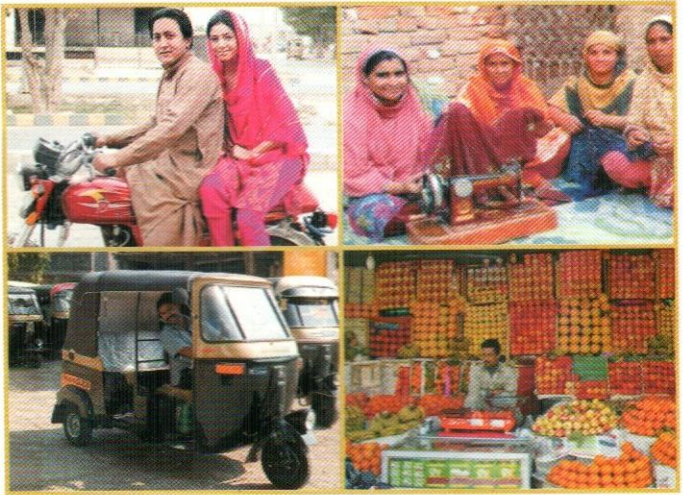




Micro Finance
apna bank
Limited



*Un-Audited Interim Condensed
Financial Statements for the
Quarter Ended
September 30, 2013*



Corporate Information

Board of Directors

Chairman
Directors

Mr. Mian M. A. Shahid
Mr. Mohammad Azam Cheema
Ms. Shahida Bilquis
Mr. Qamar-uz-Zaman
Mr. Muhammad Saleem Shaikh

President / Chief Executive

Mr. Muhammad Saleem Shaikh

Company Secretary

Mr. Rafat Abbas

Chief Financial Officer

Mr. Tahir Saeed Effendi

Audit Committee of the Board

Chairman
Members

Mr. Qamar-uz-Zaman
Ms. Shahida Bilquis
Mr. Muhammad Azam Cheema
Internal Auditor

Secretary

Human Resource & Remuneration Committee of the Board

Chairperson
Members

Ms. Shahida Bilquis
Mr. Mohammad Azam Cheema
Mr. Qamar-uz-Zaman
Mr. Muhammad Saleem Shaikh
Head HR, Business & Strategic Planning

Member/ Secretary

Auditors

Riaz Ahmad & Co.
Chartered Accountants

Tax/ Legal Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Agha Law Associates

Bankers

Summit Bank Ltd
KASB Bank Ltd
Tameer Microfinance Bank Ltd
NIB 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
Shahrah-e-Faisal, Branch
I.I Chundrigar Branch
Bhens Colony Branch
Napier Road Branch
Korangi Industrial Area Branch
Liaquat Market, Malir Branch
Mehmoodabad Branch
Shah Faisal Colony Branch
North Karachi Branch
Orangi Town Branch

Tel: 021-35865021-24
Tel: 021-34324656-59
Tel: 021-32623667-68-69-70
Tel: 021-35081281-82-85.
Tel: 021-32527041-44
Tel: 021-35013400-02
Tel: 021-34113781-83
Tel: 021-35319240-41-42
Tel: 021-34601749-50
Tel: 021-36961067-68-71
Tel: 021-36652095-103



APNA MICROFINANCE BANK LIMITED
INTERIM CONDENSED BALANCE SHEET
AS AT SEPTEMBER 30, 2013

	Note	Sep. 30, 2013 (Un-audited)	December 31, 2012 (Audited)
----- Rupees -----			
ASSETS			
Cash and balances with SBP	5	47,580,755	46,166,761
Balances with other banks / NBFIs / MFBs	6	323,324,521	395,535,805
Lending to financial institutions		-	-
Investment	7	285,743,819	154,951,281
Advances-net of provisions	8	272,035,217	121,788,004
Operating fixed assets		73,105,495	56,755,305
Other assets		38,851,716	25,183,210
Deferred tax assets		-	-
Total assets		1,040,641,522	800,380,366
LIABILITIES			
Deposits and other accounts	9	634,869,047	468,024,864
Borrowings		-	-
Subordinated debt		-	-
Other liabilities		27,268,411	19,353,370
Deferred tax liabilities		-	-
Total liabilities		662,137,458	487,378,234
NET ASSETS			
		378,504,064	313,002,132
REPRESENTED BY:			
Share capital		300,000,000	300,000,000
Statutory reserves		50,011	50,011
Accumulated losses		(178,291,920)	(139,997,003)
		121,758,091	160,053,008
Share deposit money		253,000,000	153,000,000
Surplus/(deficit) on revaluation of investments		3,745,973	(50,876)
Total capital		378,504,064	313,002,132
Book Value Per Share		4.06	5.34

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

Muhammad Saleem Shaikh
President/Chief Executive

Mian M. A. Shahid
Chairman


Mohammad Azam Cheema
Director

Qamar-uz-Zaman
Director


APNA MICROFINANCE BANK LIMITED
INTERIM CONDENSED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013


	Note	Nine Months ended Sep 30, 2013	Nine Months ended Sep 30, 2012	Quarter ended Sep 30, 2013	Quarter ended Sep 30, 2012
		Rupees			
Mark-up/return/interest earned	11	92,525,188	30,478,481	33,452,261	17,222,522
Mark-up/return/interest expensed		(38,603,359)	(5,355,509)	(15,201,864)	(3,786,475)
Net mark-up/interest income		53,921,829	25,122,972	18,250,397	13,436,047
Provision against non-performing loans and advances	8.2	(13,344,133)	(761,360)	(7,026,875)	(586,022)
Provision for diminution in the value of investments		-	-	-	-
Recovery against written off advances		592,161	2,826,531	141,853	827,641
Bad debts written off directly		-	-	-	-
		(12,751,972)	2,065,171	(6,885,022)	241,619
Net mark-up/interest income after provisions		41,169,857	27,188,143	11,365,375	13,677,666
Non mark-up/non interest income					
Fee, commission and brokerage income		3,522,401	844,595	1,392,498	507,457
Other income		1,698,684	456,175	672,634	415,025
		5,221,085	1,300,770	2,065,132	922,482
		46,390,941	28,488,913	13,430,507	14,600,148
Non mark-up/non interest expenses					
Administrative expenses		(83,180,825)	(54,682,840)	(22,414,786)	(21,202,853)
Other provisions/write offs		-	-	-	-
Other charges		(882,744)	-	-	-
		(84,063,569)	(54,682,840)	(22,414,786)	(21,202,853)
Profit/Loss before taxation		(37,672,628)	(26,193,927)	(8,984,279)	(6,602,705)
Taxation - Current	12	(622,289)	(304,885)	-	(172,225)
Prior		-	-	-	-
Deferred		-	-	-	-
Profit/Loss after taxation		(38,294,917)	(26,498,812)	(8,984,279)	(6,774,930)
Accumulated loss brought forward		(139,997,003)	(94,441,000)	(169,307,641)	(114,164,882)
Appropriations					
Transfer to					
Statutory reserve		-	-	-	-
Depositors' Protection Fund		-	-	-	-
Accumulated loss carried forward		(178,291,920)	(120,939,812)	(178,291,920)	(120,939,812)
Profit/Loss per share - basic and diluted		(1.28)	(0.88)	(0.30)	(0.23)

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


Muhammad Saleem Shaikh
President/Chief Executive


Mian M. A. Shahid
Chairman


Mohammad Azam Cheema
Director


Qamar-uz-Zaman
Director

APNA MICROFINANCE BANK LIMITED
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

	Nine month ended 30 Sep.		Quarter ended 30 Sep.	
	2013	2012	2013	2012
	Rupees			
Loss after taxation	(38,294,917)	(26,498,812)	(8,984,279)	(6,774,930)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(38,294,917)</u>	<u>(26,498,812)</u>	<u>(8,984,279)</u>	<u>(6,774,930)</u>

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



Muhammad Saleem Shaikh
President/Chief Executive



Mian M. A. Shahid
Chairman



Mohammad Azam Cheema
Director




Qamar-uz-Zaman
Director


APNA MICROFINANCE BANK LIMITED
INTERIM CONDENSED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013


	Sep. 30, 2013	Sep. 30, 2012
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(37,672,628)	(26,194,027)
Adjustments		
Depreciation	4,470,288	1,932,095
Amortization	623,978	647,678
Gain on Sale of Fixed Assets	(578,003)	(13,225)
Unrealized gain on revaluation of investments	882,744	-
Provision against non-performing advances	13,344,133	761,360
	18,743,140	3,327,908
	(18,929,488)	(22,866,119)
(Increase)/decrease in operating assets		
Advances	(163,591,345)	(56,351,506)
Other assets (excluding current taxation)	(14,081,203)	(32,467,899)
	(177,672,548)	(88,819,405)
Increase/(decrease) in operating liabilities		
Borrowing from financial institution	-	-
Deposits	166,844,183	511,761,681
Other liabilities (excluding current taxation)	7,915,041	3,699,387
	174,759,224	515,461,068
	(21,842,811)	403,775,544
	(622,289)	(179,402)
Income tax paid	(622,289)	(179,402)
Net cash inflow from / used in operating activities	(22,465,100)	403,596,142
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in held-to maturity securities	(128,593,229)	(231,396,396)
Investments in operating fixed assets	(18,163,907)	(9,260,330)
Investments in intangible assets	(9,125,341)	(5,592,992)
Sale proceeds from disposal of operating assets	2,409,350	22,000
Net cash flow from investing activities	(153,473,127)	(246,227,718)
CASH FLOW FROM FINANCING ACTIVITIES		
Share deposit money	100,000,000	-
Net (decrease)/increase in cash and cash equivalents	(75,938,227)	157,368,424
Cash and cash equivalents at the beginning of the period	446,843,503	5,157,939
Cash and cash equivalents at the end of the period	370,905,276	162,526,363

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


Muhammad Saleem Shaikh
President/Chief Executive


Mian M. A. Shahid
Chairman


Mohammad Azam Cheema
Director


Qamar-uz-Zaman
Director

APNA MICROFINANCE BANK LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

	Share capital	Statutory Reserve	Accumulated Losses	Total
	----- Rupees -----			
Balance as at December 31, 2011	300,000,000	50,011	(94,244,880)	205,805,131
Loss after taxation	-	-	(45,752,123)	(45,752,123)
Other Comprehensive Income	-	-	-	-
Balance as at December 31, 2012	<u>300,000,000</u>	<u>50,011</u>	<u>(139,997,003)</u>	<u>160,053,008</u>
Balance as at January 01, 2013	300,000,000	50,011	(139,997,003)	160,053,008
Loss after taxation	-	-	(38,294,917)	(38,294,917)
Balance as at September 30, 2013	<u>300,000,000</u>	<u>50,011</u>	<u>(178,291,920)</u>	<u>(121,758,091)</u>

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



Muhammad Saleem Shaikh
President/Chief Executive



Mian M. A. Shahid
Chairman



Mohammad Azam Cheema
Director



Qamar-uz-Zaman
Director



APNA MICROFINANCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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 28 December 2004 and its operations started from 01 January 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 its 11 branches with 7 Service Centres as district level MFB, its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi.
- 1.2 On 24 January 2012 majority shares including shares purchased via public offer and the share purchased under agreement with JSCL and KASB representing 91% of the issued share capital of the Bank were transferred to the new investors (GOI). Consequently, the Board of the Bank was reconstituted effective from 24 January 2012 and the management of the Bank has been transferred to the GOI. The name of the Bank was changed to "Apna Microfinance Bank Limited" from Network Microfinance Bank Limited on March 6th, 2012 after completing required formalities.
- 1.3 Authorized share capital of the Bank has been increased from Rupees 500 million to Rupees 1,500 million in the year 2012.
- 1.4 As at September 30th, 2013, minimum capital requirement for the Bank is Rupees 300 million free of losses for district level operations. However, the Bank's capital (free of losses) stood at Rupees 121.758 million as on date. The Bank had obtained extension from SBP vide letter No. BSD/BAID/608/ 6180/2012 dated 18 May 2012 to meet the minimum capital requirement up to 31 December 2012. The management has already applied for further extension vide letter No. SBP/AMBL/CS/946-13 dated 13th September 2013, the plan to enhance the paid-up capital of the Bank and extending its operations nationwide has already been communicated to SBP which is in active consideration with them.

An amount of Rupees 253 million has been deposited with the Bank as Share Deposit Money that was informed to SBP by the management vide letter No. AMBL/CEO/OSED/646/12 dated December 21st, 2012, and letter dated September 13th, 2013 referred to above. 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), and in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting as well as directives issued under the Companies Ordinance 1984, in case where requirements differ, the provisions of Companies Ordinance 1984 have been followed.

3. SIGNIFICANT ACCOUNTING POLICIES JUDGEMENT AND ESTIMATES

The principal accounting policies and methods of computation, judgment and estimates 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.

4. ACCOUNTING POLICIES

The accounting policies and the methods adopted in preparation of this condensed interim financial information are the same as applied in the preparation of the annual financial statements for the year ended December 31st, 2012.

5. CASH AND BALANCE WITH SBP

	Note	Sep. 30, 2013 ----- Rupees ----- (Un-audited)	December 31, 2012 (Audited)
Cash in hand – local currency		20,169,577	13,844,703
Balance with State Bank of Pakistan	5.1	27,411,178	32,322,058
		47,580,755	46,166,761

5.1 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 / NBFIs / MFBs

In Pakistan			
- on Current account		4,484	4,484
- on Deposit account	6.1	183,320,037	95,831,321
- on Fixed deposit account	6.2	140,000,000	299,700,000
		323,324,521	395,535,805

6.1 These carry mark-up rates ranging from 7.50% to 9.50% per annum (December 31st, 2012 8% to 10% per annum).

6.2 These carry mark-up rates ranging from 7.50% to 10.50% per annum (December 31st, 2012 11.50% per annum).

7. INVESTMENTS
Held-for-trading

Term Finance Certificates	7.1	68,687,500	78,500,000
---------------------------	-----	-------------------	------------

Held-to-maturity

Federal Government Securities			
- Market Treasury Bills			5,140,937

Available-for-sale

- Pakistan Investment Bonds (PIBs)	7.2	213,322,849	71,361,220
- Surplus/(deficit) on revaluation		3,733,470	(50,876)
		217,056,319	71,310,344
		285,743,819	154,951,281

7.1 These represent Term Finance Certificates of Jahangir Siddiqui Company Limited, carrying mark-up at the rate of Kibor + 2.40% per annum.

7.2 These represent PIBs issued for a period from three to five years having maturities from July 19th, 2015 to July 22nd, 2015, carrying interest rates ranging from 11.25% to 11.50% per annum (December 31st, 2012 11.25% per annum).

8. ADVANCES - NET OF PROVISIONS

	Sep 30, 2013		December 31, 2012	
	No. of Loans (Un-audited)	Amount	No. of Loans (Audited)	Amount
----- Rupees -----				
Micro credit	7,063	284,781,734	3,064	125,858,687
		284,781,734		125,858,687
Provision held:				
- Specific		10,197,295		2,914,337
- General		2,549,223		1,156,346
		12,746,518		4,070,683
Advances – net of provisions	7,063	272,035,518	3,064	121,788,004



8.1 Particulars of non-performing loans

Advances include Rs.60,092,742/- (December 31, 2012: Rs.15,554,983/-) which have been placed under non-performing status as detailed below:

Category of classification	Sep. 30, 2013			December 31, 2012		
	Amount Outstanding	Provision Required	Provision Held	Amount Outstanding	Provision Required	Provision Held
	----- Rupees -----					
	----- (Un-audited) -----			----- (Audited) -----		
OAEM	34,748,037	-	-	7,856,113	-	-
Sub-standard	12,770,163	3,192,541	3,192,541	4,236,005	1,059,001	1,059,001
Doubtful	11,139,575	5,569,788	5,569,788	3,215,059	1,607,530	1,607,530
Loss	1,434,967	1,434,967	1,434,967	247,806	247,806	247,806
	<u>60,092,742</u>	<u>10,197,295</u>	<u>10,197,295</u>	<u>15,554,983</u>	<u>2,914,337</u>	<u>2,914,337</u>

8.2 Particulars of provisions against non-performing loans

	Sep. 30, 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	11,951,256	1,392,877	13,344,133	2,878,836	1,126,890	4,005,726
Amount written off	(4,668,298)	-	(4,668,298)	(1,986,200)	-	(1,986,200)
Reversals						
	<u>10,197,295</u>	<u>2,549,223</u>	<u>12,746,518</u>	<u>2,914,337</u>	<u>1,156,346</u>	<u>4,070,683</u>

Sep. 30, 2013 Dec 31, 2012
----- Rupees -----

8.3 Particulars of write offs:

Against provision	<u>4,668,298</u>	<u>1,986,200</u>
-------------------	------------------	------------------

9. DEPOSITS AND OTHER ACCOUNTS

	Sep. 30, 2013		December 31, 2012	
	Number	Rupees	Number	Rupees
Fixed deposits	1,104	344,329,800	375	113,827,000
Saving deposits	3,522	175,737,866	2,993	194,160,659
Current deposits	24,686	114,801,381	18,631	160,037,205
	<u>29,312</u>	<u>634,869,047</u>	<u>21,999</u>	<u>468,024,864</u>

9.1 Particulars of deposits by ownership

		Sep. 30, 2013		December 31, 2012	
		Number	Rupees	Number	Rupees
Individual depositors	9.2	29,248	623,009,158	21,912	444,411,748
Institutional depositors					
- Corporation / firm		56	6,474,057	83	8,033,202
- Banks and financial institutions		8	5,385,832	4	15,579,914
		<u>29,312</u>	<u>634,869,047</u>	<u>21,999</u>	<u>468,024,864</u>

9.2 Includes deposits from related parties amounting to Rs.3,353,441/- (2012: Rs. 20,693,645).

10 MEMORANDUM/OFF BALANCE SHEET ITEMS

There were no contingent liabilities as at 30 September 2013

11. MARK-UP/RETURN/INTEREST EARNED

	Sep. 30 2013	Sep. 30 2012
	----- Rupees -----	
	(Un-audited)	(Un-audited)
Mark-up on Loan and advances	52,263,634	5,233,877
Mark-up on Investment in Government Securities	17,133,678	22,904,257
Mark-up on Deposits accounts	23,127,876	2,340,347
	<u>92,525,188</u>	<u>30,478,481</u>

12. TAXATION - Current

The tax liability of the Bank for the period has been calculated under the normal provisions of the Income Tax Ordinance, 2001 upon expiry of period of exemption from tax under clause 66 (XVIII) of part I of the second schedule of the Income Tax Ordinance 2001 (the Ordinance) for five years starting from 01 day of July 2007. In view of the tax loss for the period, provisions for minimum tax @1% of turnover under section 113 of the Income Tax Ordinance 2001 has been made in this condensed financial statements.

13. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Investment In Government- Securities	Retail Banking	Micro Finance Banking	Total
	----- Rupees -----			
Quarter ended Sep. 30, 2013 (Un-audited)				
Total income	17,133,678	23,127,876	58,076,880	98,338,434
Total expenses	-	63,110,857	73,522,493	136,633,350
Net income/(loss)	17,133,678	(39,982,981)	(15,445,613)	(38,294,917)
Segment asset(gross)	217,056,319	439,592,775	396,738,945	1,053,388,039
Segment non performing loans	-	-	60,092,742	60,092,742
Segment provision required	-	-	12,746,518	12,746,518
Segment liabilities	-	634,869,047	27,268,411	662,137,458
Quarter ended Sep. 30, 2012 (Un-audited)				
Total income	22,904,257	2,340,347	5,201,376	30,445,980
Total expenses	-	19,026,220	42,078,276	61,104,496
Net income/(loss)	22,904,257	(16,685,873)	(36,876,900)	(30,658,516)
Segment assets(gross)	433,074,539	168,702,466	113,257,505	715,034,510
Segment non - performing loans	-	-	4,316,802	4,316,802
Segment provision required	-	-	1,024,123	1,024,123
Segment liabilities	-	524,316,128	4,746,573	529,062,701

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

<u>Transactions as at period/year end</u>	Sep 30 2013 ----- Rupees ----- (Un-audited)	Dec 31 2012 ----- Rupees ----- (Audited)
Associates:		
Deposits	-	-
Key management personnel:		
Deposits	3,353,441	20,693,645
<u>Transactions for the period</u>	Sep 30 2013 ----- Rupees ----- (Un-audited)	Sep 30 2012 ----- Rupees ----- (Un-audited)
Associates:		
Deposits		
Deposits received	-	-
Withdrawals	-	-
Mark-up on deposit paid	-	-
Placements		
Placements	-	-
Repayments	-	-
Mark-up on deposits earned	-	-
Other Related Parties:		
Contribution to Staff Provident Fund	275,892	383,199
Key management personnel:		
Deposits		
Deposits received	42,387,849	39,517,375
Withdrawals	45,901,730	38,393,679
Remuneration to Chief Executive Officers	3,00,000	5,433,563
Remuneration to Executives	1,985,386	7,000,000
Mark-up on deposit paid	2,226,092	651,567


15. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue by the Board of Directors on October 26th, 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.




Muhammad Saleem Shaikh
President/Chief Executive



Mian M. A. Shahid
Chairman



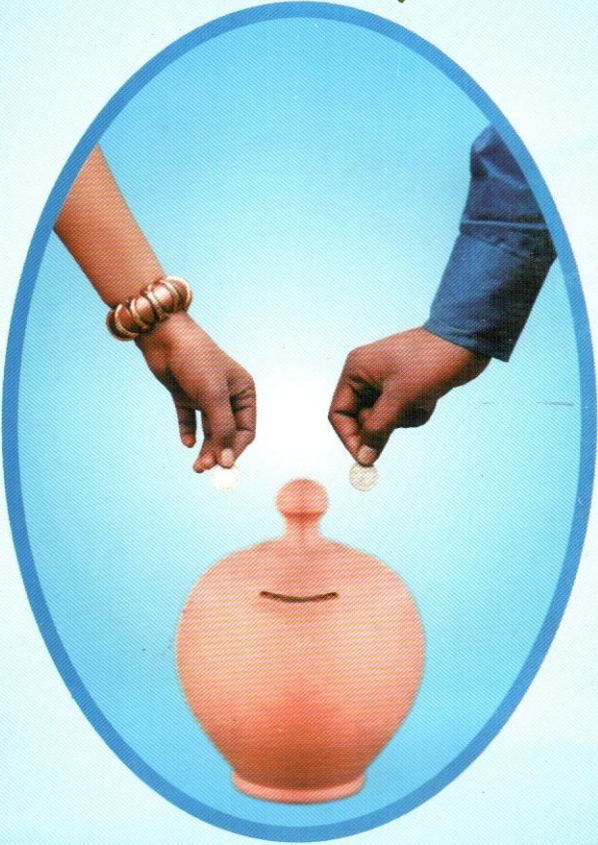
Mohammad Azam Cheema
Director



Qamar-uz-Zaman
Director

اپنا بچت اکاؤنٹ

آج کی بچت کل کی سہولت



Head Office:

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

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E-mail: info@apnabank.com.pk

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