

apna bank  
Limited

خوابوں سے خوشحالی تک

اپنا بینک

*Un-Audited Interim Condensed  
Financial Statements*

*for the Nine Months Ended September 30, 2017*



Micro Finance  
**apna bank**  
Limited

## **CONTENTS**

02	CORPORATE INFORMATION
04	DIRECTORS' REPORT
06	DIRECTORS' REPORT (URDU)
08	CONDENSED INTERIM BALANCE SHEET
09	CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
10	CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
11	CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
12	CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
13	SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

## CORPORATE INFORMATION

### Board of Directors

Chairman  
Directors

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

President / Chief Executive  
Company Secretary  
Chief Financial Officer

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

### Audit Committee of the Board

Composition  
Chairman  
Members

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

### Executive Committee of the Board

Composition  
Chairman  
Members

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

### Human Resource and Remuneration Committee

Composition  
Chairman  
Members

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

### Risk Management Committee of the Board

Composition  
Chairman  
Members

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

Auditors

Ilyas saeed & Co.  
Chartered Accountants

Tax/ Legal Advisor

RAMDAYS  
Advocates & Corporate Consultants  
Lahore

Bankers

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

Registered Office

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

Head Office

23-A, Sundar Das Road, Zaman Park  
Lahore.  
PABX Tel: +92 42 36306730  
Fax:  
Website: [www.apnabank.com.pk](http://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

## Director's Report

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

### Operational and Financial Review

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

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

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

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

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

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

## Future Outlook

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

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

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

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

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

## Credit Rating

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

## Acknowledgement

We would like to take this opportunity to thank our valued clients, shareholders and other stakeholders for their patronage and confidence and our management and employees for their dedication and hard work.

We would also like to express our gratitude to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan and the Pakistan Stock Exchange for their continued guidance and support.

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

Lahore:

On behalf of the Board



Muhammad Gulistan Malik  
President and CEO

## ڈائریکٹرز رپورٹ

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

### انتظامی اور مالیاتی جائزہ:

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

### کوائف:

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

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

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

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

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

### مستقبل کا لا عمل

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

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

اب فنڈنگ کی بحالی کے بعد بینک کاروبار کے غیر منقولہ علاقوں کو معاشرے کے مستحق اور غیر معمولی لوگوں کیلئے تلاش کرے گا ہم پراسید ہیں کہ بینک کی فنڈنگ کی بحالی کی وجہ سے بینک کی آمدنی کے سلسلے میں اضافہ ہوگا جو کہ بینک کے آپریٹل اور انتظامی اخراجات کو پورا کرے گا۔

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

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

#### کرڈیٹ ریٹنگ:

پاکستان کرڈیٹ ریٹنگ ایجنسی پرائیویٹ لمیٹڈ نے بینک مستقبل کے مستحکم اندر عمل کے تناظر میں لئے اگلی ٹرم اور شارٹ ٹرم ریٹنگ "BBB" (ٹریمبل B) اور A3 (AAA) جاری کی ہے۔

#### اعترافات:

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

اس کے ساتھ ہم سیٹ بینک آف پاکستان، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور پاکستان سٹاک ایکسچینج کے بھی مشکور ہیں جنہوں نے ہماری مستقل رہنمائی جاری رکھی۔

بورڈ کی جانب سے

27 اکتوبر 2017ء  
لاہور



محمد عثمان ملک

صدر ایگزیکٹو آفیسر

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

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

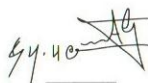
The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



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



\_\_\_\_\_  
Chairman



\_\_\_\_\_  
Director



\_\_\_\_\_  
Director

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

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

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



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



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



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




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

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

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

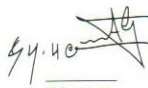
The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



President & Chief Executive Officer



Chairman



Director



Director

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

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

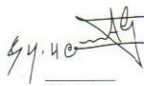
The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



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



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



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



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

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

	Share Capital	Discount on Issue of Shares	Share Deposit Money	Statutory Reserve	Depositors' Protection Fund	Accumulated Profit / (Loss)	Total
	Rupees						
<b>Balance as at December 31, 2015</b>	2,200,000,000	(950,000,000)	-	1,279,583	319,896	(221,485,690)	1,030,113,789
<b>Comprehensive income/(loss) for the period</b>							
Profit/(loss) after taxation	-	-	-	-	-	28,144,693	28,144,693
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	-	28,144,693	28,144,693
Share deposit money	-	-	200,000,000	-	-	-	200,000,000
<b>Balance as at September 30, 2016</b>	2,200,000,000	(950,000,000)	200,000,000	1,279,583	319,896	(193,340,997)	1,259,258,482
<b>Comprehensive income/(loss) for the period</b>							
Profit/(loss) after taxation	-	-	-	-	-	(763,668,253)	(763,668,253)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	-	(763,668,253)	(763,668,253)
Share deposit money	-	-	200,000,000	-	-	-	200,000,000
<b>Balance as at December 31, 2016 (Audited)</b>	2,200,000,000	(950,000,000)	400,000,000	1,279,583	319,896	(957,009,250)	694,590,229
<b>Share issued against share deposit money</b>							
Profit/(loss) after taxation	-	-	(299,991,920)	-	-	(142,763,982)	(299,991,920)
Share deposit money	-	-	150,000,000	-	-	-	150,000,000
Other comprehensive income	-	-	-	-	-	-	-
Shares Issued	300,000,000	-	(149,991,920)	-	-	-	300,000,000
Total comprehensive income/(loss) for the period	300,000,000	-	(149,991,920)	-	-	(142,763,982)	7,244,098
<b>Balance as at September 30, 2017 (Un-Audited)</b>	2,500,000,000	(950,000,000)	250,008,080	1,279,583	319,896	(1,099,773,232)	701,834,327

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



**President & Chief Executive Officer**



**Director**



**Director**

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

**1 STATUS AND NATURE OF BUSINESS**

Apna Microfinance Bank Limited ("the Bank") was incorporated on 08 May 2003 as a public limited Bank under the Companies Ordinance, 1984. The Bank was granted a certificate of commencement of business on 28 December 2004 and its operations started from 01 January 2005. Its shares are listed on Pakistan Stock Exchange Limited. The Bank's principal business is to provide microfinance services to the poor and underserved segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. As at the reporting date, the Bank operates 116 branches and 11 service centres (December 2016: 116 branches & 6 service centres) and its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi.

**2 STATEMENT OF COMPLIANCE**

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

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

**2.3 Basis of preparation and presentation**

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

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

**3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

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

**4 ACCOUNTING POLICIES AND COMPUTATION METHODS**

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

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

	Note	30-Sep-17 ----- (Un-audited)	Rupees -----	31-Dec-16 ----- (Audited)
<b>5 CASH AND BALANCES WITH SBP AND NBP</b>				
Cash in hand – local currency		275,065,586		321,221,064
Balance with State Bank of Pakistan	5.1	409,954,154		592,817,045
Balance with National Bank of Pakistan in Current Accounts		18,174,871		114,014,103
		<u>703,194,611</u>		<u>1,028,052,212</u>
<b>5.1</b>	This represents balance maintained in current account with the State Bank of Pakistan to meet the requirements of maintaining a minimum balance equivalent to not less than 5% of the Bank's time and demand liabilities in accordance with Regulation 3 of the Prudential Regulations.			
<b>6 BALANCES WITH OTHER BANKS/NBFIs/MFBs</b>				
In Pakistan				
- on current account		24,317,377		46,781,023
- on deposit account	6.1	3,139,670,800		3,118,465,982
- certificates of deposits	6.2	1,250,000,000		1,115,000,000
		<u>4,413,988,177</u>		<u>4,280,247,005</u>
<b>6.1</b>	These carry mark-up rates ranging from 3.75 to 8 percent (December 2016: 3.75 to 8 percent) per annum.			
<b>6.2</b>	These represent placements with different financial institutions carrying markup ranging from 6.75 to 9.50 percent (December: 2016: from 7 to 11.75 percent) per annum. Their maturity ranges from three months to one year from the date of placement.			
<b>7 INVESTMENTS - NET OF PROVISIONS</b>				
<b>Held-for-trading</b>				
Term Finance Certificate (TFCs)		-		19,193,937
Fair value adjustment		-		431,063
Redemptions made during the year		-		(19,625,000)
		-		-
<b>National Bank of Pakistan NAFA - Mutual Fund</b>				
Opening Balance		-		32,054,735
Placements made during the period		-		-
Fair value adjustment		-		468,576
Redemptions made during the period		-		(32,523,311)
Closing Balance		-		-
<b>Held-to-maturity</b>				
B R R Guardian Modaraba - Term Finance Certificate (TFCs)	7.1	4,897,730		7,235,390
Term Finance Certificate (TFCs)	7.2	100,000,000		-
Amortization of discount		-		-
		104,897,730		7,235,390
Treasury Bills	7.3	554,432,348		546,495,592
<b>Available for sale</b>				
<b>Federal Government Securities</b>				
Pakistan Investment Bonds (PIBs)		-		53,579,516
Fair value adjustment		-		(1,901,020)
		-		51,678,496
<b>Total Investments</b>		<u>659,330,078</u>		<u>605,409,478</u>

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

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

**8 ADVANCES - NET OF PROVISIONS**

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

**8.1 Particulars of non-performing advances**

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

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

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

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

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

	Note	30-Sep-17		31-Dec-16	
		Rupees		Rupees	
		(Un-audited)		(Audited)	
<b>9 OPERATING FIXED ASSETS</b>					
Capital work in progress		82,961,093		118,459,717	
Property and equipment		720,682,497		684,499,722	
Intangible assets		15,406,846		18,130,215	
		<b>819,050,436</b>		<b>821,089,654</b>	
<b>10 OTHER ASSETS</b>					
Income/ mark-up accrued		893,855,219		533,009,040	
Advances to staff		116,358,710		127,474,382	
Advances, deposits, advance rent and other prepayments	10.1	196,706,094		187,129,230	
Advance income tax - net of provision		19,906,911		7,867,933	
Security deposits		36,811,920		30,287,360	
Inter banks ATM settlement account		15,898,985		36,357,979	
Insurance claim receivable	10.2	296,293,086		35,969,629	
		<b>1,575,830,925</b>		<b>958,095,553</b>	
Insurance claim receivable		27,252,773		27,252,773	
Less: Provision/write offs/adjustmens		(27,252,773)		(27,252,773)	
		<b>1,575,830,925</b>		<b>958,095,553</b>	
<b>10.1 Advances to staff</b>					
Loan to executive director of the company		-		-	
Loan to executive and other staff		116,358,710		127,474,382	
		<b>116,358,710</b>		<b>127,474,382</b>	
<b>10.2</b>					
This represents receivable from The United Insurance Company of Pakistan (UIC), (a related party) against the claim lodged.					
<b>11 DEPOSITS AND OTHER ACCOUNTS</b>					
		30-Sep-17		31-Dec-16	
		No. of accounts	Rupees	No. of accounts	Rupees
		(Un-audited)		(Audited)	
Fixed deposits/Deals		19,258	4,190,789,428	16,325	6,012,459,663
Saving deposits		26,990	3,231,327,099	23,683	4,119,134,284
Current deposits		149,121	3,944,608,777	128,087	2,215,477,007
		<b>195,369</b>	<b>11,366,725,304</b>	<b>168,095</b>	<b>12,347,070,954</b>
<b>11.1 PARTICULARS OF DEPOSITS BY OWNERSHIP</b>					
Individual depositors		194,919	10,837,338,940	167,644	11,453,555,275
Institutional depositors / Deals					
- Corporation / firm		403	341,538,038	399	429,029,020
- Banks and financial institutions		47	187,848,326	52	464,486,659
		<b>195,369</b>	<b>11,366,725,304</b>	<b>168,095</b>	<b>12,347,070,954</b>

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

	30-Sep-17	30-Sep-16
	Rupees	Rupees
	-----	-----
	(Un-audited)	

**TRANSACTIONS DURING THE PERIOD**

**Associated company:**

Deposits received	83,273,314	219,524,521
Withdrawals	85,958,461	220,409,023
Mark-up paid on deposits	114,694	-
Share deposit money received	150,000,000	-
Insurance premium paid	-	16,627,908
Insurance claim received	42,091,627	-
share issued against share deposit money	(299,991,920)	-
Claim lodged with UIC	267,038,187	-

**Other related parties:**

Contribution to Staff Provident Fund	3,815,127	2,062,467
--------------------------------------	-----------	-----------

**Key management personnel:**

**Deposits**

Deposits received	24,601,458	29,380,231
Withdrawals	24,573,468	27,159,243
Mark-paid on deposits	47,119	202,766

**From directors/sponsors:**

Deposits received	10,686,343	20,813,955
Share deposits money received	-	200,000,000
Withdrawals	10,291,592	21,364,946
Mark-paid on deposits	134,782	959,711

**20 DATE OF AUTHORIZATION FOR ISSUE**

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

**21 GENERAL**

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

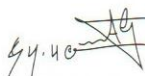
**21.2** Figures have been rounded off to the nearest rupee unless otherwise stated.



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



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



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



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





**Head Office:**

23 - A, Sunderdas Road,  
(Thandi Sarak) Zaman Park, Lahore.

T : +92 42-36305314 - 15

F : +92 42-3636730

E : info@apnabank.com.pk

[www.apnabank.com.pk](http://www.apnabank.com.pk)

