



Micro Finance  
**apna bank**  
Limited

Un-Audited Interim Condensed  
Financial Statements for the  
Quarter Ended March 31, 2013



## Corporate Information

### Board of Directors

Chairman	Mr. Mian M. A. Shahid
Directors	Mr. Mohammad Azam Cheema Mr. Shoaib Ahmed Butt Ms. Shahida Bilquis Mr. Qamar-uz-Zaman Mr. Ejaz Ahmed Khan

President / Chief Executive Mr. Ejaz Ahmed Khan

Company Secretary Mr. Rafat Abbas

Chief Financial Officer Mr. Abid Saghir Farooqui

### Audit Committee of the Board

Chairman	Mr. Shoaib Ahmed Butt
Members	Mr. Qamar-uz-Zaman Ms. Shahida Bilquis
Secretary	Internal Auditor

### Human Resource & Remuneration Committee of the Board

Chairman	Mr. Mian M. A. Shahid
Members	Mr. Mohammad Azam Cheema Mr. Ejaz Ahmed Khan
Member/ Secretary	Country Head HR

**Auditors** Riaz Ahmad & Co.  
Chartered Accountants

**Tax/ Legal Advisor** Ernst & Young Ford Rhodes Sidat Hyder  
Agha Law Associates

**Bankers** Bank Al-Falah Ltd  
KASB Bank Ltd  
Oman International Bank S.A.O.G.  
Silk Bank Ltd  
Summit Bank Ltd  
Tameer Microfinance Bank Ltd

Registered & Head 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

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

Model Branch Gizri	Tel: 021-35865021-24
Shahrah-e-Faisal, Branch	Tel: 021-34324656-59
I.I Chundrigar Branch	Tel: 021-32623667-68-69-70
Bhens Colony Branch	Tel: 021-35081281-82-85.
Napier Road Branch	Tel: 021-32527041-44
Korangi Industrial Area Branch	Tel: 021-35013400-02
Liaquat Market, Malir Branch	Tel: 021-34113781-83
Mehmoodabad Branch	Tel: 021-35319240-41-42
Shah Faisal Colony Branch	Tel: 021-34601749-50
North Karachi Branch	Tel: 021-36961067-68-71
Orangi Town Branch	Tel: 021-36652095-103

## Directors' Review

On behalf of the Board of Directors, I am pleased to present the un-audited Financial Statements of the Bank for the quarter ended March 31st, 2013.

### Operational and Financial Review

The Bank posted a loss before taxes of PKR 12.725 million during the first quarter ended March 31st, 2013 as compared to a loss of PKR 6.735 million in the corresponding period last year. The equity (net of losses) of the Bank stood at PKR.300.091 million and total assets grew to PKR.839.619 million from Rs.800.380 million as at December 31st, 2012. The loss per share for the quarter ended March 31st, 2013 was PKR.0.43 (Quarter ended March 31st, 2012: PKR. 0.23).

As per Bank's plan to increase advances during the year 2013 and as expected, the advances portfolio has shown a healthy growth and has increased to PKR182.564 million in comparison to December 31st, 2012 of PKR.126.62 million. The Bank's deposits have increased to PKR.528.003 million in comparison to December 31st, 2012 of PKR.468.025 million. The bank's liquidity profile remains strong at PKR 557.718 million in liquid assets which is approximately 66.425% of our total assets.

Mark-up/returns on advances, investments and placements was PKR.26.246 million as compared to PKR.5.986 million in the corresponding period last year March 31st, 2012, whereas mark-up/return/interest expensed on deposits stood at PKR.10.722 million as compared to PKR.0.076 million in the corresponding period last year March 31st, 2012.

The Bank has been working on reducing the cost of deposits by focusing on small depositors and reducing reliance on high cost deposits, and increasing the size of its advances as per target. During the quarter, management remained focused on growing business volumes and quality and achieved the desired results. Focus was also accorded on the support functions to achieve efficiencies and improve customer service.

The Bank has also upgrading the core banking application of the Bank in order to enhance the competitiveness of the Bank and reach national level scale of operations.

### Future Outlook

In the year 2012 a special approval from SBP has been obtained to open six more branches in Karachi to increase our out reach to poor and un-served segment of the society. All the branches have been successfully completed and are fully operational which have increased its out reach in the Microfinance sector. The expansion in network is reflected in the widening and deepening of Apna Banks' account base, where deposits, advances and number of customers have shown a remarkable increase. The expansion in branches has resulted in awareness about Apna Microfinance Bank, and now the Bank is well known in the community and sector.

As a result of hard work and dedication shown by the management, the State Bank of Pakistan has approved a grant of PKR 36.081 million under Institutional Strengthening Fund (IFS) for Advancement of Banking Software and Human Resource Development. The agreement for the same has been signed on April 15th, 2013. The disbursement of grant is expected after completion of formalities.

At the year end 2012 the bank has setup its ATM facility, and completed all formalities from obtaining Issuer Identification Number till installation of ATM Machines. All the necessary testing by One Link for encryption and data connectivity has been tested and confirmed. Finally the ATM operation has started from March 13th, 2013 and successfully going on, the ATM facility is available for its employees and customers.

### Credit Rating

The Pakistan Credit Rating Agency (Pvt) Ltd. has maintained the long term and short term ratings for the Bank to "BBB" ( Triple B ) and "A3" ( A Three ) respectively, with, a "Positive future Outlook". The ratings denote an adequate capacity for timely payment of financial commitments. Working on credit rating for the year 2012 has been completed and the results are expected by the end of April 2013.

### 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 Karachi Stock Exchange for their continued guidance and support.

Karachi: April 27th, 2013

On behalf of the Board







Ejaz Ahmed Khan  
President and CEO



**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)**  
**AS AT MARCH 31st, 2013**

	Note	March 31, 2013 ----- Rupees ----- (Un-audited)	December 31, 2012 ----- Rupees ----- (Audited)
<b>ASSETS</b>			
Cash and balances with SBP	5	52,158,154	46,166,761
Balances with other banks / MFBs	6	217,610,719	395,535,805
Lending to financial institutions		-	-
Investment	7	287,949,124	154,951,281
Advances-net of provisions	8	176,836,642	121,788,004
Operating fixed assets		61,863,678	56,755,305
Other assets		43,200,848	25,183,210
Deferred tax assets		-	-
<b>Total assets</b>		<b>839,619,165</b>	<b>800,380,366</b>
<b>LIABILITIES</b>			
Deposits and other accounts	9	528,002,994	468,024,864
Borrowings		-	-
Subordinated debt		-	-
Other liabilities		11,576,356	19,353,370
Deferred tax liabilities		-	-
<b>Total liabilities</b>		<b>539,579,350</b>	<b>487,378,234</b>
<b>NET ASSETS</b>		<b>300,039,815</b>	<b>313,002,132</b>
<b>REPRESENTED BY:</b>			
Share capital		300,000,000	300,000,000
Statutory reserves		62,514	50,011
Accumulated losses		(152,971,823)	(139,997,003)
		147,090,691	160,053,008
Surplus/(deficit) on revaluation of investments		(50,876)	(50,876)
Deferred grants		-	-
Share deposit money		153,000,000	153,000,000
<b>Total capital</b>		<b>300,039,815</b>	<b>313,002,132</b>

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

 Ejaz Ahmed Khan President/Chief Executive	 Mian M. A. Shahid Chairman	 Shoaib Ahmad Butt Director	 Qamar-uz-Zaman Director
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**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED MARCH 31st, 2013**

	Note	March 31, 2013 ----- Rupees ----- (Un-audited)	March 31, 2012 ----- Rupees ----- (Un-audited)
<b>Mark-up/return/interest earned</b>		26,246,170	5,985,895
<b>Mark-up/return/interest expensed</b>	11	(10,722,124)	(76,966)
<b>Net mark-up/interest income</b>		<u>15,524,046</u>	<u>5,908,929</u>
Provision against non-performing loans and advances		(1,838,806)	(193,354)
Provision for diminution in the value of investments		-	-
Bad debts written off directly		-	-
		<u>(1,838,806)</u>	<u>(193,354)</u>
<b>Net mark-up/interest income after provisions</b>		<u>13,685,240</u>	<u>5,715,575</u>
<b>Non mark-up/non interest income</b>			
Recovery from Written Off Loans		209,868	980,452
Fee, commission and brokerage income		980,204	-
Other income		363,919	13,092
		<u>1,553,991</u>	<u>993,544</u>
		<u>15,239,231</u>	<u>6,709,119</u>
<b>Non mark-up / non interest expenses</b>			
Administrative expenses		(27,964,197)	(13,444,355)
Other provisions / write offs		-	-
Bad debt directly written Off		-	-
		<u>(27,964,197)</u>	<u>(13,444,355)</u>
<b>(Loss) before taxation</b>		<u>(12,724,967)</u>	<u>(6,735,236)</u>
Taxation - current		(249,854)	(59,859)
prior		-	-
deferred		-	-
<b>(Loss) after taxation</b>		<u>(12,974,820)</u>	<u>(6,795,095)</u>
<b>Accumulated loss brought forward</b>		<u>(139,997,003)</u>	<u>(94,244,880)</u>
<b>Appropriations</b>			
Transfer to			
Statutory reserve		-	-
Depositors' Protection Fund		-	-
		<u>-</u>	<u>-</u>
<b>Accumulated loss carried forward</b>		<u>(152,971,823)</u>	<u>(101,039,975)</u>
<b>(Loss) per share - basic and diluted</b>		<u>(0.43)</u>	<u>(0.23)</u>

The annexed notes form an integral part of these condensed interim financial information.

Ejaz Ahmed Khan  
President/Chief Executive

Mian M. A. Shahid  
Chairman

Shoab Ahmad Butt  
Director

Qamar-uz-Zaman  
Director



APNA MICROFINANCE BANK LIMITED  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QUARTER ENDED MARCH 31st, 2012

	March 31, 2013 ----- Rupees ----- (Un-audited)	March 31, 2012 ----- Rupees ----- (Un-audited)
(Loss) after taxation	(12,974,820)	(6,795,095)
Other comprehensive income	-	-
<b>Total comprehensive (loss) for the period</b>	<u>(12,974,820)</u>	<u>(6,795,095)</u>

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

Ejaz Ahmed Khan  
President/Chief Executive

Mian M. A. Shahid  
Chairman

Shoaib Ahmad Butt  
Director

Qamar-uz-Zaman  
Director





**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED MARCH 31st, 2013**


	March 31, 2013 ----- Rupees ----- (Un-audited)	March 31, 2012 ----- Rupees ----- (Un-audited)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(12,724,967)	(6,735,236)
<b>Adjustments</b>		
Depreciation	1,967,656	526,507
Amortization	562,161	-
Gain on Sale of Fixed Assets	-	-
Unrealized gain on revaluation of investments	-	-
Provision against non-performing advances	1,838,806	193,354
	<u>4,368,623</u>	<u>719,861</u>
	(8,356,344)	(6,015,375)
<b>(Increase) / decrease in operating assets</b>		
Advances	(56,887,443)	1,161,169
Other assets (excluding current taxation)	(16,457,669)	(3,026,190)
	<u>(73,345,112)</u>	<u>(1,865,021)</u>
<b>Increase / (decrease) in operating liabilities</b>		
Borrowing from financial institution	-	-
Deposits	59,978,130	12,642,169
Other liabilities (excluding current taxation)	(7,777,014)	514,296
	<u>52,201,116</u>	<u>13,156,465</u>
	(29,500,340)	5,276,070
Income tax paid	(249,854)	(28,580)
<b>Net cash inflow from / used in operating activities</b>	<u>(29,750,193)</u>	<u>5,247,490</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Investments in held-to-maturity securities	(139,500,000)	17,218,101
Investments of operating fixed assets	(9,590,887)	(2,633,200)
Investments in intangible assets	-	-
Sales proceeds from disposal of operating fixed assets	1,766,450	-
Net cash flow from investing activitie	<u>(147,324,437)</u>	<u>14,584,901</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net (Decrease) / Increase in cash and cash equivalents</b>	<u>(177,074,630)</u>	<u>19,832,391</u>
<b>Cash and cash equivalents at the beginning of the period</b>	<u>446,843,503</u>	<u>5,157,939</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>269,768,873</u></u>	<u><u>24,990,330</u></u>

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

  
 Ejaz Ahmed Khan  
 President/Chief Executive

  
 Mian M. A. Shahid  
 Chairman

  
 Shoab Ahmad Butt  
 Director

  
 Qamar-uz-Zaman  
 Director



**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE QUARTER ENDED MARCH 31st, 2013**

	Share capital	Statutory Reserve	Accumulated Losses	Total
	----- Rupees -----			
<b>Balance as at January 01, 2012</b>	300,000,000	50,011	(94,244,880)	205,805,131
Loss after taxation	-	-	(6,795,094)	(6,795,094)
Other comprehensive income	-	-	-	-
<b>Balance as at March 31, 2012</b>	<u>300,000,000</u>	<u>50,011</u>	<u>(101,039,974)</u>	<u>199,010,037</u>
<b>Balance as at January 01, 2013</b>	300,000,000	50,011	(139,997,003)	160,053,008
Depositors' protection Fund		12,503		12,503
Loss after taxation	-	-	(12,974,820)	(12,974,820)
<b>Balance as at March 31, 2013</b>	<u>300,000,000</u>	<u>62,514</u>	<u>(152,971,823)</u>	<u>147,090,691</u>

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

Ejaz Ahmed Khan  
President/Chief Executive

Mian M. A. Shahid  
Chairman

Shoab Ahmad Butt  
Director

Qamar-uz-Zaman  
Director





**APNA MICROFINANCE BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED MARCH 31st 2013**

**1. STATUS AND NATURE OF BUSINESS**

- 1.1 Apna Microfinance Bank Limited ("the Bank") was incorporated on 08 May 2003 as a public limited company 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 Karachi Stock Exchange. The Bank's principal business is to provide microfinance services to the poor and underserved segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. The Bank operates 11 branches as at December 31, 2012 (2011: 05 branches) and its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi.
- 1.2 The name of the Bank was changed from Network Microfinance Bank Limited to Apna Microfinance Bank Limited on March 06, 2012.
- 1.3 During the last year, a public announcement was made by a group of investors (GOI) with respect of its intention to acquire 82% of shares of Network Microfinance Bank Limited (NMBL). On September 12, 2011, majority stakeholders of the Bank, Jahangir Siddiqui Company Limited (JSCL) and KASB Bank (KASB) signed a Share Purchase Agreement with the GOI for sale of their entire holding of 70.82% and 11.20% respectively to the GOI. As per the requirements of Regulation 8 of the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations 2008 the GOI made a Public Offer to acquire 9% capital of the Bank from the remaining shareholders on October 24, 2011. The transaction was completed on 24 January 2012 and 27,302,124 shares which included shares purchased via public offer and the share purchase agreement with JSCL and KASB representing 91% of the issued share capital of the Bank were transferred to the GOI. Consequently, the Board of the Bank has been reconstituted effective from January 24, 2012 and the management of the Bank has been transferred to the GOI during the year.
- 1.4 Authorized share capital of the Bank has been increased from Rupees 500 million to Rupees 1,500 million during the year.
- 1.5 Prudential Regulations for Microfinance Banks (MFBs) prescribe the Minimum Capital Requirements. The Regulation 4 inter alia requires that all MFBs which are licensed to operate in a specified district have to maintain minimum paid up capital of at least Rupees 300 million free of losses. Where MFBs do not meet the aforesaid minimum paid up capital requirement, they were advised to enhance their Capital during three years from the year ended December 31, 2011 to the year ending December 31, 2013.

As at 31 December 2012, minimum capital requirement for the Bank was Rupees 250 million. However, the Bank's capital (free of losses) stood at Rupees 160.053 million as at December 31, 2012. The Bank obtained extension from SBP vide letter No. BSD/BAID/608/ 6180/2012 dated May 18, 2012 to meet the minimum capital requirement up to December 31, 2012. The management is now in the process of applying for further extension in view of its plan to enhance the paid-up capital of the Bank and extending its operations nationwide that was already communicated to SBP.

The sponsor directors of the Bank have deposited an amount of Rupees 153 million with the Bank on December 21, 2012 as Share Deposit Money that was also informed to SBP by the management vide letter No. AMBL/CEO/OSED/646/12 dated December 21, 2012. The share deposit money received from sponsor directors will be converted into paid-up share capital upon issuance of right shares, thereby meeting the prescribed minimum capital requirement. The management of the Bank believes that the amount of Rupees 153 million deposited by the sponsor directors will be considered as equity of the Bank till the date of issuance of shares. The management is, however, proactively negotiating with certain potential investors to raise the equity up to national level operations in accordance with the Prudential Regulations for Microfinance Bank.

**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 condensed interim financial report of the bank for the quarter ended March 31st, 2013 have been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions and of directives issued under the Companies Ordinance 1984, in case where requirements differ, the provisions of Companies Ordinance 1984 have been followed.

**4. SIGNIFICANT ACCOUNTING POLICIES JUDGEMENT AND ESTIMATES**

The principal accounting policies and methods of computation adopted for the purpose of these condensed financial statements are the same as those applied in the preparation of annual financial statements for the year ended December 31st, 2012.



## 5. CASH AND BALANCE WITH SBP

	Note	March 31, 2013 ----- Rupees ----- (Un-audited)	December 31, 2012 (Audited)
Cash in hand – local currency		16,381,065	13,844,703
Balance with State Bank of Pakistan	5.1	35,777,089	32,322,058
		<u>52,158,154</u>	<u>46,166,761</u>

5.1 These represents balance maintained with the State Bank of Pakistan to meet the requirements of maintaining a minimum balance equivalent to 5% of the Bank's time and demand liabilities in accordance with Regulation 6 of the Prudential Regulation.

## 6. BALANCES WITH OTHER BANKS / MFBs

In Pakistan			
- on current account		4,484	4,484
- on deposit account	6.1	79,606,235	95,831,321
- on fixed deposit account	6.2	138,000,000	299,700,000
		<u>217,610,719</u>	<u>395,535,805</u>

6.1 These carry mrk-up rates from 7.50% to 8.75% (2012: 8 to 10 percent) per annum.

6.2 These carry mrk-up rates from 10.00% to 10.50% (2012: 11.50 percent) per annum. These are placed for a period of one month with Tameer Microfinance Bank Ltd .

## 7. INVESTMENT

<b>Held-for-trading</b>			
Term Finance Certificates	7.3	78,500,000	78,500,000
		<u>78,500,000</u>	<u>78,500,000</u>
<b>Held-to-maturity</b>			
Federal Government Securities			
- Market Treasury Bills	7.1	0	4,870,937
- Pakistan Investment Bonds	7.2	209,500,000	71,631,220
		<u>(50,876)</u>	<u>(50,876)</u>
Less: Fair value reserve		209,449,124	71,580,344
		<u>287,949,124</u>	<u>154,951,281</u>

7.1 The treasury bills were for a period of three months. The effective yield of these bills ranges from 11.76% to 11.92% (2012: 11.76% to 11.92%) per annum with maturities from October 2012 to Feb 2013.

7.2 This represents investment in PIB at 11.25% per annum.

7.3 There is an investment in term finance certificates of Jahangir Siddiqui Co Ltd at Kibor + 2.40 % per annum.

## 8. ADVANCES - NET OF PROVISIONS

	March 31, 2013		December 31, 2012	
	No. of Loans Outstanding	Rupees	No. of Loans Outstanding	Rupees
	(Un-audited)		(Audited)	
Micro credit	4,426	182,564,778	3,064	125,858,687
		<u>182,564,778</u>		<u>125,858,687</u>
Provision held:				
- Specific		4,100,186		2,914,337
- General		1,627,951		1,156,346
		<u>5,728,137</u>		<u>4,070,683</u>
Advances – net of provision	<u>4,426</u>	<u>176,836,641</u>	<u>3,064</u>	<u>121,788,004</u>



### 8.1 Particulars of non performing loan

Advances include Rs.24,780,058/- (December 31, 2012: Rs.15,554,983/-) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2013			December 31, 2012		
	Amount Outstanding	Provision Required	Provision Held	Amount Outstanding	Provision Required	Provision Held
	Rupees					
	(Un-audited)			(Audited)		
OAEM	13,861,677	-	-	7,856,113	-	-
Sub-standard	6,195,166	1,548,792	1,548,792	4,236,005	1,059,001	1,059,001
Doubtful	4,343,642	2,171,821	2,171,821	3,215,059	1,607,530	1,607,530
Loss	379,573	379,573	379,573	247,806	247,806	247,806
	<u>24,780,058</u>	<u>4,100,186</u>	<u>4,100,186</u>	<u>15,554,983</u>	<u>2,914,337</u>	<u>2,914,337</u>

### 8.2 Particulars of non performing loan

Category of classification	March 31, 2013			December 31, 2012		
	Specific	General	Total	Specific	General	Total
	Rupees					
	(Un-audited)			(Audited)		
Opening balance	2,914,337	1,156,346	4,070,683	2,021,701	29,456	2,051,157
Charge for the period	1,367,201	471,605	1,838,806	2,878,836	1,126,890	4,005,726
Amount written off	(181,352)	-	(181,352)	(1,986,200)	-	(1,986,200)
	<u>4,100,186</u>	<u>1,627,951</u>	<u>5,728,137</u>	<u>2,914,337</u>	<u>1,156,346</u>	<u>4,070,683</u>

	March 31, 2013	Dec 31, 2012
	Rupees	
Particulars of write offs:		
Against provision	<u>181,352</u>	<u>1,986,200</u>

### 9. DEPOSITS AND OTHER ACCOUNTS

	March 31, 2013		December 31, 2012	
	Number	Rupees	Number	Rupees
Fixed deposits	624	194,295,328	375	113,827,000
Saving deposits	3,291	229,850,896	2,993	194,160,659
Current deposits	21,334	103,856,770	18,631	160,037,205
	<u>25,249</u>	<u>528,002,994</u>	<u>21,999</u>	<u>468,024,864</u>

### 9.1 Particulars of deposits by ownership

	March 31, 2013		December 31, 2012	
	Number	Rupees	Number	Rupees
Individual depositors	25,145	522,109,142	21,912	444,411,748
Institutional depositors	-	-	-	-
- Corporation / firm	89	2,981,593	83	8,033,202
- Banks and financial institutions	15	2,912,259	4	15,579,915
	<u>25,249</u>	<u>528,002,994</u>	<u>21,999</u>	<u>468,024,865</u>

9.2 Includes deposits from related parties amounting to Rs.2,914,388/- (2012: Rs. 20,693,645/-).



## 10 MEMORANDUM BALANCE SHEET ITEMS

There were no contingent liabilities as at 31st March, 2013

	March 31, 2013	March 31, 2012
	----- Rupees ----- (Un-audited)	
11 MARK-UP/ RETURN / INTEREST EARNED		
Mark-up on loan and advances	13,930,653	248,285
Mark-up on investment in Government Securities	5,389,923	5,435,911
Mark-up on deposits accounts	6,925,594	301,699
	<u>26,246,170</u>	<u>5,985,895</u>

## 12. TAXATION

12.1 The income of bank is exempt from tax under clause 66 (XVIII) of part I of the Second Schedule of the Income Tax Ordinance, 2001 (the Ordinance) for a period of five years starting from first day of July 2007, subject to the condition that the Bank shall not distribute its profits to its shareholders and that profits are utilized for microfinance operations only. 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 taxation. Therefore, provision for minimum taxation amounting to Rs.249,854/- has been made during the year ended March 31, 2013.

## 13. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	In Government Securities	Banking	Finance Banking	Total
	----- Rupees -----			
<b>Quarter ended March 31, 2013 (Un-audited)</b>				
Total income	5,389,923	6,925,594	15,484,644	27,800,161
Total expenses	-	17,713,173	23,061,807	40,774,981
Net income/(loss)	5,389,923	(10,787,579)	(7,577,164)	(12,974,820)
Segment asset(gross)	209,449,124	348,268,873	287,629,305	845,347,302
Segment non performing loans	-	-	24,780,058	24,780,058
Segment provision required	-	-	5,728,137	5,728,137
Segment liabilities	-	528,002,994	11,576,356	539,579,350
<b>Quarter ended March 31, 2012 (Un-audited)</b>				
Total income	5,435,911	301,699	1,241,829	6,979,439
Total expenses	-	3,438,055	10,336,479	13,774,534
Net income/(loss)	5,435,911	(3,136,356)	(9,094,650)	(6,795,095)
<b>Year Ended December 31st, 2012 (Audited)</b>				
Segment assets(gross)	154,951,281	441,702,566	207,797,202	804,451,049
Segment non - performing loans	-	-	15,554,983	15,554,983
Segment provision required	-	-	4,070,683	4,070,683
Segment liabilities	-	468,024,864	19,353,370	487,378,234



#### 14. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Bank comprise group companies, staff retirement benefits, key management personnel and major shareholders of the Bank. The details of transaction with related parties other than those which have been disclosed elsewhere in these financial statements.

	March 31 2013 ----- Rupees ----- (Un-audited)	Dec 31 2012 ----- Rupees ----- (Audited)
<b>Transactions as at period/year end</b>		
<b>Associates:</b>		
Deposits	-	-
<b>Key management personnel:</b>		
Deposits	2,914,388	20,693,645
	March 31 2013 ----- Rupees ----- (Un-audited)	March 31 2012 ----- Rupees ----- (Un-audited)
<b>Transactions for the period</b>		
<b>Associates:</b>		
<b>Deposits</b>		
Deposits received	-	-
Withdrawals	-	-
Mark-up on deposit paid	-	-
<b>Placements</b>		
Placements	-	8,426,548
Repayments	-	10,025,118
Mark-up on deposits earned	-	12,544
<b>Other Related Parties:</b>		
Contribution to Staff Provident Fund	75,503	62,214
<b>Key management personnel:</b>		
<b>Deposits</b>		
Deposits received	7,451,834	1,135,685
Withdrawals	4,708,908	1,583,256
Remuneration to Chief Executive Officers	1,500,000	2,433,563
Remuneration to Executives	1,750,000	-
Mark-up on deposit paid	741,262	-

#### 15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue by the Board of Directors on April 27th, 2013.

#### 16. GENERAL

16.1 No significant reclassification / rearrangement of the corresponding figures have been made.

16.2 Figures have been rounded off to the nearest rupee.

Ejaz Ahmed Khan  
President/Chief Executive

Mian M. A. Shahid  
Chairman

Shoab Ahmad Butt  
Director

Qamar-uz-Zaman  
Director



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