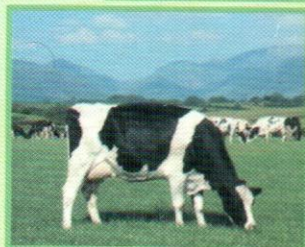


2015
September

Quarterly Financial Statements



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 Farooq Abid Tung

Company Secretary

Mr. Rafat Abbas

Chief Financial Officer

Mr. Ali Murtza

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. Muhammad Azam Cheema
Mr. Qamar uz Zaman
Mr. Muhammad Saleem Shaikh
Group Head HR

Secretary

Auditors

RSM Avais Hyder Liaquat Nauman
(Chartered Accountants)

Tax/ Legal Advisor

Baker Tilly Mehmood Idrees Qamar
(Chartered Accountants)
Agha Law Associates



Bankers

KASB Bank Limited
Sindh Bank Limited
Faysal Bank Limited
Bank Al-habib Limited
Bank Al-falah Limited
Summit Bank Limited
Zarai Taraqati Bank Limited
JS Bank Limited

Silk Bank Limited
Allied Bank Limited
Dubai Islamic Bank Limited
Soneri Bank Limited
NIB Bank Limited
Tameer Microfinance Bank
FINCA Micro Finance Bank
NRSP Microfinance Bank Limited

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

KARACHI BRANCHES:

Model Branch Gizri
I.I. Chundrigar Road Branch
Shahrah-e-Faisal Branch
Orangi Town Branch
Shah Faisal Colony Branch
North Karachi Branch
Bhens Colony Branch
Korangi Industrial Area Branch
Napier Road Branch
Liaquat Market, Malir Branch
Mahmoodabad Branch
Gulshan-e-Hadeed Branch
New Sabzi Mandi, Karachi

Tel: 021 - 35865021 - 24
Tel: 021 - 32623667 - 70
Tel: 021 - 34325658, 57
Tel: 021 - 36652103, 36652095
Tel: 021 - 34601749
Tel: 021 - 36961068, 36961067
Tel: 021 - 35081282, 35081283
Tel: 021 - 35013401, 35013402
Tel: 021 - 32527041 - 44
Tel: 021 - 34113781 - 83
Tel: 021 - 35319240 - 41 - 42
Tel: 021 - 34717820 - 3
Tel: 0308-8886170

Interior Sindh Branches:

Larkana Branch
KUMB Road Suigas Branch
Khairpur Miras Branch
Hyderabad Branch
Tando Allah Yar Branch
Tando Muhammad Khan Branch
Ghotki Branch
Mirpurkhas Branch
Umarkot Branch
Nawabsha Branch
Sukkur Branch
Shahdadpur Branch
Tando Adam Branch
Sanghar Branch
Mahar Branch
Mahrabpur Branch

Tel: 074-4055347 - 50
Tel: 024-3614440 - 5
Tel: 024-371533
Tel: 022-2731282 - 6
Tel: 022-3890449, 022 3890450 - 8
Tel: 022-3341811 - 12
Tel: 072-3662461
Tel: 0233-875096 - 99
Tel: 0333-2641848
Tel: 0300-9202955
Tel: 0333 7117164
Tel: 0235-844670
Tel: 0300-9376206
Tel: 0332-2620225
Tel: 0304-3435918
Tel: 0301-8313018

Lahore Branch:

Sundardas Branch

Tel: 042-36306730

Directors' Report

On behalf of the Board of Directors, I am pleased to present the condensed un-audited financial statements of the bank for the period of nine months ended September 30, 2015.

Operational and Financial Review

The operational highlights for the period are:

Particulars	30 Sep. 2015	30 Sep. 2014	% Change
	Un-Audited	Un-Audited	
Advances-net of provisions	1,282,090,287	553,899,142	131.46%
Deposits and other accounts	2,281,846,773	934,571,397	144.15%
Mark-up/return/interest earned	274,165,887	162,182,443	69.04%
Mark-up/return/interest expensed	(117,450,270)	(56,695,275)	107.16%
Administrative expenses	(201,455,672)	(117,048,030)	72.11%
Profit / (loss) after taxation	(45,630,189)	(22,266,714)	104.92%

The Bank posted a loss after tax of PKR 45.63 million during the nine months ended September 30, 2015 as compared to a loss of PKR 22.27 million in the corresponding period last year. The equity (net of losses) of the Bank stood at PKR 1,013.70 million and total assets have grown to PKR 3,367.92 million from PKR 1,510.76 million as at September 30th, 2014. The loss per share for the nine months ended September 30th, 2015 is PKR 0.30 in comparison to loss of PKR 0.20 in the corresponding period last year.

Subsequent to the grant of National level License by the State Bank of Pakistan, the management is intensively working to increase their foot prints in those areas which are still unbanked and where absorptive capacity for micro finance services is existed, therefore fourteen (14) new branches have been opened in rural Sindh, two (2) in Karachi and one (1) in Punjab. The number of operational branches has been increased from thirteen (13) in September 2014 to thirty (30) in September 2015. Further by the end of December 31, 2015 forty (40) new branches will be added to the network of the Bank.

For the coverage of this growth strategy new staff is being hired, additional lease agreements are being executed, new branch premises are in construction/renovation process causing increase in capital & operating expense, these expenditures will be catered from increased income through fresh lending and low cost customer's deposits.

As a result of the management approach to improve its markup income by rationalizing its returns on funds deployed, improving recovery against non-performing loans and written off loans, the interest/ markup income shows an increase of 69.04% over the corresponding period last year. However mark up interest expense has increased by 107.16% over the corresponding period, this increase could be rationalized due to increase in the quantum of deposits by 144.15%. Future strategy of the management is to attract low cost deposits which will hopefully cover future/upcoming cost.

The administrative expenses have increased by 72.11% over the figures of corresponding period 2014. The major factor attributable to this rise is increase in manpower as a result of branch network expansion. The total number of employees (regular & contractual) increased to 552 in September 2015 as compared to 265 in September 2014. However we are focusing on extensive training to existing HR in order to bring efficiency and professionalism in operations.

The provision against non performing loans (NPLs) has decreased to Rs. 30.92 (m) on reporting date as compare to 41.35 (m) in corresponding period 2014 registering a reduction of 25.22%. The management is making intensive efforts for the recovery of NPLs and setting a new strategy to reduce the quantum of NPLs. We are hopeful that ratio and quantum of NPL will be reduced under our new recovery campaign.



Future Outlook

On achieving the National Level License from SBP the management is in the process of enhancing their presence in other provinces of Pakistan. The SBP has allowed us for the opening of 77 new branches however these new openings will be made in two (2) phases, under phase one (1) 40 new branches will be opened during the year 2015 and remaining 37 will be opened in phase two (2) during the year 2016. The management is preferably considering to open new branches only in unbanked micro finance area so that the deserving/prospective customers could be served. We are confident that opportunities in Punjab and KPK will definitely support in growth of our business.

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

The management is in process for getting the membership of NIFT, in this respect standard service agreement with NIFT will be signed shortly and hope that centralized clearing will be started soon.

In view of planned expansion in Punjab, KPK and Baluchistan, the management has decided to shift their Head Office to Lahore and approval for the shifting of Head Office has been obtained from State Bank of Pakistan.

Credit Rating

The Pakistan Credit Rating Agency (Pvt) Ltd. has upgraded the long term rating from "BBB" (Triple B) to "BBB+" (Triple B+) and maintained short term rating to "A3" (A Three) , with a **"Stable 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 29, 2015

On behalf of the Board

Muhammad Farooq Abid Tung
Acting President and CEO



**APNA MICROFINANCE BANK LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2015**

	Note	30 September 2015	31 December 2014
		----- Rupees ----- (Un-audited)	(Audited)
ASSETS			
Cash and balances with SBP	5	90,074,535	58,432,090
Balances with other banks / NBFIs / MFBs	6	1,278,000,162	538,046,669
Lending to financial institutions		-	-
Investments	7	264,424,432	190,767,143
Advances-net of provisions	8	1,282,090,287	766,138,548
Operating fixed assets		101,456,273	93,725,598
Other assets		351,870,844	111,844,458
Deferred tax assets		-	-
Total assets		<u>3,367,916,533</u>	<u>1,758,954,506</u>
LIABILITIES			
Deposits and other accounts	9	2,281,846,773	1,193,506,624
Borrowings		-	-
Subordinated debt		-	-
Other liabilities		47,519,520	22,839,032
Deferred tax liabilities		-	-
Total liabilities		<u>2,329,366,293</u>	<u>1,216,345,656</u>
NET ASSETS		<u>1,038,550,240</u>	<u>542,608,850</u>
REPRESENTED BY:			
Share capital		2,200,000,000	1,100,000,000
Discount of issue of Right Shares		(950,000,000)	(400,000,000)
Statutory and general reserves		1,279,583	1,279,583
Depositors' Protection Fund		319,896	319,896
Accumulated loss		(237,900,190)	(192,270,001)
		1,013,699,289	509,329,478
Surplus on revaluation of assets		936,117	1,740,937
Deferred grants	10	23,914,834	31,538,435
Share deposit money		-	-
Total capital		<u>1,038,550,240</u>	<u>542,608,850</u>
MEMORANDUM/ OFF BALANCE SHEET ITEMS	11	-	-

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 2015

	Note	Nine Months ended 30 Sep. 2015	2014	Quarter ended 30 Sep. 2015	2014
----- Rupees -----					
Mark-up/return/interest earned	12	274,165,887	162,182,443	110,899,523	55,734,886
Mark-up/return/interest expensed		(117,450,270)	(56,695,275)	(50,535,084)	(23,964,599)
Net mark-up/interest income		156,715,617	105,487,168	60,364,439	31,770,287
Provision against non-performing loans and advances	8.2	(30,914,688)	(41,352,866)	5,149,217	(28,532,433)
Provision for diminution in the value of investments		-	-	-	-
Recovery against written off advances		2,833,635	2,251,248	623,570	1,114,564
Bad debts written off directly		-	-	-	-
		(28,081,053)	(39,101,618)	5,772,787	(27,417,869)
Net mark-up/interest income after provisions		128,634,564	66,385,550	66,137,226	4,352,418
Non mark-up/non interest income		8,625,588	5,962,272	3,702,437	2,015,298
Fee, commission and brokerage income		21,393,246	23,683,494	5,118,343	4,591,321
Other income		30,018,834	29,645,766	8,820,780	6,606,619
Total non mark-up/non interest income		158,653,398	96,031,316	74,958,006	10,959,037
Non mark-up/non interest expenses		(201,455,672)	(117,048,030)	(82,588,613)	(41,598,527)
Administrative expenses		-	-	-	-
Other provisions/write offs		-	-	-	-
Other charges		-	-	-	-
Total non mark-up/non interest expenses		(201,455,672)	(117,048,030)	(82,588,613)	(41,598,527)
Extra ordinary/unusual items		(42,802,274)	(21,016,714)	(7,630,607)	(30,639,490)
(Loss) before taxation		(42,802,274)	(21,016,714)	(7,630,607)	(30,639,490)
Taxation - Current	13	(2,827,915)	(1,250,000)	(1,146,020)	-
Prior		-	-	-	-
Deferred		-	-	-	-
(Loss) after taxation		(45,630,189)	(22,266,714)	(8,776,627)	(30,639,490)
Accumulated loss brought forward		(192,270,001)	(196,880,895)	(229,123,563)	(188,508,119)
Accumulated loss carried forward		(237,900,190)	(219,147,609)	(237,900,190)	(219,147,609)
Loss per share - basic and diluted	14	(0.30)	(0.20)	(0.06)	(0.48)

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 2015

Note	Nine Months ended 30 Sep.		Quarter ended 30 Sep.	
	2015	2014	2015	2014
	----- Rupees -----			
(Loss) after taxation	(45,630,189)	(22,266,714)	(8,776,627)	(30,639,490)
Other comprehensive income				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be subsequently reclassified to profit or loss	-	-	-	-
Comprehensive income transfer to equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(45,630,189)</u>	<u>(22,266,714)</u>	<u>(8,776,627)</u>	<u>(30,639,490)</u>
Components of comprehensive income not reflected in equity				
Net change in fair value of available-for-sale investments	(804,820)	-	(114,402)	-
Total comprehensive income for the period	<u>(46,435,009)</u>	<u>(22,266,714)</u>	<u>(8,891,029)</u>	<u>(30,639,490)</u>

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 2015

	30 Sep. 2015	30 Sep. 2014
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(42,802,274)	(21,016,714)
Adjustments for non-cash items		
Depreciation	11,864,212	6,228,097
Amortization of intangibles	7,197,170	5,478,864
Provision against non-performing advances	30,914,688	41,352,866
Amortization of premium on government securities	-	907,240
Amortization of deferred grants	(8,580,828)	(7,597,465)
Fair value adjustment on held for trading investments	807,255	133,820
(Gain)/Loss sale of fixed assets	1,068,279	(1,255,265)
	<u>43,270,776</u>	<u>45,248,157</u>
	468,502	24,231,443
(Increase) / decrease in operating assets		
Advances	(546,866,427)	(276,235,125)
Other assets	(233,812,670)	(65,049,407)
	<u>(780,679,097)</u>	<u>(341,284,532)</u>
(Decrease) / increase in operating liabilities		
Deposits	1,088,340,149	172,545,828
Borrowing	-	2,927,171
Other liabilities	24,680,488	11,050,029
	<u>1,113,020,637</u>	<u>186,523,028</u>
Income tax paid	332,810,042	(130,530,061)
Net cash generated/(used in) flow from operating activities	<u>(4,068,267)</u>	<u>(1,250,000)</u>
	328,741,775	(131,780,061)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	55,422,043	-
Net investments in held for trading securities	9,548,995	18,946,320
Net investments in held to maturity securities	(140,240,402)	-
Investments in term deposits	(350,000,000)	-
Investments in operating fixed assets	(32,164,580)	12,716
Investments in intangible assets	(669,120)	(700,000)
Sale proceeds from disposal of operating fixed assets	-	(2,272,140)
Net cash (used in)/generated investing activities	<u>(458,103,064)</u>	<u>15,986,896</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Share deposit money	-	(403,300,000)
Grant received from SBP	20,006,000	42,007,788
Utilization of grant	(19,048,773)	-
Proceeds from issue of right shares	550,000,000	400,000,000
Net cash flow from financing activities	<u>550,957,227</u>	<u>38,707,788</u>
Increase / (decrease) in cash and cash equivalents for the period	421,595,938	(77,085,377)
Cash and cash equivalents at the beginning of the period	596,478,759	567,576,204
Cash and cash equivalents at the end of the period	<u>1,018,074,697</u>	<u>490,490,827</u>

6.3

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 2015

	Share Capital	Discount on Issue of Shares	Statutory Reserve	Depositors' Protection Fund	Accumulated Profit/(Loss)	Total
	Rupees					
Balance as at 31 December 2013	300,000,000	-	50,011	12,503	(196,880,895)	103,181,619
Issue of right shares	800,000,000	(400,000,000)	-	-	-	400,000,000
Comprehensive income for the period						
Profit after taxation	-	-	-	-	6,147,859	6,147,859
Other comprehensive income	-	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	-	6,147,859	6,147,859
Transfer to Statutory Reserve	-	-	1,229,573	-	(1,229,573)	-
Transfer to Depositors' Protection Fund (DPF)	-	-	-	307,393	(307,393)	-
Balance as at 31 December 2014	1,100,000,000	(400,000,000)	1,279,583	319,896	(192,270,001)	509,329,478
Issue of right shares	1,100,000,000	(550,000,000)	-	-	-	550,000,000
Comprehensive income for the period						
Loss) after taxation	-	-	-	-	(45,630,189)	(45,630,189)
Other Comprehensive Income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(45,630,189)	(45,630,189)
Balance as at 30 September 2015	<u>2,200,000,000</u>	<u>(950,000,000)</u>	<u>1,279,583</u>	<u>319,896</u>	<u>(237,900,190)</u>	<u>1,013,699,289</u>

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
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

1. STATUS AND NATURE OF BUSINESS

- 1.1** 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 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. As at the reporting date, the Bank operates 30 branches (September 2014: 13 branches) and its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi.
- 1.2** During the period, the bank has achieved the status of national level microfinance bank pursuant to license issued by State Bank of Pakistan and its equity (free of losses) as at the balance sheet date meets the minimum capital requirements (MCR) of Rupees 1,000 million as stipulated in Prudential Regulations for Microfinance Banks.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial report of the Bank for the nine month ended 30 September 2015 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 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.

2.2 Basis of 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 2014.

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 2014.

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 2014.



	Note	30 September 2015 (Un-audited)	31 December 2014 (Audited)
		----- Rupees -----	
5. CASH AND BALANCE WITH SBP			
Cash in hand – local currency		39,083,316	26,627,936
Balance with State Bank of Pakistan	5.1	50,991,219	31,804,154
		<u>90,074,535</u>	<u>58,432,090</u>
5.1 Represents balance maintained 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 3 of the Prudential Regulations.			
6. BALANCES WITH OTHER BANKS / NBFIs / MFBs			
In Pakistan			
- on current account		38,650,682	19,799,313
- on deposit account	6.1	594,349,480	236,247,356
- certificates of deposits	6.2	645,000,000	282,000,000
		<u>1,278,000,162</u>	<u>538,046,669</u>
6.1 These carry mark-up rates ranging from 4 to 9 percent (2014:7.5 to 9.5 percent) per annum.			
6.2 These represents placements with different financial institutions carrying markup ranging from 7 to 9.5 percent (December 31, 2014: from 10.5 to 14 percent) per annum. Their maturity ranges from three month to six months from the date of placements.			
6.3 Cash and cash equivalents at the end of the period			
Cash and Balance with SBP		90,074,535	58,432,090
Balance with other Banks/NBFIs/MFBs		1,278,000,162	538,046,669
		<u>1,368,074,697</u>	<u>596,478,759</u>
Term deposits	6.3.1	(350,000,000)	-
		<u>1,018,074,697</u>	<u>596,478,759</u>
6.3.1 These represent term deposits more than 3 months and are not incorporated for purpose of the cash and cash equivalents.			
7. INVESTMENTS			
Held for trading			
- Term Finance Certificate	7.1	29,444,016	38,993,011
Fair value adjustment		(543,750)	263,505
		<u>28,900,266</u>	<u>39,256,516</u>
Held-to-maturity			
B R R Guardian Modaraba - Term Finance Certificate	7.2	9,535,848	9,535,848
Amortization of discount		1,705,445	599,892
		<u>11,241,293</u>	<u>10,135,740</u>
Treasury Bills	7.3	139,134,849	-
Available for sale			
Federal Government Securities			
- Pakistan Investment Bond (PIB)	7.4	52,720,828	139,633,950
Fair value adjustment		936,117	1,740,937
		<u>53,656,945</u>	<u>141,374,887</u>
National Bank of Pakistan NAFA - Mutual Fund		31,491,079	-
		<u>264,424,432</u>	<u>190,767,143</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 This represents 4000 units of TFCs of B.R.R Guardian Modaraba, which were issued for 8.5 years having maturity on 07 December 2016 and carry markup at the rate of 1 Month KIBOR per annum.



7.3 This represents T-Bills issued for a period of 3 months having maturity on 15 Oct 2015. These carries interest at the rate of 6.93% per annum.

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

8. ADVANCES - NET OF PROVISIONS

	30 September 2015		31 December 2014	
	No. of Loans outstanding (Un-audited)	Rupees	No. of Loans outstanding (Audited)	Rupees
Micro credit	13,763	1,345,539,517	11,390	798,673,090
Provision held:				
- Specific		52,270,870		25,090,505
- General		11,178,360		7,444,037
8.2		63,449,230		32,534,542
Advances – net of provisions	13,763	1,282,090,287	11,390	766,138,548

8.1 Particulars of non-performing advances

Advance include Rupees 157,012,901 (31 December 2014: Rupees 101,396,356) which have been placed under non performing status as detailed below.

Category of classification	30 September 2015			31 December 2014		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	Rupees			Rupees		
	(Un-audited)			(Audited)		
OAEM	29,200,173	-	-	39,915,242	-	-
Sub-standard	57,163,194	14,207,613	14,207,613	21,919,887	5,380,007	5,380,007
Doubtful	64,586,155	31,999,878	31,999,878	39,557,732	19,707,003	19,707,003
Loss	6,063,379	6,063,379	6,063,379	3,495	3,495	3,495
	157,012,901	52,270,870	52,270,870	101,396,356	25,090,505	25,090,505

8.2 Particulars of provisions against non-performing advances

	30 September 2015			31 December 2014		
	Specific	General	Total	Specific	General	Total
	Rupees			Rupees		
	(Un-audited)			(Audited)		
Opening balance	25,090,505	7,444,037	32,534,542	19,768,105	3,052,551	22,820,656
Charge for the period	27,180,365	3,734,323	30,914,688	21,158,245	4,391,486	25,549,731
Amount written off	-	-	-	(15,835,845)	-	(15,835,845)
	52,270,870	11,178,360	63,449,230	25,090,505	7,444,037	32,534,542
			Note	30 Sept. 2015	31 Dec 2014	
Particulars of write offs:				(Un-audited)	(Audited)	
Against provision				-	15,835,845	

9. DEPOSITS AND OTHER ACCOUNTS

	30 September 2015		31 December 2014	
	Number	Rupees	Number	Rupees
	----- (Un-audited) -----		----- (Audited) -----	
Fixed deposits	5,051	1,419,119,832	1,865	693,879,253
Saving deposits	6,303	515,113,636	4,378	229,586,147
Current deposits	47,685	347,613,305	37,289	270,041,224
	<u>59,039</u>	<u>2,281,846,773</u>	<u>43,532</u>	<u>1,193,506,624</u>

9.1 Particulars of deposits by ownership

	30 September 2015		31 December 2014	
	Number	Rupees	Number	Rupees
	----- (Un-audited) -----		----- (Audited) -----	
Individual depositors	58,881	2,233,012,472	43,402	1,062,916,009
Institutional depositors				
- Corporation / firm	139	41,968,143	119	53,047,099
- Banks and financial institutions	19	6,866,158	11	77,543,516
	<u>59,039</u>	<u>2,281,846,773</u>	<u>43,532</u>	<u>1,193,506,624</u>

	Note	30 September	31 December
		2015	2014
		----- Rupees -----	
		(Un-audited)	(Audited)
10. DEFERRED GRANTS			
Institutional Strengthening Fund (ISF)	10.1	7,213,810	16,903,539
Financial Innovation Challenge Fund (FICF)	10.2	16,701,024	14,634,896
		<u>23,914,834</u>	<u>31,538,435</u>

10.1 During the preceding year, the SBP approved a grant of Rupees 36,078,051 for meeting the project cost to be incurred by the Bank to support its institutional capacity building under the project "Strengthening the Institution via a Business Capacity Building, IT infrastructural Improvement and Human Capital Development". The Bank has recognized the grant against the asset and expenses as prescribed thereby meeting 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.

10.2 During the preceding year, the SBP approved a grant of Rupees 34,000,000 under the Financial Innovation Programme (FIP). The main purpose of the FIP is the provision of improved access of financial services for poor and marginalized groups and for micro, small and medium-enterprises in Pakistan. The Bank has recognized the grant against assets and expenses as prescribed thereby meeting the conditions attached to the grant. Amortization of the grant is being made on a systematic basis over the remaining useful life of related asset.

11. MEMORANDUM/OFF BALANCE SHEET ITEMS

The Bank has provided the guarantees of Rupees 2.550 million (31 December 2014: Rupees 4.950 million) for the customers to the Controller Department of Tourist Services. The Bank has issued letter of guarantees which are valid for a period of 1 year from the date of execution and secured against the Customers' Receivables. 10% Cash Margin and Counter Guarantee of United Insurance Company Limited.

There were no other contingencies and commitments as at 30 September 2015 (31 December 2014: Nil)



12. MARK-UP/RETURN/INTEREST EARNED

	Nine month ended 30 Sep.		Quarter ended 30 Sep.	
	2015	2014	2015	2014
	Rupees	Rupees	Rupees	Rupees
	----- (Un-audited) -----		----- (Un-audited) -----	
Mark-up on loans and advances	205,861,685	105,496,935	81,400,152	35,340,001
Mark-up on investments in government securities	12,131,634	16,981,795	2,340,802	2,683,784
Mark-up on deposit accounts	56,172,568	39,703,713	27,158,569	17,711,101
	<u>274,165,887</u>	<u>162,182,443</u>	<u>110,899,523</u>	<u>55,734,886</u>

13. TAXATION

13.1 Current

The Bank has carried forward tax losses of Rupees 91,373,923/- as at reporting date due to which no taxable income arises during the period. However, under section 113 "minimum tax on income of certain persons" of the Income Tax Ordinance, 2001, the Bank is required to make a provision for minimum taxation. Therefore, provision for minimum taxation amounting to Rupees 2,827,915/- (30 September 2014: Rupees 1,250,000) has been made.

14. LOSS PER SHARE - BASIC AND DILUTED

		September 2015	September 2014
(Loss) after taxation for the year	(Rupees)	<u>(45,630,189)</u>	<u>(22,266,714)</u>
Weighted average number of ordinary shares outstanding during the period	Numbers	<u>153,775,796</u>	<u>110,000,000</u>
Basic and diluted loss per share	(Rupees)	<u>(0.30)</u>	<u>(0.20)</u>

14.1 There was no dilutive effect on the basic loss per share.

15. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Investment	Retail	Micro	Total
	In Government Securities	Banking	Finance Banking	
	----- Rupees -----			
Nine month ended 30 September 2015 (un-audited)				
Total income	12,131,634	86,191,402	208,695,320	307,018,356
Total expenses	-	175,542,860	177,105,685	352,648,545
Net income/(loss)	12,131,634	(89,351,458)	31,589,635	(45,630,189)
Segment asset	<u>264,424,432</u>	<u>1,368,074,697</u>	<u>1,735,417,404</u>	<u>3,367,916,533</u>
Segment non performing loans	-	-	157,012,901	157,012,901
Segment provision required	-	-	63,449,230	63,449,230
Segment liabilities	-	2,281,846,773	47,519,520	2,329,366,293
Nine month ended 30 September 2014 (un-audited)				
Total income	16,981,795	63,387,207	113,710,455	194,079,457
Total expenses	-	173,743,306	42,602,866	216,346,171
Net income/(loss)	16,981,795	(110,356,099)	71,107,589	(22,266,714)
Segment assets	<u>273,125,814</u>	<u>490,490,827</u>	<u>747,143,862</u>	<u>1,510,760,503</u>
Segment non - performing loans	-	-	137,100,389	137,100,389
Segment provision required	-	-	48,394,677	48,394,677
Segment liabilities	-	937,498,567	45,487,159	982,985,726



16. TRANSACTION 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 transactions with related parties other than those disclosed elsewhere in this condensed interim financial information is as under:

	30 September 2015 Rupees (Unaudited)	31 December 2014 Rupees (Audited)
Balances as at period/year end		
Associate :		
Deposits	767,282	1,872,288
Key management personnel:		
Deposits	4,222,751	3,368,343
From directors/ sponsors:		
Deposits	22,322,942	1,983,753
Loan to executive director	8,000,000	8,000,000
Share deposit money	-	-
Transactions during the period/year:		
Associated company:		
Deposits received	350,092,435	283,634,948
Withdrawals	351,197,441	283,538,740
Insurance expense	1,772,557	1,822,688
Other related parties		
Contribution to Staff Provident Fund	993,133	354,776
Key management personnel:		
Deposits		
Deposits received	40,108,135	57,218,080
Withdrawals	39,833,659	56,604,756
Mark-up on deposit paid	468,584	303,235
From directors/ sponsors:		
Deposits received	319,183,292	117,653,199
Share deposit money received	338,513,710	67,993,790
Share deposit money repaid	338,513,710	70,993,790
Withdrawals	198,844,104	129,245,096
Loan to executive director	-	8,000,000
Mark-up on deposit paid	2,634,809	-

17. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved and authorised for issue by the Board of Directors on

18. GENERAL

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

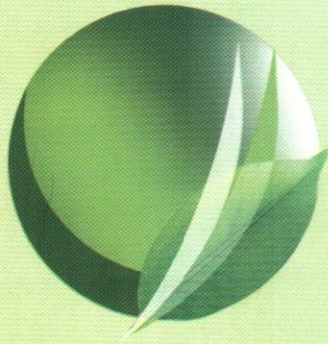
18.2 Figures have been rounded off to the nearest rupee unless otherwise stated.

President/Chief Executive Officer

Chairman

Director

Director



AMBL

خوابوں سے خوشحالی تک

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