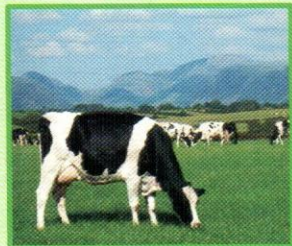


2014
September 30,

Quarterly Financial Statements



Progressive Steps towards Successful Future



Micro Finance
apna bank
Limited



CORPORATE INFORMATION

Board of Directors

Chairman
Directors

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

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

Ms. Shahida Bilquis
Mian M. A. Shahid
Mr. Muhammad Azam Cheema
Internal Auditor

Secretary

Executive Committee of the Board

Chairman
Members

Mr. Muhammad Akram Shahid
Mr. Muhammad Azam Cheema
Mr. Qamar-uz-Zaman
Mr. Muhammad Saleem Shaikh
Mr. Muhammad Farooq Abid Tung
Company Secretary

Secretary

Risk Management Committee of the Board

Chairman
Members

Mr. Muhammad Azam Cheema
Mr. Muhammad Farooq Abid Tung
Ms. Shahida Bilquis
Mr. Muhammad Saleem Shaikh
Mr. Imad Mohammad Tahir
Head Risk Management

Secretary

Human Resource & Remuneration Committee of the Board

Chairman
Members

Mr. Muhammad Farooq Abid Tung
Mr. M. A. Shahid
Ms. Shahida Bilquis
Mr. Mohammad Azam Cheema
Mr. Qamar uz Zaman
Mr. Muhammad Saleem Shaikh
Group Head HR

Secretary



Auditors

Riaz Ahmed & Co.
Chartered Accountants

Tax/ Legal Advisor

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants
Agha Law Associates

Bankers

KASB Bank Ltd
Bank Al-Falah Ltd
Tameer Microfinance Bank Ltd
Summit 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.
Dagja House,
241-C, Block-2, P.E.C.H.S.
Off. Shahrah-e-Quaideen,
Karachi.
Phone 021-34391316 - 17
Fax 021-34391318

Branches

KARACHI

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
Mehamoodabad Branch
Shah Faisal Colony Branch
North Karachi Branch
Orangi Town Branch

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

INTERIOR SINDH

Larkana Branch
Kumb road, Suigas,
(Tehsil Tharimirwah,
District Khairpur) Branch

Tel: 074-4055347-50
Tel: 0243-614440



Directors' Report

On behalf of the Board of Directors, I am pleased to present the un-audited Financial Statements of the Bank for the nine months ended September 30, 2014.

Operational and Financial Review

The Bank posted a loss before tax of PKR 21.016 million during the nine months ended September 30, 2014 as compared to a loss of PKR 37.672 million in the corresponding period last year. The equity (net of losses) of the Bank stood at PKR 527.774 million and total assets grew to PKR 1,510.760 million from PKR 1,313.383 million as at December 31st, 2013. The loss per share for the nine months ended September 30, 2014 was PKR 0.20 in comparison to PKR 1.28 in the corresponding period last year.

As per Bank's plan to increase business during the year 2014, the gross Advances portfolio has shown a growth of 76.19% during the period under review which increased to PKR 602.294 million from PKR 341.837 million in the corresponding period last year. The Bank's Deposits also increased to PKR 934.571 million from PKR 762.025 million showing a growth of 22.64% during the period under review. The bank's liquidity profile remained strong at PKR 753.616 million in liquid assets which is approximately 50.55% of total Assets.

Mark-up /return on Advances, Investments and Placements is PKR 162.182 million as compared to PKR 92.525 million in the corresponding period last year showing growth of 75.28%, whereas Mark-up/return/interest expensed on Deposits stood at PKR 56.695 million as compared to PKR 38.603 million in the corresponding period last year.

It is pleasing to inform that the State Bank of Pakistan approved a grant of PKR 36.081 million under Institutional Strengthening Fund (ISF) for Advancement of Banking Software and Human Resource Development. The Grant was received in 4 trenches, the first trench of PKR 9.020 million was received on 15th August, 2013 whereas the last trench was received on 4th July 2014. The Bank has benefited from the fund by utilizing the same in the areas relating to IT infrastructural Improvement and Human Capital Development. Another grant of PKR 34.65 million has been approved by SBP for project Financial Innovation Challenge Fund (FICF) costing PKR 49.50 million for promoting Innovation in Rural & Agricultural Finance in Pakistan with Apna Microfinance Bank's contribution of 30% amounting to PKR 14.85 million. The bank has placed its share of PKR 7.185 for 1st trench to the credit of Grant account, SBP share of PKR 16.765 was received on 26th August 2014 and balance is expected to be received in following quarter. The work on the project is in full swing in remote areas of Sindh under the leadership of Executive Director Mr. Muhammad Farooq Abid Tung.

Future Outlook

The bank is operating with 13 full fledged branches (including 2 new branches; Anaj Mandi Larkana and Kumb Road Sui) and 5 Service Centers in Karachi located in un-served, lower middle class segment of the society. All the branches are fully operational which have increased its outreach in the Microfinance sector. Further 16 branches are planned to be operative in the near future.

In order to meet the MCR requirement of PKR 1 billion for National Level License the BOD has approved another right issue at a discount of 50% in the ratio of one right share of Rs. 10/- at a discount of Rs. 5/- against one ordinary share of Rs. 10/- each held as at the book closing date. The process for seeking regulatory approvals has been started and expected that exercise of issue of right shares will be completed by 1st Quarter of 2015.

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.

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: October 28th, 2014

On behalf of the Board



Muhammad Saleem Shaikh
President and CEO

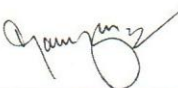
**APNA MICROFINANCE BANK LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2014**

	Note	30 September 2014	31 December 2013
		----- Rupees ----- (Un-audited)	(Audited)
ASSETS			
Cash and balances with SBP	5	40,280,687	62,801,414
Balances with other banks / NBFIs / MFBs	6	450,210,140	504,774,790
Lending to financial institutions		-	-
Investment	7	273,125,814	291,102,058
Advances-net of provisions	8	553,899,142	319,016,883
Operating fixed assets		73,863,078	81,355,350
Other assets		119,381,642	54,332,235
Deferred tax assets		-	-
Total assets		<u>1,510,760,503</u>	<u>1,313,382,730</u>
LIABILITIES			
Deposits and other accounts	9	934,571,397	762,025,569
Borrowings	10	2,927,171	-
Subordinated debt		-	-
Other liabilities		45,487,159	34,315,812
Deferred tax liabilities		-	-
Total liabilities		<u>982,985,726</u>	<u>796,341,381</u>
NET ASSETS		<u>527,774,777</u>	<u>517,041,349</u>
REPRESENTED BY:			
Share capital		1,100,000,000	300,000,000
Discount on issue of right shares		(400,000,000)	-
Statutory reserves		50,011	50,011
Accumulated losses		(219,147,609)	(196,880,895)
		480,902,402	103,169,116
(Deficit) on revaluation of assets		441,789	(1,448,030)
Deferred grants	11	46,430,586	12,020,263
Share deposit money		-	403,300,000
Total capital		<u>527,774,777</u>	<u>517,041,349</u>
MEMORANDUM/ OFF BALANCE SHEET ITEMS			
	12		

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.




President/Chief Executive Officer



Chairman



Director



Director




APNA MICROFINANCE BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	Note	Nine Months ended 30 Sep.		Quarter ended 30 Sep.	
		2014	2013	2014	2013
----- Rupees -----					
Mark-up/return/interest earned	13	162,182,443	92,525,188	55,734,886	33,452,261
Mark-up/return/interest expensed		(56,695,275)	(38,603,359)	(23,964,599)	(15,201,864)
Net mark-up/interest income		105,487,168	53,921,829	31,770,287	18,250,397
Provision against non-performing loans and advances	8.2	(41,352,866)	(13,344,133)	(28,532,433)	(7,026,875)
Provision for diminution in the value of investments		-	-	-	-
Recovery against written off advances		2,251,248	592,161	1,114,564	141,853
Bad debts written off directly		-	-	-	-
		(39,101,618)	(12,751,972)	(27,417,869)	(6,885,022)
Net mark-up/interest income after provisions		66,385,550	41,169,857	4,352,418	11,365,375
Non mark-up/non interest income					
Fee, commission and brokerage income		5,962,272	3,522,401	2,015,298	1,392,498
Other income		23,683,494	1,698,684	4,591,321	672,634
Total non mark-up/non interest income		29,645,766	5,221,085	6,606,609	2,065,132
		96,031,306	46,390,941	10,959,037	13,430,507
Non mark-up/non interest expenses					
Administrative expenses		(117,048,030)	(83,180,825)	(41,598,527)	(22,414,786)
Other provisions/write offs		-	-	-	-
Other charges		-	(882,744)	-	-
Total non mark-up/non interest expenses		(117,048,030)	(84,063,569)	(41,598,527)	(22,414,786)
		(21,016,714)	(37,672,628)	(30,639,490)	(8,984,279)
Extra ordinary/unusual items		-	-	-	-
Profit/Loss before taxation		(21,016,714)	(37,672,628)	(30,639,490)	(8,984,279)
Taxation - Current	14	(1,250,000)	(622,289)	-	-
Prior		-	-	-	-
Deferred		-	-	-	-
Profit/Loss after taxation		(22,266,714)	(38,294,917)	(30,639,490)	(8,984,279)
Accumulated loss brought forward		(196,880,895)	(139,997,003)	-	(169,307,641)
Accumulated loss carried forward		(219,147,609)	(178,291,920)	(30,639,490)	(178,291,920)
Earnings/Loss per share - basic and diluted		(0.20)	(1.28)	(0.48)	(0.30)

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.




President/Chief Executive Officer



Chairman



Director




Director



APNA MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014


Note	Nine Months ended 30 Sep.		Quarter ended 30 Sep.	
	2014	2013	2014	2013
----- Rupees -----				
Profit/(loss) after taxation	(22,266,714)	(38,294,917)	(30,639,490)	(8,984,279)
Other comprehensive income				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be subsequently reclassified to profit or loss	-	-	-	-
Total comprehensive profit/(loss) for the period	(22,266,714)	(38,294,917)	(30,639,490)	(8,984,279)

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.


President/Chief Executive Officer


Chairman


Director


Director

APNA MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	30 Sep. 2014	30 Sep. 2013
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(21,016,714)	(37,672,628)
Adjustments for non-cash items		
Depreciation	6,228,097	4,470,288
Amortization of intangibles	5,478,864	623,978
Provision against non-performing advances	41,352,866	13,344,133
Amortization of premium on government securities	907,240	882,744
Amortization of deferred grants	(7,597,465)	-
Fair value adjustment on held for trading investments	133,820	-
Gain on sale of fixed assets	(1,255,265)	(578,003)
	45,248,157	18,743,140
	24,231,443	(18,929,488)
(Increase) / decrease in operating assets		
Advances	(276,235,125)	(163,591,345)
Other assets	(65,049,407)	(4,081,203)
	(341,284,532)	(177,672,548)
(Decrease) / increase in operating liabilities		
Deposits		
Borrowing	172,545,828	166,844,183
Other liabilities	2,927,171	-
	11,050,029	7,915,041
	186,523,028	174,759,224
Income tax paid	(130,530,061)	(21,842,811)
Net cash used in operating activities	(1,250,000)	(622,289)
	(131,780,061)	(22,465,100)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	-	(128,593,229)
Net investments in held for trading securities	18,946,320	-
Investments in operating fixed assets	12,716	(18,163,907)
Investments in intangible assets	(700,000)	(9,125,341)
Sale proceeds from disposal of operating fixed assets	(2,272,140)	2,409,350
Net cash used in investing activities	15,986,896	(153,473,127)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Right Shares - net of Discount	400,000,000	-
Share deposit money - net	(403,300,000)	100,000,000
Grant received from SBP	42,007,788	-
Net cash flow from financing activities	38,707,788	100,000,000
(Decrease) / increase in cash and cash equivalents for the period	(77,085,377)	(75,938,227)
Cash and cash equivalents at the beginning of the period	567,576,204	446,843,503
Cash and cash equivalents at the end of the period	490,490,827	370,905,276

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.




President/Chief Executive Officer



Chairman



Director



Director



APNA MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

	Share capital	Statutory Reserve	Accumulated Losses	Total
	----- Rupees -----			
Balance as at 31 December 2012-restated	300,000,000	50,011	(143,559,503)	156,490,508
Comprehensive loss for the period				
Loss after taxation	-	-	(53,321,392)	(53,321,392)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(53,321,392)	(53,321,392)
Balance as at 31 December 2013	300,000,000	50,011	(196,880,895)	103,169,116
Balance as at 01 January 2014	300,000,000	50,011	(196,880,895)	103,169,116
Issue of right shares (note 1.2)	800,000,000	-	-	800,000,000
Discount on right shares	(400,000,000)	-	-	(400,000,000)
Net increase in share capital	400,000,000	-	-	400,000,000
Total comprehensive loss for the period	-	-	(22,266,714)	(22,266,714)
Balance as at 30 September 2014	700,000,000	50,011	(219,147,609)	480,902,402

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

President/Chief Executive Officer

Chairman

Director

Director



APNA MICROFINANCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

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. Its operations started from 01 January 2005. Its shares are listed on Karachi 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. The Bank operates 11 branches as at 30 June 2014 (30 June 2013: 11 branches) and is licensed to operate on district level. Its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi.
- 1.2 In view of the plans to enhance the paid-up capital of the Bank and to extend its operations to national level, the management applied to State Bank of Pakistan (SBP) for grant of approval to enhance its status as a national level microfinance bank in a phased manner. SBP granted the approval vide letter No. BPRD(R&P-01)/2013-17198 dated 21 November 2013. In first phase, the Bank was required to meet minimum capital requirement of Rupees 500 million (free of losses) to obtain license of Provincial level operations by 31 December 2013. In second phase, the Bank was to meet Minimum Capital Requirement of Rupees 1,000 million (free of losses) to obtain license for national level operations by the end of December 2014.

As on 01 July 2014, the Bank successfully completed the first phase and issued 80 million right shares of Rupees 10 each at 50% discount amounting to Rupees 400 million (net) after obtaining necessary regulatory approvals, and has also obtained the license for provincial level operations from SBP on 22 July 2014. Now, the management of the Bank is making endeavors to achieve the national level microfinance bank status. In this regard, the Board, in order to meet the MCR requirement of Rs. 1 billion for National Level License the BOD has approved another right issue at a discount of 50% in the ratio of one right share of Rs. 10/- at a discount of Rs. 5/- against one ordinary share of Rs. 10/- each. The process for seeking regulatory approval has started and expected that exercise of the issue of right shares will be completed by 1st Quarter of 2015.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This quarterly financial report of the Bank for the quarter ended 30 September 2014 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.

SBP has deferred the applicability of International Accounting Standards (IAS) 39 'Financial Instruments Recognition and Measurement' and International Accounting Standards (IAS) 40 'Investment Property' for Banking Companies through BSD Circular No. 10 dated 26 August 2002. Further, the Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS-7 'Financial Instruments: Disclosures' through its notification S.R.O 411(1) / 2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information.



2.2 Basis of Presentation

This quarterly 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 2013.

This condensed interim financial information is presented in Pak Rupees, which is the Company'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 2013.

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 financial statements for the year ended 31 December 2013.



	Note	30 September 2014	31 December 2013
		Rupees	
		(Un-audited)	(Audited)
5. CASH AND BALANCE WITH SBP			
Cash in hand – local currency		17,985,036	19,022,451
Balance with State Bank of Pakistan	5.1	<u>22,295,651</u>	<u>43,778,963</u>
		<u>40,280,687</u>	<u>62,801,414</u>
5.1 This represents balance in current account 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 Regulations.			
6. BALANCES WITH OTHER BANKS / NBFIs / MFBs			
In Pakistan			
- on Current account		4,484	4,484
- on Deposit account	6.1	<u>75,205,656</u>	<u>354,770,306</u>
- certificates of deposits	6.2	<u>375,000,000</u>	<u>150,000,000</u>
		<u>450,210,140</u>	<u>504,774,790</u>
6.1 These carry mark-up rates ranging from 7.5 to 9.5 % (31 December 2013: 7.5 to 9.5 %) per annum.			
6.2 These represents placements with Escort Investment Bank Limited of Rupees 275,000,000 carrying markup ranging from 14 to 14.5% per annum and with KASB Bank Limited of Rupees 100,000,000 carrying markup of 10.5% per annum. The maturity of these placements ranges from one month to six months time from the date of placement.			
7. INVESTMENTS			
Held-for-trading			
- Term Finance Certificates	7.1	50,279,564	58,875,000
Fair value adjustment		<u>(1,474,053)</u>	<u>1,217,064</u>
		<u>48,805,511</u>	<u>60,092,064</u>
- NAMCO Income Fund - Mutual Fund	7.2	<u>11,000,000</u>	<u>20,000,000</u>
Fair value adjustment		<u>1,340,233</u>	<u>-</u>
		<u>12,340,233</u>	<u>20,000,000</u>
Available-for-sale			
Federal Government Securities			
- Pakistan Investment Bond (PIBs)	7.3	211,550,784	212,458,024
Fair value adjustment		<u>429,286</u>	<u>(1,448,030)</u>
		<u>211,980,070</u>	<u>211,009,994</u>
		<u>273,125,814</u>	<u>291,102,058</u>
7.1 These represent Term Finance Certificates of Jahangir Siddiqui & Company Limited. These carry mark-up at the rate of 6 months KIBOR + 2.4% per annum.			
7.2 These represent 107,823,5427 units valuing Rupees 106.8035 each of NAMCO Income Fund - a closed end Mutual Fund managed by National Asset Management Company Limited.			
7.3 This represents PIBs issued for a period of three years having maturity on 19 July 2015 and 22 July 2015. These carry coupon rate of 11.25% and 11.50% per annum respectively (31 December 2013: 11.25% and 11.50% per annum).			

8. ADVANCES - NET OF PROVISIONS

	30 September 2014		31 December 2013	
	No. of Loans (Un-audited)	Rupees	No. of Loans (Audited)	Rupees
	----- Rupees -----			
Micro credit	10,738	602,293,819	8,606	341,837,539
Provision held:				
- Specific		43,026,266		19,768,105
- General		5,368,411		3,052,551
		48,394,677		22,820,656
Advances – net of provisions	10,738	553,899,142	8,606	319,016,883

8.1 Particulars of Non-Performing Advances

Advances include Rupees 137.100 million (31 December 2013: Rupees 91.782 million) which have been placed under non performing status as detailed below.

Category of classification	30 September 2014			31 December 2013		
	Amount Outstanding	Provision Required	Provision Held	Amount Outstanding	Provision Required	Provision Held
	----- Rupees -----			----- (Audited) -----		
	(Un-audited)			(Audited)		
OAEM	38,918,647	-	-	45,262,426	-	-
Sub-standard	34,314,451	8,578,613	8,578,613	20,462,761	5,115,690	5,115,690
Doubtful	58,839,276	29,419,638	29,419,638	22,809,985	11,404,993	11,404,993
Loss	5,028,015	5,028,015	5,028,015	3,247,422	3,247,422	3,247,422
	137,100,389	43,026,266	43,026,266	91,782,594	19,768,105	19,768,105

8.2 Particulars of provisions against non-performing advances

	30 September 2014			31 December 2013		
	Specific	General	Total	Specific	General	Total
	----- Rupees -----			----- (Audited) -----		
	(Un-audited)			(Audited)		
Opening balance	19,768,105	3,052,551	22,820,656	2,914,337	1,156,346	4,070,683
Charge for the period	39,037,006	2,315,860	41,352,866	28,710,654	1,896,205	30,606,859
Amount written off	(15,778,845)	-	(15,778,845)	(11,856,886)	-	(11,856,886)
Closing balance	43,026,266	5,368,411	48,394,677	19,768,105	3,052,551	22,820,656

	Note		30 Sept. 2014	31 Dec 2013
			----- Rupees -----	
	(Un-audited)		(Audited)	
8.3 Particulars of write offs:				
Against provision		8.4	15,778,845	11,856,886

- 8.4 The management filed claim of Rs. 26.778 million against insurance policy No. 101/LHR/MBC/000001/11/2013 dated November 2013 of United Insurance Co. (Associated Co.). The Insurance company has paid a sum of Rs. 0.5 million through cheque No. 1265346 dated 17 October 2014 and claim of balance amount is under process in order to determine exact amount of the claim.



9. DEPOSITS AND OTHER ACCOUNTS

	30 September 2014		31 December 2013	
	Number	Rupees	Number	Rupees
	----- (Un-audited) -----		----- (Audited) -----	
Fixed deposits	2,024	579,622,753	1,315	383,102,300
Saving deposits	4,085	195,264,335	3,614	201,874,993
Current deposits	34,277	159,684,309	26,883	177,048,276
	<u>40,386</u>	<u>934,571,397</u>	<u>31,812</u>	<u>762,025,569</u>

9.1 Particulars of deposits by ownership

	30 September 2014		31 December 2013	
	Number	Rupees	Number	Rupees
	----- (Un-audited) -----		----- (Audited) -----	
Individual depositors	40,275	834,663,248	31,656	739,523,216
Institutional depositors				
- Corporation / firm	92	45,041,334	145	7,540,180
- Banks and financial institutions	19	54,866,815	11	14,962,173
	<u>40,386</u>	<u>934,571,397</u>	<u>31,812</u>	<u>762,025,569</u>

10 BORROWINGS

During the period, the Bank has obtained running finance facility with a maximum overdraft limit of Rupees 90,000,000 from KASB Bank Limited carrying mark up at the rate of 11.5 % per annum (1% over TDR rate). As at the reporting date, the utilized portion of this running finance facility is Rupees 2,927,171. This facility is secured against lien on TDR of Rs. 100 million placed with KASB @ 10.50% p.a.

	Note	30 September	31 December
		2014	2013
		----- Rupees -----	
		(Un-audited)	(Audited)
11. DEFERRED GRANTS			
Opening balance		12,020,263	-
Grant recognised during the period		42,007,788	18,020,263
Less: Amortization of deferred grants		(7,597,465)	(6,000,000)
	11.1	<u>46,430,586</u>	<u>12,020,263</u>

11.1 During the year 2013, the SBP approved a grant of Rupees 36.078 million for meeting the project cost to be incurred by the Bank to support its institutional capacity building under the project "Strengthening the Institution via a Business Capacity Building, IT infrastructural Improvement and Human Capital Development". The Bank has recognized the grant upon actual receipt / when the bank has complied with the conditions attached to the grant. Amortization of the grant is being made on a systematic basis over the remaining useful life of related asset/ when the related expense is incurred and charged to profit and loss account. Another grant of PKR 34.65 million has been approved by SBP for project Financial Innovation Challenge Fund (FICF) costing PKR 49.50 million for promoting Innovation in Rural & Agricultural Finance in Pakistan with Apna Microfinance Bank's contribution of 30% amounting to PKR 14.85 million. The bank has placed its share of PKR 7.185 for 1st trench to the credit of Grant account, SBP share of PKR 16.765 was received on 26th August 2014 and balance is expected to be received in the following quarter.

12. MEMORANDUM/OFF BALANCE SHEET ITEMS

There were no contingent liabilities as at 30 September 2014 (31 December 2013: Nil)

	Note	30 September	30 September
		2014	2013
		----- Rupees -----	
		(Un-audited)	(Un-audited)
13. MARK-UP/RETURN/INTEREST EARNED			
Mark-up on loans and advances		105,496,935	52,263,634
Mark-up on investments in government securities		16,981,795	17,133,678
Mark-up on deposit accounts		39,703,713	23,127,876
		<u>162,182,443</u>	<u>92,525,188</u>



AMBL

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