------|--------------------|
|                                   | Amount Outstanding       | Provision Required | Provision Held     | Amount Outstanding    | Provision Required | Provision Held     |
|                                   | ----- Rupees -----       |                    |                    |                       |                    |                    |
|                                   | ----- (Un-audited) ----- |                    |                    | ----- (Audited) ----- |                    |                    |
| <b>Category of classification</b> |                          |                    |                    |                       |                    |                    |
| OAEM                              | 70,799,688               | -                  | -                  | 358,209,817           | -                  | -                  |
| Sub-standard                      | 59,612,513               | 14,650,224         | 14,650,224         | 163,612,651           | 33,919,890         | 33,919,890         |
| Doubtful                          | 238,137,975              | 118,174,026        | 118,174,026        | 261,399,323           | 128,345,116        | 128,345,116        |
| Loss                              | 703,521,370              | 697,399,030        | 697,399,030        | 700,790,774           | 699,459,622        | 699,459,622        |
| <b>Total</b>                      | <b>1,072,071,546</b>     | <b>830,223,280</b> | <b>830,223,280</b> | <b>1,484,012,565</b>  | <b>861,724,628</b> | <b>861,724,628</b> |

**8.2 Particulars of provisions against non-performing advances**

|                       | 30-Sep-17                |                   |                    | 31-Dec-16             |                   |                    |
|-----------------------|--------------------------|-------------------|--------------------|-----------------------|-------------------|--------------------|
|                       | Specific                 | General           | Total              | Specific              | General           | Total              |
|                       | ----- Rupees -----       |                   |                    |                       |                   |                    |
|                       | ----- (Un-audited) ----- |                   |                    | ----- (Audited) ----- |                   |                    |
| Opening balance       | 861,724,628              | 51,438,757        | 913,163,385        | 42,365,121            | 23,628,187        | 65,993,308         |
| Charge for the period | 254,066,841              | (16,436,246)      | 237,630,595        | 819,359,507           | 27,810,570        | 847,170,077        |
| Amount written off    | (285,568,189)            | -                 | (285,568,189)      | -                     | -                 | -                  |
| Closing balance       | <b>830,223,280</b>       | <b>35,002,511</b> | <b>865,225,791</b> | <b>861,724,628</b>    | <b>51,438,757</b> | <b>913,163,385</b> |

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

|  | Note | 30-Sep-17            | 31-Dec-16          |
|--|------|----------------------|--------------------|
|  |      | (Un-audited)         | (Audited)          |
| <b>9 OPERATING FIXED ASSETS</b>                        |      |                      |                    |
| Capital work in progress                               |      | 82,961,093           | 118,459,717        |
| Property and equipment                                 |      | 720,682,497          | 684,499,722        |
| Intangible assets                                      |      | 15,406,846           | 18,130,215         |
|  |      | <b>819,050,436</b>   | <b>821,089,654</b> |
| <b>10 OTHER ASSETS</b>                                 |      |                      |                    |
| Income/ mark-up accrued                                |      | 893,855,219          | 533,009,040        |
| Advances to staff                                      | 10.1 | 116,358,710          | 127,474,382        |
| Advances, deposits, advance rent and other prepayments |      | 196,706,094          | 187,129,230        |
| Advance income tax - net of provision                  |      | 19,906,911           | 7,867,933          |
| Security deposits                                      |      | 36,811,920           | 30,287,360         |
| Inter banks ATM settlement account                     |      | 15,898,985           | 36,357,979         |
| Insurance claim receivable                             | 10.2 | 296,293,086          | 35,969,629         |
|  |      | <b>1,575,830,925</b> | <b>958,095,553</b> |
| Insurance claim receivable                             |      | 27,252,773           | 27,252,773         |
| Less: Provision/write offs/adjustmens                  |      | (27,252,773)         | (27,252,773)       |
|  |      | <b>1,575,830,925</b> | <b>958,095,553</b> |

**10.1 Advances to staff**

|   |                    |                    |
|---|--------------------|--------------------|
| Loan to executive director of the company | -                  | -                  |
| Loan to executive and other staff         | 116,358,710        | 127,474,382        |
|   | <b>116,358,710</b> | <b>127,474,382</b> |

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

**11 DEPOSITS AND OTHER ACCOUNTS**

|                      | 30-Sep-17       |                       | 31-Dec-16       |                       |
|----------------------|-----------------|-----------------------|-----------------|-----------------------|
|                      | No. of accounts | Rupees                | No. of accounts | Rupees                |
|                      | (Un-audited)    |                       | (Audited)       |                       |
| Fixed deposits/Deals | 19,258          | 4,190,789,428         | 16,325          | 6,012,459,663         |
| Saving deposits      | 26,990          | 3,231,327,099         | 23,683          | 4,119,134,284         |
| Current deposits     | 149,121         | 3,944,608,777         | 128,087         | 2,215,477,007         |
|                      | <b>195,369</b>  | <b>11,366,725,304</b> | <b>168,095</b>  | <b>12,347,070,954</b> |

**11.1 PARTICULARS OF DEPOSITS BY OWNERSHIP**

|                                    |                |                       |                |                       |
|------------------------------------|----------------|-----------------------|----------------|-----------------------|
| Individual depositors              | 194,919        | 10,837,338,940        | 167,644        | 11,453,555,275        |
| Institutional depositors / Deals   |                |                       |                |                       |
| - Corporation / firm               | 403            | 341,538,038           | 399            | 429,029,020           |
| - Banks and financial institutions | 47             | 187,848,326           | 52             | 464,486,659           |
|                                    | <b>195,369</b> | <b>11,366,725,304</b> | <b>168,095</b> | <b>12,347,070,954</b> |

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

|   | Note | 30-Sep-17<br>----- Rupees -----<br>(Un-audited) | 31-Dec-16<br>----- Rupees -----<br>(Audited) |
|---|------|---|--|
| <b>12 BORROWINGS</b>  |      |   |  |
| Borrowing from banks and/financial institutions in Pakistan   |      |   |  |
| Running finance   | 12.1 | -   | 189,000,888                                  |
| Demand finance  | 12.2 | 13,208,595                                      | 15,000,857                                   |
|   |      | <b>13,208,595</b>                               | <b>204,001,745</b>                           |
| <b>12.1</b> The bank had obtained 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 honour clearing obligations in case the funds in current account with SBP fall short. These borrowings have been paid off during the period. The effective rate of mark-up charged during the period was 7.75% per annum.   |      |   |  |
| <b>12.2</b> The demand finance facility is obtained to purchase vehicles. The facility is secured against hypothecation charge over financed vehicles under hire purchase agreement, against corporate guarantee of the Bank. Each demand finance (for each vehicle) is repayable in 60 monthly instalments commenced from the date of respective disbursement. It is subject to mark-up at the rate of 1 year KIBOR plus 1.50% per annum payable on monthly basis. |      |   |  |
| <b>13 OTHER LIABILITIES</b>   |      |   |  |
| Mark-up/return/interest payable   |      | 82,704,482                                      | 112,222,868                                  |
| Bills payable   |      | 91,678,033                                      | 112,450,292                                  |
| Accrued Expenses  |      | 1,899,129                                       | 1,691,888                                    |
| Others  |      | 65,655,513                                      | 69,365,833                                   |
|   |      | <b>241,937,157</b>                              | <b>295,730,881</b>                           |
| <b>14 DEFERRED GRANTS</b>   |      |   |  |
| Institutional Strengthening Fund (ISF)  |      | 630,733   | 2,040,034                                    |
| Financial Innovation Challenge Fund (FICF)  |      | 10,406,138                                      | 12,470,195                                   |
|   |      | <b>11,036,871</b>                               | <b>14,510,229</b>                            |
|   |      | <b>30-Sep-17</b>                                | <b>30-Sep-16</b>                             |
|   |      | ----- Rupees -----                              | ----- Rupees -----                           |
|   |      | ----- (Un-audited) -----                        | ----- (Audited) -----                        |
| <b>15 CASH &amp; CASH EQUIVALENTS</b>   |      |   |  |
| Cash and balances with SBP and NBP  |      | 703,194,611                                     | 1,608,717,842                                |
| Balances with other banks/NBFIs/MFBs  |      | 4,413,988,177                                   | 2,170,584,159                                |
|   |      | <b>5,117,182,788</b>                            | <b>3,779,302,001</b>                         |
| <b>16 MEMORANDUM/OFF BALANCE SHEET ITEMS</b>  |      |   |  |
| There were no other contingencies and commitments as at September 30, 2017 (December 2016: Nil).  |      |   |  |

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

**17 MARKUP/RETUR/INTEREST EARNED**

|   | Nine Months Ended      |                      | Quarter Ended      |                    |
|---|------------------------|----------------------|--------------------|--------------------|
|   | 30-Sep-17              | 30-Sep-16            | 30-Sep-17          | 30-Sep-16          |
|   | Rupees<br>(Un-audited) |                      |                    |                    |
| Mark-up on loans and advances                   | 941,035,987            | 978,343,290          | 286,846,513        | 427,412,657        |
| Mark-up on investments in government securities | 26,970,426             | 18,538,072           | 10,264,598         | 15,700,946         |
| Mark-up on deposit accounts                     | 232,446,916            | 83,230,790           | 82,950,785         | 41,919,345         |
|   | <u>1,200,453,329</u>   | <u>1,080,112,152</u> | <u>380,061,896</u> | <u>485,032,948</u> |

**18 TAXATION**

**18.1 Current Tax**

The Bank has carried forward tax losses of Rs. 854,347,181/- (31 December 2016: Rs. 477,396,496 /-) as at reporting date due to which no taxable income arises during the period. However, under section 113"minimum tax on income of certain persons " of the Income Tax Ordinance, 2001, the Bank is required to make a provision for minimum taxation. Therefore, provision for minimum taxation amounting to Rs. 15,254,895 /- (December 2016: Rs. 15,029,737 /-) has been made in condensed interim financial information.

**18.2 Deferred Tax**

The management is expecting future taxable profits and has recognized deferred tax asset amounting to Rs. 521,531,143/- on the basis of financial projections indicating utilization of deferred tax asset against those future taxable profits. The financial projections involve certain key assumptions such as deposit composition, interest rates, decrease in cost of deposits and operational costs, growth of deposits and advances, investment returns and potential recoveries against non-performing loans. Any significant change in the key assumptions may have an effect on the utilization of the deferred tax asset.

**19 TRANSACTION 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 this condensed interim financial information is as under:

| Nature of Relationship              | Nature of Transactions         | 30-Sep-17<br>Rupees<br>(Un-audited) | 31-Dec-16<br>Rupees<br>(Audited) |
|-------------------------------------|--------------------------------|-------------------------------------|----------------------------------|
| <b>BALANCES AS AT PERIOD END</b>    |                                |                                     |                                  |
| Associated Company:                 |                                |                                     |                                  |
|                                     | Deposits                       | 2,883,072                           | 5,453,525                        |
|                                     | Share deposit money            | 150,008,080                         | 300,000,000                      |
|                                     | Insurance claim receivable     | 323,545,859                         | 63,222,402                       |
|                                     | Provision on claim receivables | (27,252,773)                        | -                                |
| Key management personnel:           |                                |                                     |                                  |
|                                     | Deposits                       | 2,436,789                           | 3,769,929                        |
| Directors / sponsors / shareholders |                                |                                     |                                  |
|                                     | Deposits                       | 9,228,702                           | 8,699,169                        |
|                                     | Share deposit money            | 100,000,000                         | 100,000,000                      |

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017**

|                                       | 30-Sep-17<br>Rupees<br>----- (Un-audited) ----- | 30-Sep-16<br>Rupees<br>----- |
|---------------------------------------|---|------------------------------|
| <b>TRANSACTIONS DURING THE PERIOD</b> |   |                              |
| <b>Associated company:</b>            |   |                              |
| Deposits received                     | 83,273,314                                      | 219,524,521                  |
| Withdrawals                           | 85,958,461                                      | 220,409,023                  |
| Mark-up paid on deposits              | 114,694   | -                            |
| Share deposit money received          | 150,000,000                                     | -                            |
| Insurance premium paid                | -   | 16,627,908                   |
| Insurance claim received              | 42,091,627                                      | -                            |
| share issued against share            |   |                              |
| deposit money                         | (299,991,920)                                   | -                            |
| Claim lodged with UIC                 | 267,038,187                                     | -                            |
| <b>Other related parties:</b>         |   |                              |
| Contribution to Staff Provident Fund  | 3,815,127                                       | 2,062,467                    |
| <b>Key management personnel:</b>      |   |                              |
| <b>Deposits</b>                       |   |                              |
| Deposits received                     | 24,601,458                                      | 29,380,231                   |
| Withdrawals                           | 24,573,468                                      | 27,159,243                   |
| Mark-paid on deposits                 | 47,119  | 202,766                      |
| <b>From directors/sponsors:</b>       |   |                              |
| Deposits received                     | 10,686,343                                      | 20,813,955                   |
| Share deposits money received         | -   | 200,000,000                  |
| Withdrawals                           | 10,291,592                                      | 21,364,946                   |
| Mark-paid on deposits                 | 134,782   | 959,711                      |

**20 DATE OF AUTHORIZATION FOR ISSUE**

This condensed financial information was approved and authorised for issue by the Board of Directors on October 27<sup>th</sup>, 2017.

**21 GENERAL**

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

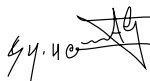
**21.2** Figures have been rounded off to the nearest rupee unless otherwise stated.



\_\_\_\_\_  
President & Chief Executive Officer



\_\_\_\_\_  
Chairman



\_\_\_\_\_  
Director



\_\_\_\_\_  
Director







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