

2015

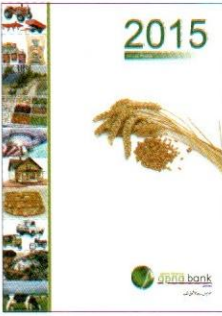
Annual Report



Micro Finance
apna bank

Limited

خوابوں سے خوشحالی تک



On the Cover:

The apna bank provides a wide range of products and services to individual, SME and Agro micro entrepreneur through dynamic personnel.

Why go online?

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Many shareholders are now benefiting from more accessible information and helping the environment too. If you haven't already tried it, visit our online Annual Report or just scan the QR code opposite with your smart phone and go direct. You may need to download a QR code reader for your phone.

Welcome to apna bank



What CSR-Based Management Means at Apna Bank



Apna Bank Constantly Monitors its Banking Activities from a CSR Perspective



The Five Fields of CSR - Based Management



What's Inside...

Contents

Overview

Our Chairman introduces the 2015 annual report and we explain who we are. You will also find a table of the headline figures for 2015 that summaries our performance during the year.	Chairman's Message	04
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Business review

Our Chief Executive outlines how we performed as per our strategy to deliver value. We introduce our board and the operating and financial reviews outline of our performance in 2015. We also give an overview of the markets in which we operate and of the risks facing the business and what we are doing to mitigate them.	Vision & Mission Statement	10
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CHAIRMAN'S MESSAGE



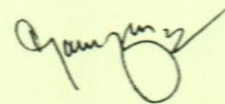
“We are in the fourth year of successful operations. The boards resolve and regulators confidence has augmented AMBL to acquire national license for pan Pakistan operations.

AMBL is proving vital addition in microfinance sector by offering financial inclusion to low income groups offering more than twelve products. Pakistan being an agriculture economy, AMBL is geared to provide every farmer in each district to raise farming income by using Micro Finance.

Socio economic conditions mandate organizations to be adaptive to the ever changing banking preferences. AMBL is also moving towards capturing the un banked and non banked spheres of the society through innovative mobile financial solutions .

I extend my gratitude to the SBP and Exchange commission of Pakistan, Stock Exchange and Central Depository Company and other regulators for their auxiliary directions and guidance. I also would like to complement the diligence of staff keeping the core values of AMBL intact”.

Let's grow together!



Qamar uz Zaman
Chairman

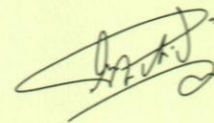
Dated : March 4, 2016

VICE CHAIRMAN'S MESSAGE



Our Apna Microfinance Bank has made tremendous augmentation during a challenging year of 2015, constantly pursuing new avenues of business and explores more opportunities each year.

We are focusing on the poverty level of the country with a vision & mission to explore new customer segments and extend innovative products, build confidence in customers by providing them financial & technical services as an opportunity to elevate their standard of living on sustainable basis and eradicate poverty level. We are also committed to promote women entrepreneurship by providing them micro finance facilities and professional advices to establish their small businesses and earned their own income. Our goal is to make them able to equally contribute in Pakistan's GDP. Apna Microfinance Bank is expanding its operations all over Pakistan and now reaching to those remote areas which were previously remained unattended. I believe that by the grace of Almighty Allah APNA Microfinance Bank has potential to change the financial condition of skilled people through providing micro finance for the self-employment and helping them to fulfill their dreams and prosperity.



M. A. Shahid

Vice Chairman

Dated : March 4, 2015



ABOUT AMBL

Apna Microfinance Bank is managed by group of highly experienced bankers. We are committed to provide specialized financial services to the less privileged and marginally poor. We Support economic empowerment to WOMEN & micro-entrepreneurs in the Agri and Micro enterprises in rural-some urban areas of Pakistan. It is presently licensed by the State Bank of Pakistan under the Microfinance Ordinance 2001 to operate its operation in the Province of Sindh, however the Bank intends to expand its operation nation-wide after completing the necessary regulatory requirements.

Our main focus is to provide personalized services to the poor segment of the society through our dedicated products aimed at changing their life-style by entering them in micro-entrepreneurship at a lowest mark-up rate in the market.

We aim to arrange capacity building of under served masses by improving attitudes, skill, knowledge and ability to initiate and manage economically viable projects.

We aim to provide finances, advances and other credit facilities for the development of agriculture and rural market sector including production, marketing and house finance facilities.

To mobilize savings by accepting deposits in savings and other specialized deposit products.

We aim to combine the knowledge base with the modern management methodology, latest technology, sophisticated financial instruments, universal micro-banking concepts and current corporate sciences.

We aim to create and perpetuate a culture of balanced approach for the development of market related competitive and innovative financial services. Introducing a culture of innovation and excellence with a view to find acceptable solutions to real and conceived impediments for promoting a true microfinancial regime.



CORE VALUES

CORE VALUES

The Bank is aimed to inculcate a nurturing and invigorating corporate culture based on providing a safe and healthy professional environment, where the employees are valued, respected and able to deliver their full potential through proposed business models.

We pride ourselves with the following core values which will ensure our success and the achievement of our vision:

Service

To provide the best quality services and ensuring our customers an enriching experience. Honoring our commitments to the community and adding value to the society.

Creativity

To come up with the best products that best suits the requirements of our customers by providing flexible and tailor made solutions.

Honesty and Transparency

To support and encourage accountability within the ranks of our hierarchy and to ensure the achievement of our values.

Equal Opportunities

Work to ensure that everyone irrespective of sex, age, color, class, religion, creed and cast is provided an equal opportunity and growth options.

Reciprocity

To provide an environment and build up a team of professional entrepreneurs where we, as a team, work together for the collective interests of the company and the society.

Best Performance



Customer Expectations



Invest for value



Drive operational



Excellence Ensure our future



Build a winning organisation



BANKS' PHILOSOPHY

"It is far better to help a poor person by teaching him how to catch a fish instead of buying him a fish."

"ALLAH HELPS THOSE WHO HELP THEMSELVE"

Microfinance may not be posed a significant impact on the overall poverty scenario but it will certainly change the life of the Micro Entrepreneurs.



VISION

“SELF RELIANCE THROUGH SELF GENERATION”

To strive and play our role in eradicating poverty by providing customers opportunity to make their lives better on sustainable long term basis, through inculcating sense of participation, vision, prioritization, and justified use of available resources and providing required financial support and technical assistance.

MISSION

To promote socio-economic conditions of the customers, by women empowerment professional advices, which have a lasting positive impact on their standards of living, their financial sustainability and growth in their income generation.

PRESIDENT/CEO'S MESSAGE



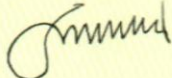
AMBL is an inspiration for financial and development institutions across Pakistan with exponential growth in all aspects of business. Our four years journey has improved lives of many, and has brought invaluable learning to industries that we touch on daily basis. We are proud to have with us passionate and ambitious people who strive to exceed expectations every day. While our Bank has shown tremendous growth in 2015, I must emphasize importance of continuing hard work and passion to take on trajectory for next 10 years. We have merely scraped the surface on financial and social empowerment in the country. The gap on financial inclusion remains wide, and our institution and Industry are best positioned to contribute and avail this opportunity.

As a major player in the industry, the management is making relentless efforts to further strengthen the bank and bringing further improvement in infrastructure, quality of service and all other facets of bank's operations. In this context the professional staff strength has been increased to 937 in 2015 (308 in 2014). Also we shifted Head Office to Lahore, Punjab and there is rapid expansion of branch network in Punjab, KPK, AJK and Baluchistan. With ongoing branch expansion, the operational cost is expected to remain high in calendar year 2016. The bank has also embarked upon new technology and has enabled services of Mobile Banking and SMS Alert services.

AMBL's true potential remains to be fully unlocked as we march on this journey of empowering Pakistan through social development through access to finance, energy, health and payment services.

Furthermore, I am deeply thankful to the Board for their continues support and guidance and also to my entire team and staff for their meaningful support in achieving the milestone and goals set forth. Thereby transforming Apna Microfinance Bank to a fast growing bank among its peers.

Above all my sincere gratitude goes to State Bank of Pakistan, Stock Exchange, and Securities & Exchange Commission of Pakistan for their continuous support and guidance.



Muhammad Farooq Abid Tung
President / CEO

BOARD OF DIRECTORS



Qamar-uz-Zaman
Chairman



Mian M. A. Shahid
Vice Chairman



Mohammad Azam Cheema
Director



Shahida Bilquis
Director



Imad Mohammad Tahir
Director

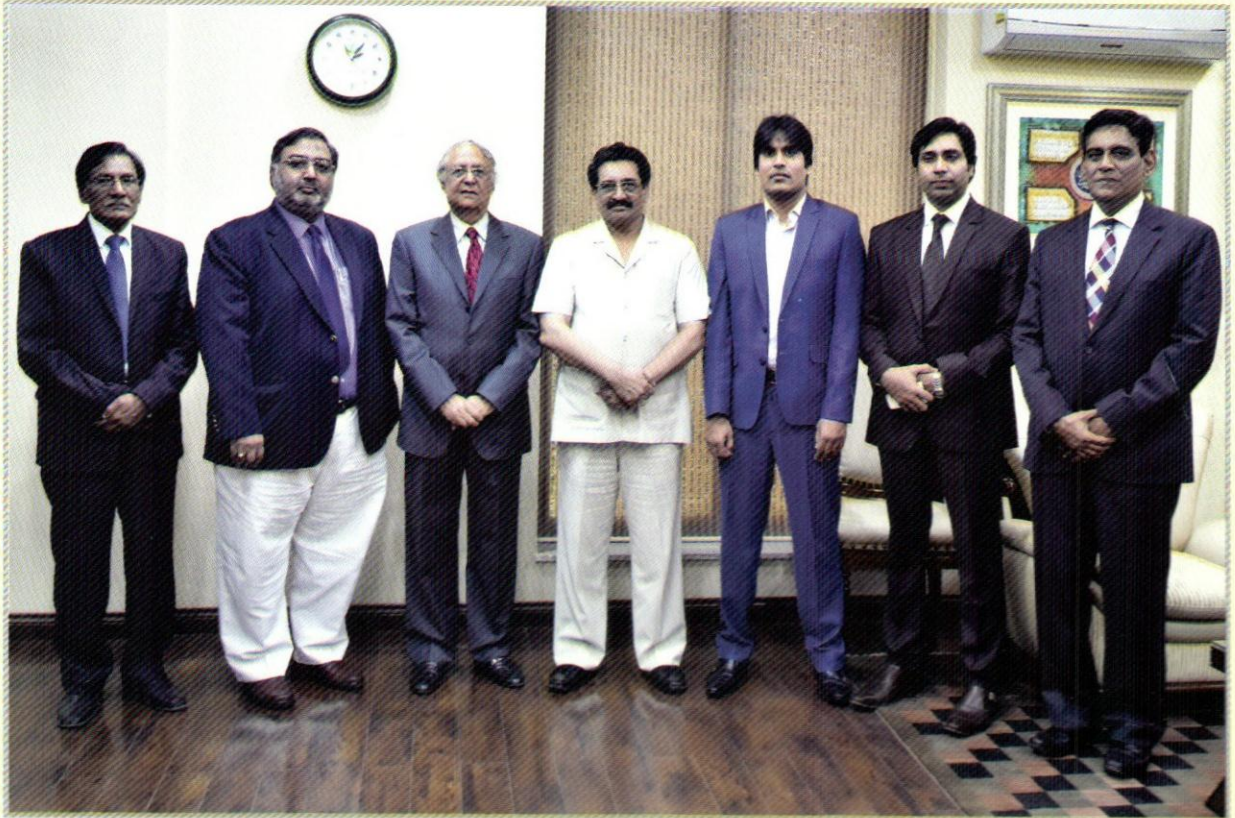


Muhammad Saleem Shaikh
Director



Muhammad Farooq Abid Tung
President / CEO

THE MANAGEMENT



MEETINGS



CORPORATE INFORMATION

Board of Directors

Chairman Directors	Mr. Qamar-uz-Zaman Mr. Muhammad Akram Shahid Mr. Muhammad 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	Mr. Muhammad Saleem Shaikh Ms. Shahida Bilquis Mian Muhammad Akram Shahid Mr. Imad Mohammad Tahir Mr. Muhammad Azam Cheema
Secretary	Internal Auditor

Executive Committee of the Board

Chairman Members	Mr. Muhammad Akram Shahid Mr. Qamar-uz-Zaman Mr. Imad Mohammad Tahir Ms. Shahida Bilquis Mr. Muhammad Farooq Abid Tung
Secretary	Chief Financial Officer

Risk Management Committee of the Board

Chairman Members	Mr. Muhammad Azam Cheema Mr. Muhammad Akram Shahid Mr. Qamar-uz-Zaman Ms. Shahida Bilquis Mr. Muhammad Saleem Shaikh
Secretary	Head Risk Management

CORPORATE INFORMATION

Human Resource & Remuneration Committee of the Board

Chairman	Mr. Imad Mohammad Tahir
Members	Mr. Muhammad Akram Shahid Mr. Qamar-uz-Zaman Mr. Muhammad Saleem Shaikh Mr. Muhammad Farooq Abid Tung
Secretary	Group Head HR
Auditors	RSM Avais Hyder Liaquat Nauman Chartered Accountants
Tax/ Legal Advisor	RAMDAYS Advocates & Corporate consultants Lahore
Bankers	Bank Islamic Pakistan Limited Sindh Bank Limited Bank Al-Falah Limited Bank AlHabib Limited JS Bank Limited Allied Bank Limited Zarai Taraqiati Bank Limited Soneri Bank Limited NIB Bank Limited Tameer Microfinance Bank FINCA Microfinance Bank NRSP Microfinance Bank Habib Metropolitan Bank Limited Silk Bank Limited Summit Bank Limited Dubai Islamic Bank Faysal Bank limited National Bank of Pakistan

CORPORATE INFORMATION

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

Head Office

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

Share Registrar

Technology Trade (Pvt.) Ltd.
Dagia House,
241-C, Block-2, P.E.C.H.S.,
Off. Sharah-e-Quaideen, Karachi
Phones: +92 21 34391316-17
Fax: +92 21 34391318

BRANCHES INFORMATION

KARACHI

1. **0101 I.I. Chundrigar Road Branch**
Shop No. 1 G Floor, Sheet RY-9,
Survey No. 11/9/A Railway Quarter
I.I Chundrigar Road, Karachi.
021-32623667-70
2. **0102 Shahrah-e-Faisal Branch**
Adjoining Shop No. 2 & Arika 80's
25-B, S.M.C.H.S
Shahrah-e-Faisal, Karachi.
021-34324657-58
3. **0103 Orangi Town Branch**
LS-5 Sector 1/A, Street No. 9,
Qazi Chowk Orangi Town Karachi.
021-36652095-103
4. **0104 Shah Faisal Colony Branch**
H-26/4, Shah Faisal Colony No. 4, Karachi.
021-34601749-50
5. **0105 North Karachi Branch**
LS-8, Street 11-K, North, Karachi.
021-36961067-68
6. **0106 Bhens Colony Branch**
Plot No. 42/B Commercial Area,
Road No. 08, Bhens Colony, Karachi.
021-35081282-85
7. **0107 Korangi Ind. Area Branch**
Plot no. D-6, Future Colony, Landi, Karachi.
021-35013400-3
8. **0108 Napier Road Branch**
NPR 8/1 Napier Road,
Juana Market, Karachi.
021-32527041-3
9. **0109 Model Branch Gizri**
K-4/3 & 4/4 Ch. Kaliq-uz-Zaman Road,
Gizri, Karachi.021-35865022-4
10. **0110 Liaquat Market, Malir Branch**
Plot No. 161, block B-3 Indus Mehran Society,
Saudabad Malir, Karachi
021-34113782-84
11. **0111 Mehmoodabad Branch**
Plot No. 169 Sheet No. M.A.C. Mehmoodabad
No. 2 Jamsheed Town, Karachi.
021-35319240-3
12. **0114 Gulshan Hadeed Branch**
A-2483 Phase Gulshan -e-Hadeed
Bin Qasim, Karachi.021-34717820-3

INTERIOR SINDH

13. **0112 Larkana Branch**
Old Anaj Mandi Larkana
Gujan Pur Chowk District Larkana, Sindh.
074-4055347-50
14. **0113 Suigas Branch**
Sui Gas Kumb Road Khairpur Mirs, Sindh
024-3614440-5
15. **0115 Khairpur Mirs**
Kachery Road Branch
D/ 270 Mohalla Ali Murad New Gonth,
Deh & Taluka Khairpur Mirs, Sindh.
024-3715330-5
16. **0116 Risala Road Hyderabad Branch**
City Survey No. F 73-74 Commercial,
Risala Road Saddar, Hyderabad, Sindh
022-2731282

17. **0117 Tando Allahyar Branch**
Plot No. 5/c Main Hyderabad Road,
Opposite Sonari Bank, Tando Allah Yar, Sindh
022-3890449022-3890450-8
18. **0118 Tando Muhammad Khan Branch**
City Survey no. 831 Ward B Court Road,
Tando Muhammad Khan.
022- 3341811
19. **0119 Ghotki Branch**
Durvey No. 10 Daviry Road,
Near Chando Ram Colony,
Deh odher Wali
20. Tehsil District Ghotki 0723-662461-63
0120 Mir Pur Khas Branch
City Survey No. 731,
Ward A Tourabad Umerkot Road,
mirpur Khas
0233- 87509698
21. **0121 Umer Kot Branch**
Shop No. 185 & 19 City Survey No. 115,
Gulshan-e-Akber, Mirpur Khas Road
Umer Kot
0333- 2641848
22. **0122 Nawab Shah Branch**
City Survey No. 2146 165/ 1
Buchery Road, Nawab Shah
23. **0123 Sukkur Branch**
Shop No. 8 & 9 City Survey No. F-9
Pak Colony Race Course Road, Sukkur
024- 4330080
24. **0124 Shahdad Pur Branch**
City Survey No. 379 Ward- A,
Shahdad pur
25. **0125 Tando Adam Branch**
City Survey No.932, Muhammadi Chowk,
Tando Adam
26. **0126 Sanghar Branch**
Shop No. 2 & 3 City Survey No. 752-755,
Shopping Centre, M.A.Jinnah Road,
Sanghar
27. **0127 Mehar Branch**
City Survey No. 659/ A Ward A VIP Road,
Mehar
28. **0128 Mehrabpur Branch**
Plot No. III A/51 A Thari Road,
Mehrabpur
29. **0129 New Sabzi Mandi Branch**
Shop No. 35, Block E,
New Sabzi Mandi

PUNJAB AND KPK

30. **0130 Sunder das Road, Branch**
23-A, Sundar das Road, Lahore
042- 363053314
31. **0131 G. T. Road Kamoki**
Plot No. 10- A/SS Block,
Main G.T. Road, Kamoki
055-6813676- 7
32. **0132 Kotwali Road, Faisalabad**
Kotwali Road, Faisalabad
041- 2633470

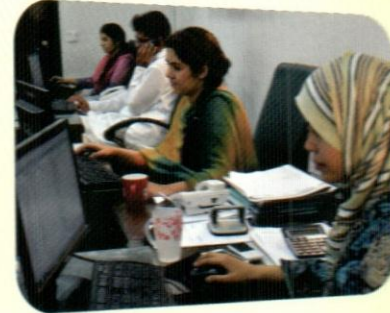
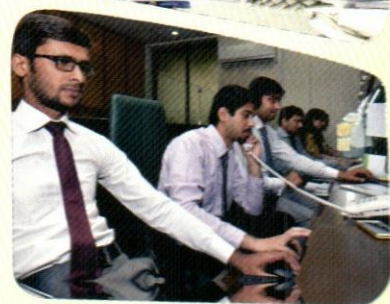
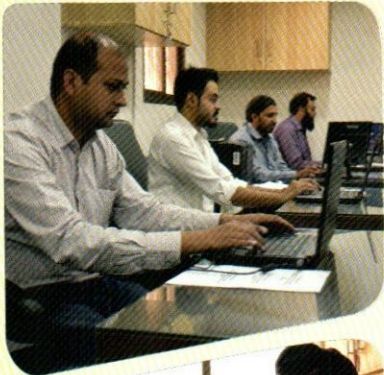
BRANCHES INFORMATION

33. **0133 Jinnah Road, Okara**
1835- Adjacent Allied Bank,
M. A. Jinnah Road, Okara 0442- 510772-3
34. **0134 Adiala Road, Rawalpindi**
148/ 184, Khan Market,
Syeden Adiala Road, Rawalpindi
051- 5187050
35. **0135 Main Shaikhupura**
Opposite Wapda plaza,
Sargodha Road, Shaikhupura
056-3613504
36. **0136 Gujranwala G. T. Road**
Ghori Center, Service Road,
G. T. Road, Gujranwala
055- 3840261
37. **0137 Sharaqpur, Shaikhupura**
Sharaqpur Chowk, Faisalabad Road,
Shaikhupura
056- 3791416
38. **0138 Khanqa Dogran**
Khanqa Dogra,
Shaikhupura
056- 3726328
39. **0139 Church Road, Okara**
Main Church Road, Okara
044- 2510873
40. **0140 Kharkhana Bazar, Vehari**
Kharkhana Bazar, Vehari
067- 3366421
41. **0141 Stadium Road, Sahiwal**
tadium Road, Sahiwal
42. **0142 Madina Chowk Depalpur**
Arain Bazar, Main Market,
Depalpur
044- 454001-543
43. **0143 Kasur**
Pul Qatal Ghari, Kutchery Road,
Kasur
0492-761225
44. **0144 Hujra Muqem Shah**
Hujra muqem Shah,
Depalpur
044- 4860202-3
45. **0145 Lodhran**
Bahawalpur Road,
Lodhran
0608- 361821
46. **0146 Model Town, Lahore**
Shop No. 31 & 33, Block A, S
tore Market, Model Town, Lahore
47. **0147 Ichhra, Lahore**
Shop No. 4, Arshian,
Ichhra, Lahore
042- 37428273-75
48. **0148 Paris Road, Sialkot**
Opposite Allama iqbal Library,
Paris Road, Sialkot
052- 4583477
49. **0149 Saddar Cantt, Lahore**
Al-Rehman Shopping,
Decca Road, Near Bank Alfalah,
Saddar Cantt. Lahore
50. **0150 Haveili Lakhani**
Pakpatan Road,
Haveili Lakhani
51. **0151 Multan**
Shop No. 1, Mashallah Plaza,
Azam Basti Road, Sadhu Hassan, Multan
061- 4540155
52. **0152 Layyah**
House No. 4, Collage Road,
Jinnah Colony, near Sugar Mill Colony,
Klayyah
0606-410246
53. **0153 Township, Lahore**
Plot no. 13, Block B1,
Quaid-e-Azam Town, Barkat Chowk,
Township Scheme, Lahore
54. **0154 Ferozepur, Lahore**
Opposite Descon,
18 KM Ferozepur Road, Lahore
55. **0155 DHA, Lahore**
51 TT Block, phase IV,
DHA, Lahore
56. **0156 Chungi Amar Sidhu**
Kacha Jail,
Chungi Amar Siddhu, Lahore.
57. **0157 Jia Musa Shahdara**
Near Gourmet Bakers,
Begum Kot Road, Lahore
58. **0158 Mardan**
Baghdad Parhoti Road,
Mardan
59. **0159 Peshawar**
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Fruit & Vegetable Market,
Inqalaba Road, Peshawar
60. **0160 Nowshehra**
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Nowshehra
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61. **0161 Charsaddah**
S.S. Plaza, Batch Khan Chowk,
Charsaddah
62. **0162 Dean Trade Centre, Peshawar Cantt.**
Shop No. LG 13, 13A, 13 B, 14 and 14 A,
Dean Trade Centre, Peshawar Cantt
63. **0163 Daska**
8723-A, Near Muslim Bank,
Market Road, near M A Place Bank Road, Daska
64. **0164 Mirpur Azad Kashmir**
35 A, Sector B/2, Main Mian Road,
Nagi Bank Squire, Azad Kashmir
65. **0165 Gilgit**
Khasra No. 4472/2403/579,
opposite Army Communicates
NHA Complex Jutial, Gilgit
66. **0166 Rahim Yar Khan**
Shop No. 941, Zone-1, Ashraf Complex,
Rahim Yar Khan
67. **0167 Quetta**
Commercial Property No. 894, 235/272,
Mission Road, Near Meezan Chowk,
Quetta
081- 2821021
68. **0168 Wah Radha Ram**
Khewat No. 36, Khatooni No. 494,
Main Bazar, Habibabad, Tesil Patoki District Kasur
69. **0169 Bhawalpur**
Shop no. 12- 15, Pelican Shopping plaza,
Yazman Road, Bhawalpur Cantt.

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Mission Road, Near Meezan Chowk,
Quetta
081- 2821021
68. **0168 Wah Radha Ram**
Khewat No. 36, Khatooni No. 494,
Main Bazar, Habibabad, Tesil Patoki District Kasur
69. **0169 Bhawalpur**
Shop no. 12- 15, Pelican Shopping plaza,
Yazman Road, Bhawalpur Cantt.

Highlights



CORPORATE INFORMATION



PRODUCTS

EXISTING PRODUCTS

Presently, below mentioned product are available, to our customers. Response of the general public towards our products is excellent. Up till now around 21,614 clients availed financing facilities from our bank amounting to Rs. 2,654 million. The current

Apna Hunner
Apna Sawari
Apna Maal
Apna Karobar
Apna Ghar
Apna Group
Apna Tube-Well
Apna Bijli Ghar
Apna Tractor
Apna Gold
Apna Farm
Apna Beej Apni Khaad
Apna Pani
Apna Mustaqbil
Apna Paisa Apnay Pass
Apna Karobar (Enterprise)
Apna Farm (Enterprise)

Composite Insurance Apna Microfinance Bank will be distinguished among other banks through providing composite Insurance to all its borrowers and depositors with another distinction to insure their loans in addition to their livestock.

Main Features of the Loans:

Loan Amount Rs. 10,000 to 500,000

Repayment Period 1 Month to 3 Years

Repayment Monthly or as agreed with the customer

Markup payable at Minimum Markup Rate

Loan Sanctioning Requirements:

CNIC copy with 2 Photos

Copies of latest utility Bills

Two Personal guarantee from reputed account holders

Facilities:

ATM Card (optional)

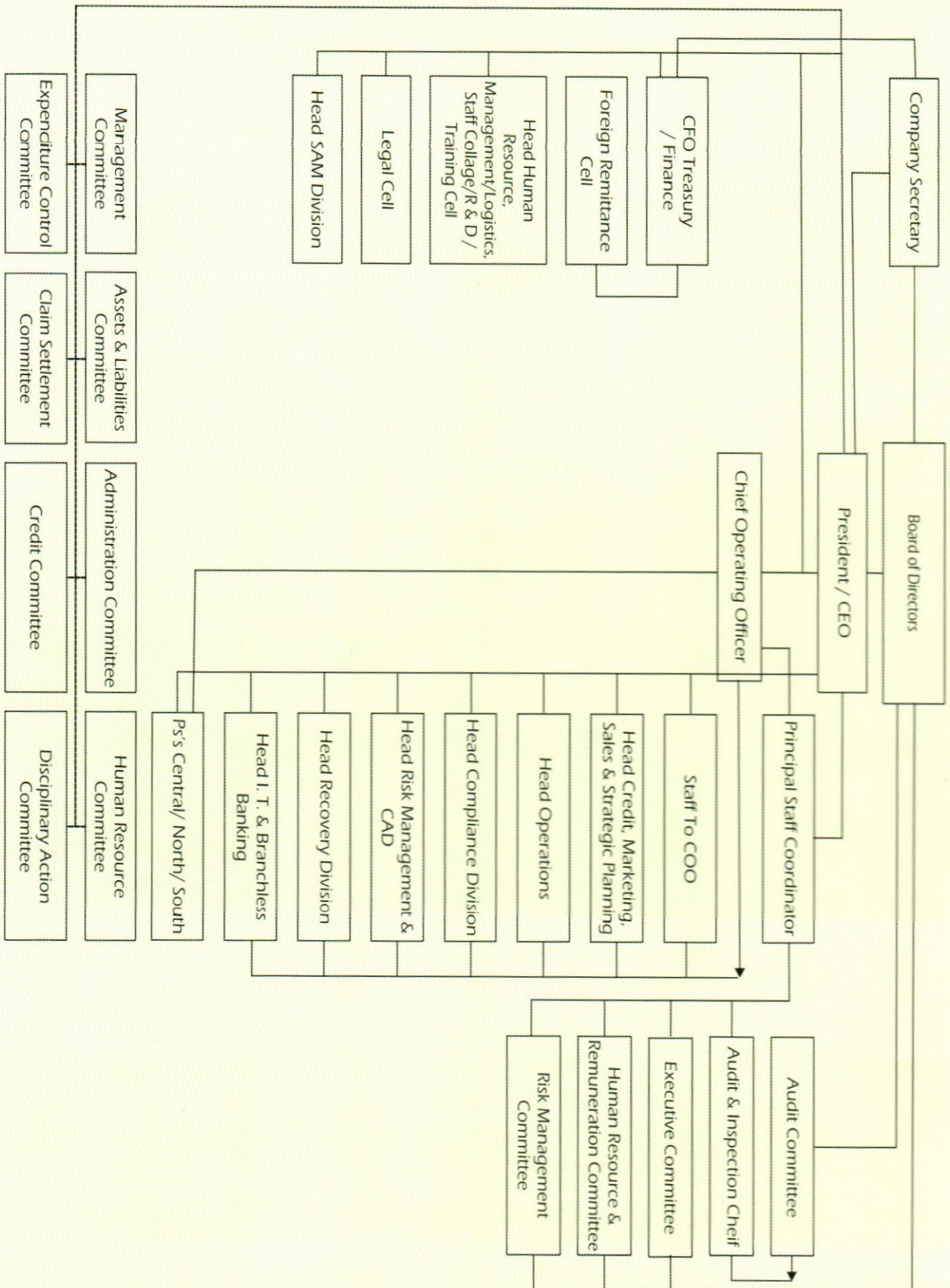
Full range of Banking Services

Imbedded Life & Assets Insurance Cover

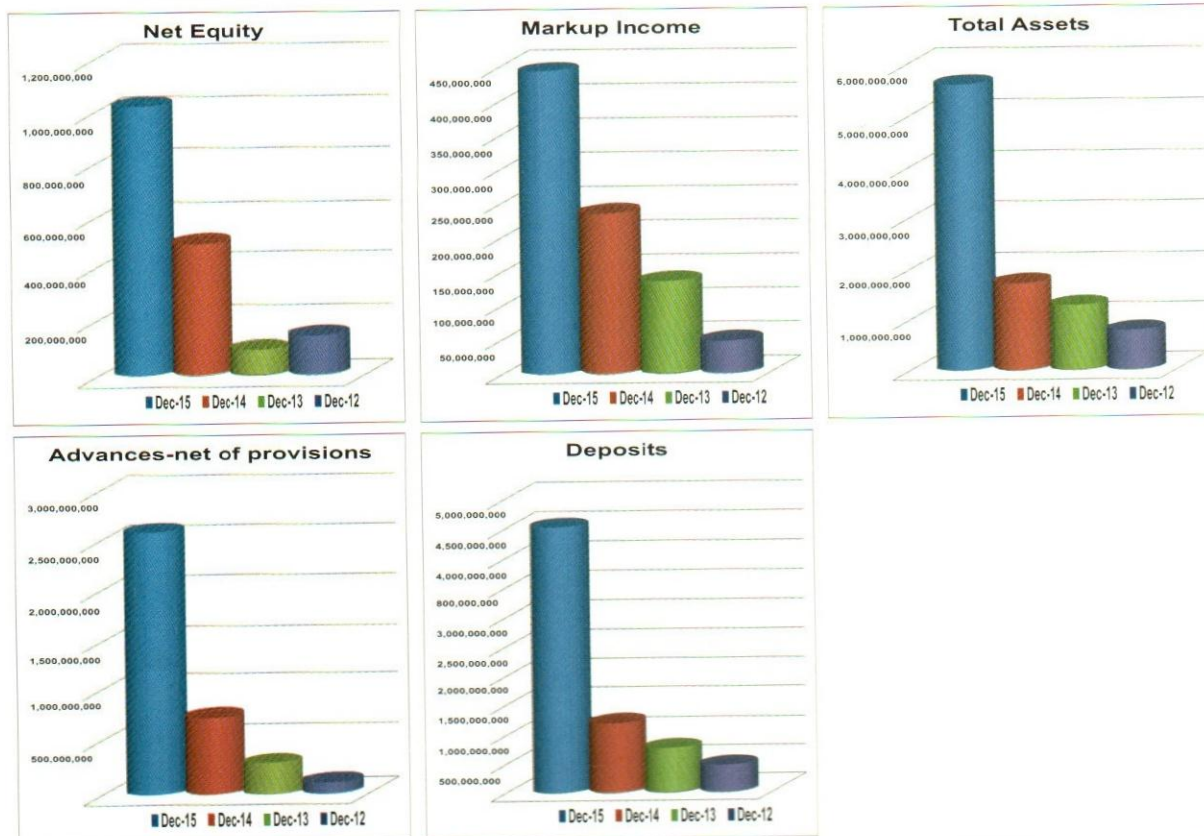
Minimum loan processing time



ORGANOGRAM



KEY FINANCIAL AND OPERATIONAL DATA AT A GLANCE



Position for the Year Ended

	% Rise 2015 Vs 2014	Dec-15 Rupees	% Rise 2014 Vs 2013	Dec-14 Rupees	Dec-13 Rupees	Dec-12 Rupees
Financial Data						
Total Assets	222.38 %	5,670,478,820	33.93 %	1,758,954,506	1,313,382,730	814,817,866
Advances-net of provisions	237.85 %	2,588,423,092	140.16 %	766,138,548	319,016,883	121,788,004
Deposits	280.95 %	4,546,697,079	56.62 %	1,193,506,624	762,025,569	468,024,864
Share Capital	100.00 %	2,200,000,000	266.67 %	1,100,000,000	300,000,000	300,000,000
Share Deposit money	-	-	-100.00 %	-	403,300,000	153,000,000
Net Equity	212.81 %	2,200,000,000	56.41 %	1,100,000,000	703,300,000	453,000,000
Accumulated Loss	103.05 %	1,030,113,789	391.75 %	509,329,478	103,169,116	156,490,508
	15.20 %	(221,485,690)	-2.34 %	(192,270,001)	(196,880,895)	(143,559,503)
Operating Data						
Mark-up / return / interest earned	86.77 %	447,154,900	71.84 %	239,418,864	139,325,686	50,188,635
Mark-up / return / interest expensed	137.38 %	(187,445,668)	50.82 %	(78,963,877)	(52,354,812)	(16,771,663)
Administrative expenses	112.35 %	(351,792,126)	33.00 %	(165,664,970)	(124,559,804)	(84,753,436)
Profit / (Loss) before taxation	-379.16 %	(24,346,382)	-116.73 %	8,721,335	(52,120,573)	(48,812,717)
Profit / (Loss) after taxation	-575.22 %	(29,215,689)	-111.53 %	6,147,859	(53,321,392)	(49,314,623)
EPS	-328.57 %	(0.16)	-103.93 %	0.07	(1.78)	(1.64)

DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present the audited Financial Statements of the Bank for the year ended December 31, 2015.

Operational and Financial Review

The operational highlights for the year under review are;

Particulars	31 Dec-15	31 Dec-14	% Change
	Rupees	Rupees	
	Audited	Audited	
Advances-net of provisions	2,588,423,092	766,138,548	237.85 %
Deposits and other accounts	4,546,697,079	1,193,506,624	280.95 %
Mark-up / return / interest earned	447,154,900	239,418,864	86.77 %
Mark-up / return / interest expensed	(187,445,668)	(78,963,877)	137.38 %
Administrative expenses	(351,792,126)	(165,664,970)	112.35 %
Profit / (Loss) after taxation	(29,215,689)	6,147,859	(575.22 %)
EPS	(0.16)	0.07	(328.57 %)

The profit & loss account of the Bank has shown a loss after tax in the current year amounting to PKR 29.216 million as compared to profit of PKR. 6.148 million in the year 2014. The equity (net of losses) of the bank stood at PKR. 1,030,114 million and the total assets have grown to PKR. 5,670,479 million from PKR 1,758,955 million as at 31, December 2015. The major factor attributable to this loss is the increase in administrative and operational costs as a result of the branch network expansion during the year.

Since the beginning of this financial year the management is intensively working of increasing their foot prints in those areas which are still unbanked and where absorptive capacity for micro finance services exists. On achieving the national level license from State Bank of Pakistan (SBP) the management continued with this growth strategy by enhancing their presence in other provinces of Pakistan. The bank has opened 32 new branches in Punjab, 12 in Sindh, 5 in Khyber Pakhtunkhwa and a further of 1 branch each has been opened in Gilgit, Baluchistan and Azad Kashmir. This brings the total number of new branches opened during the year to 52.

As per Bank's plan to increase lending in the year 2015 and as expected, the advances portfolio has shown a healthy growth and has increased to PKR. 2,654,416 million in comparison to December 31, 2014 figure of PKR. 798,673 million registering a rise of 232.35%. The bank's liquidity profile remains strong at PKR. 2,254,127 million in liquid assets which is approximately 39.75% of our total assets.

As a result of the managements approach to improve its markup income by rationalizing its returns on funds deployed, the interest/mark-up income shows an increase of 86.77% over the last year. However markup interest expense has increased by 137.38% over the year, this increase could be rationalized due to increase in quantum of deposits by 280.95%. Future strategy of the management is to attract low cost deposit which will hopefully cover future/upcoming cost.

The administrative expenses have increased by 112.35% over the figures of the last year. The major factor attributable to this rise is the increase in manpower as a direct result of the new branches opened during the year. For the coverage of the bank's growth and expansion strategy in the current year the bank persisted with the hiring of professional and competent people to further strengthen the team to bring efficiency in the Internal Controls over system & procedures. The management is focusing its efforts on extensive training of existing HR in order to bring efficiency and order in operations.

DIRECTORS' REPORT

The ratio of non-performing (NPLs) is reduced from 12.69% to 4.49% from 2014, however the provision against NPLs loans has increased by PKR. 33.46 million in the current year as compared to the last year's figure of PKR. 25.55 registering an increase of 30.96%. 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.

The management has successfully obtained the membership of NIFT, in this respect a Service Level Agreement with NIFT has been signed and centralized clearing in Karachi & Lahore for selected branches has started from the current year.

The management has successfully obtained NOC from State Bank of Pakistan and 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.

In view of the ongoing and planned expansion in Punjab, KPK and Baluchistan, the management shifted their Head Office to Lahore after due approval of State Bank of Pakistan. The renovation work on the identified site was completed during the current year.

Future Outlook

As per phase two (2) of the bank's policy of continued expansion the management plans to open 53 new branches in 2016 in different cities across Pakistan. In this regard the management has already initiated correspondence with SBP for due approval. The expansion plan for 2016 included 44 new branches to be opened in Punjab, 1 in Sindh, 6 in Khyber Pakhtunkhwa and 1 branch each in Gilgit and Azad Kashmir. The Management is preferably considering opening new branches only in unbanked micro finance area so that the deserving customers could be served. We are confident that opportunities in Punjab and KPK will definitely support in the growth of our business.

Credit Rating

The Pakistan Credit Rating Agency (Pvt) Ltd. has upgraded the long term rating for the Bank to "BBB" (Triple B) to "BBB+" (Triple B+) and maintained the short term rating at "A3" (A Three) respectively, with a "Stable future Outlook". The ratings denote an adequate capacity for timely payment of financial commitments.

Corporate Governance

As required under the Code of Corporate Governance, the Board of Directors states that:

- The Financial Statements has been prepared by the management of the Bank and present fairly the state of affairs of the bank, the results of its operations, cash flow statement and statement of changes in equity.
- Proper books of account of the bank have been maintained.
- Accounting policies as stated in the notes to the accounts have been consistently applied in preparation of the financial statements, accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applied in Pakistan have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.

DIRECTORS' REPORT

- There is no doubt about the ability of the Bank to continue as a going concern.
- No payment has been remained outstanding on account of any taxes, duties, levies and charges.

Employees Benefit Scheme

The bank operates a funded provident fund scheme covering all its permanent employees. The un-audited balance of the fund as at December 31, 2015 is PKR 5.979 million (2014: PKR 4.122 million-Audited restated).

Transfer Pricing

All transactions with related parties undertaken during the financial year were at arm's length using comparable controlled price method, as admissible in the best interest of the Bank.

Audit Observations

The external auditors have modified their audit report upto the extent of prior year qualification on restructured/ rescheduled cases.

Auditors

Our auditors M/s RSM Avais Hyder Liaquat Nauman Chartered Accountants, being eligible to carry out audit of the Bank, have provided their consent for re-appointment as Auditors of the Bank. The Board recommended for their appointment for the year ended December 31, 2016.

Pattern of Shareholding

The pattern of shareholding is annexed to the annual report.

Acknowledgment

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.

Lahore: March 4th, 2016

On behalf of the Board



Muhammad Farooq Abid Tung
President and CEO

ڈائریکٹرز رپورٹ

بورڈ کے ڈائریکٹرز کی طرف سے میں اس بات پر خوش ہوں کہ بینک کے پورے سال کی آڈٹ کی گئی مالیاتی سٹیٹمنٹس پیش کر رہا ہوں۔
آپریٹل اور مالیاتی نظر ثانی:-
2015ء کی آپریٹل نظر ثانی کی جدیدہ جدیدہ باتیں درج ذیل ہیں:

کوائف	31 دسمبر 2015	31 دسمبر 2014	% تبدیلی
	آڈٹ	آڈٹ	
فراہم کیا گیا کل ایڈوائس (پروڈن کے بعد)	2,588,423,092	766,138,548	237.85%
ڈپازٹس اور دیگر اکاؤنٹس	4,546,697,079	1,193,506,624	280.95%
مارک اپ آمدنی	447,154,900	239,418,864	86.77%
مارک اپ خرچ	(187,445,668)	(78,963,877)	137.38%
انتظامی اخراجات	(351,792,126)	(165,664,970)	112.35%
نفع (نقصان) بعد از ٹیکس اور ایسٹی	(29,215,689)	6,147,859	(575.22%)
EPS	(0.16)	0.07	(328.57%)

بینک کے نفع اور نقصان کے اکاؤنٹ سے یہ بات واضح ہوتی ہے کہ ٹیکس کی ادائیگی کے بعد 2015 میں 29.216 ملین (پاکستانی روپے) کا نقصان ہوا جبکہ مقابلہ 2014 میں 6.148 ملین (پاکستانی روپے) کا منافع ہوا تھا۔ بینک کے کل ایکویٹی سال 2015 میں 1,030.114 ملین (پاکستانی روپے) جبکہ بینک کے کل اثاثے جو کہ رواں سال 1,758.995 ملین (پاکستانی روپے) سے بڑھ کر 5,670.479 ملین (پاکستانی روپے) ہو گئے ہیں۔ اس نقصان کی بڑی وجہ انتظامی اور آپریٹل اخراجات میں اضافہ تھا جو کہ 2015 میں براؤنچ نیٹ ورک کی وسعت کی وجہ سے ہوا۔

2015 کی ابتداء سے ہی انتظامیہ اس بات کے لئے کوشش کرتی رہی کہ ایسے علاقوں میں اپنے قدم جمائے جائیں جہاں اب تک بینکوں کی سہولتیں میسر نہیں ہیں اور جہاں چھوٹی مالیاتی خدمات کے لئے کافی گنجائش موجود ہے۔ اسٹیٹ بینک آف پاکستان سے قومی سطح کا لائسنس حاصل کرنے پر انتظامیہ نے پاکستان کے دوسرے صوبوں میں زیادہ سے زیادہ اپنے آپ کو روشناس کراتے ہوئے اضافے کی پالیسی جاری رکھی۔ بینک نے پنجاب میں 32 نئی شاخیں، سندھ میں 12 اور خیبر پختون خواہ میں 5 نئی شاخیں قائم کیں۔ بینک نے مزید ایک ایک شاخ گلگت، آزاد کشمیر اور بلوچستان میں بھی قائم کی ہے۔ اس طرح 2015 کے دوران نئی کھولی گئی کل شاخوں کی تعداد 52 ہے۔

2015 میں بینک کی قرضے فراہم کرنے کی پالیسی اور توقعات کے مطابق ایڈوائس پورٹ فولیو نے ایک اچھا اضافہ ظاہر کیا ہے جو کہ 798.673 ملین (پاکستانی روپے) سے بڑھ کر 2,654.416 ملین (پاکستانی روپے) ہو گیا ہے۔ اس طرح اضافے کی شرح 232.35 فیصد بنتی ہے بینک کی لیکویڈٹی پروفاٹس 2,254.127 ملین (پاکستانی روپے) کی ٹھوس سطح پر رہی جو کہ ہمارے کل اثاثوں کا تقریباً 39.75 فیصد ہے۔ انتظامیہ نے مارک اپ کی آمدنی بڑھانے کے لئے، لگائے جانے والے فنڈز پر حاصل ہونے والی رقموں کو مناسب سطح پر رکھنے کی پالیسی اختیار کی۔ مارک اپ کی آمدنی میں پچھلے سال کے مقابلے میں 86.77 فیصد اضافہ ہوا تاہم رواں سال مارک اپ کے خرچے میں 137.38 فیصد تک کا اضافہ ہوا۔ یہ اضافہ 280.95 فیصد ڈیپازٹرز کی رقم میں اضافے کی وجہ سے ہوا ہے۔ انتظامیہ کی مستقبل کی پالیسی میں یہ بات شامل ہے کہ کم مارک اپ والے ڈیپازٹرز کو زیادہ سے زیادہ بڑھایا جائے اس اضافے سے امید کی جاتی ہے کہ مستقبل کے اخراجات پورے ہو سکیں گے۔

انتظامی اخراجات میں پچھلے سال کے مقابلے میں 112.35 فیصد تک اضافہ ہوا ہے۔ اس اضافے کی ایک بڑی وجہ افرادی قوت میں اضافہ ہے جو کہ 2015 میں نئی شاخیں کھولنے کی صورت میں ہوا۔ 2015 میں بینک کی وسعت کی پالیسی کو پورا کرنے کے بینک نے پیشہ وارانہ اور قابل لوگوں کو ملازمت پر رکھا تا کہ ہم کو مزید مضبوط کیا جائے اور سسٹم اور طریقے کار پر اندرونی کنٹرول بہتر ہو۔ انتظامیہ اس بات کے لئے بھی کوشاں ہے کہ موجودہ افرادی قوت کو اضافی ٹریننگ کروائی جائے تاکہ کارکردگی کو مزید بہتر بنایا جائے اور آپریٹنگ کو ترتیب دیا جائے۔

2014 سے NPLs کی شرح 12.69 فیصد سے 4.49 فیصد تک کم کی گئی ہے تاہم NPLs قرضوں کی مد میں رکھی گئی پروڈن 33.46 ملین (پاکستانی روپے) سے بڑھ گئی ہے۔ سال 2014 میں یہ پروڈن 25.55 ملین (پاکستانی روپے) تھی جو کہ 30.96 فیصد کا اضافہ ہے۔ انتظامیہ اپنی پھر پر کوشش کر رہی ہے کہ NPLs کے حصول کو یقینی بنایا جائے تاکہ NPLs کی تعداد کم سے کم کی جائے ہمیں امید ہے کہ NPLs کی شرح اور تعداد ہمارے نئے حصولی ہم کے تحت کم ہوگی۔

انتظامیہ نے نہایت کامیابی سے NIFT کی ممبر سازی حاصل کر لی ہے اس سلسلے میں NIFT کے ساتھ ایک سروس لیول ایگریمنٹ پر دستخط ہوئے ہیں اور کراچی اور لاہور میں مخصوص شاخوں کے لئے رواں سال سے مرکزی کھیرنگ عمل میں لائی گئی ہے۔

انتظامیہ نے نہایت کامیابی سے اسٹیٹ بینک آف پاکستان سے NOC حاصل کیا ہے اور یونین سے ایک معاہدہ کیا ہے تاکہ بینک اپنے صارفین کو موبائل بینکنگ متعارف کرا سکے اور صارفین کو دی جانے والی یقینی ٹیکنالوجی والی سروس صرف بینک کی شہرت میں اضافہ کرے گی بلکہ یہ جدید قسم کی سروس دیگر بینکوں کے مقابلے میں ہمارے بینک کو نمایاں مقام دے گی۔

پنجاب، خیبر پختون خواہ اور بلوچستان میں جاری منصوبوں کی وسعت کو مد نظر رکھتے ہوئے، انتظامیہ نے اسٹیٹ بینک آف پاکستان کی منظوری کے بعد اپنا ہیڈ آفس لاہور منتقل کیا۔ اس ہیڈ آفس پر ترقیاتی کام رواں سال کے درمیان مکمل ہوا۔

DIRECTORS' REPORT

مستقبل کے شاندار آغاز:-

بینک کی پالیسی کے دوسرے حصے میں وسعت سے متعلق انتظامیہ نے اس بات کا منصوبہ بنایا ہے کہ 53 نئی شاخیں پاکستان کے مختلف شہروں میں 2016 میں کھولی جائیں گی۔ اس سلسلے میں انتظامیہ پہلے ہی اسٹیٹ بینک آف پاکستان سے منظوری کے لئے خط و کتابت شروع کر چکی ہے۔ 2016 کے وسعت کے اس منصوبے میں یہ بات شامل ہے کہ پنجاب میں 44 نئی شاخیں سندھ میں ایک شاخ، خیبر پختون خواہ میں 6 شاخیں اور ایک ایک شاخ گلگت اور آزاد کشمیر میں کھولی جائے۔ انتظامیہ ترجیحی بنیادوں پر نئی شاخیں صرف ایسے علاقوں میں کھولنے پر غور کر رہی ہے جہاں چھوٹے پیمانے پر پیسہ فراہم کرنے کے لئے بینک موجود نہیں ہیں تاکہ مستحق صارفین کی خدمت کی جاسکے۔ ہمیں اس بات کا بھرپور یقین ہے کہ پنجاب اور خیبر پختون خواہ میں یہ سہولیات فراہم کرنے سے ہمارے برائے میں یقیناً خاطر خواہ اضافہ ہوگا۔

کرڈیٹ ریٹنگ:-

پاکستان کرڈیٹ ریٹنگ ایجنسی (پرائیوٹ) لمیٹڈ نے بینک کی طویل عرصے کی ریٹنگ "BBB" (تین مرتبہ B) سے بڑھا کر "BBB+" (تین مرتبہ B+) کردی اور قلیل المیعاد ریٹنگ کو "A3" اے تھری "پر برقرار رکھا۔ جو کہ مستقبل کے لئے مضبوط آثار ہیں۔ ان Ratings پر یہ بات ظاہر ہوتی ہے کہ بینک اپنے مالیاتی وعدوں کو بروقت پورا کرنے کی صلاحیت رکھتا ہے۔

کارپوریٹ گورننس:-

کارپوریٹ گورننس کے قانون کے مطابق، بورڈ آف ڈائریکٹرز، بیان دیتے ہیں کہ:

- ۱- مالیاتی اسٹیٹمنٹس، بینک کی انتظامیہ نے تیار کیں ہے۔ بینک کی انتظامیہ نے بینک کے معاملات، آپریشنز کے نتائج، پیش فلوا اسٹیٹمنٹ اور ایکویٹی میں تبدیلی کو صحیح انداز میں بیان کیا ہے۔
- ۲- بینک کے کھاتے مناسب طریقے سے بنائے گئے ہیں۔
- ۳- اکاؤنٹنگ کی حکمت عملیاں جیسا کہ اکاؤنٹس میں بیان کی گئی ہیں، مالیاتی اسٹیٹمنٹس کی تیاری میں متواتر استعمال ہوتی رہی ہیں۔ اکاؤنٹنگ کے اندازے بڑی احتیاط اور مناسب فیصلوں کی بنیادوں پر کیے گئے ہیں۔
- ۴- مالیاتی اسٹیٹمنٹس کی تیاری میں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز اپنائے گئے ہیں جو کہ پاکستان میں استعمال کیا جاتا۔
- ۵- انٹرنل کنٹرول کا نظام مضبوط بنیادوں پر ترتیب دیا گیا ہے اور موثر انداز میں عمل میں لایا گیا ہے اور باہم عمل جائز دیا گیا ہے۔
- ۶- بینک کی قابلیت سے متعلق کوئی شک و شبہ نہیں ہے کہ وہ پروڈیجٹ کو کامیابی سے جاری نہ رکھ سکے۔
- ۷- گورننس ڈیویژن یا ٹیکس کی مدد میں بینک پر کوئی بھی عہدہ واجب الادا نہیں ہے۔

ملازمین کے فائدے کی اسکیم:-

بینک اپنے مستقل ملازمین کے لئے فنڈ ڈیویڈنڈ فنڈز مہیا کرتا ہے 31 دسمبر 2015 کو فنڈز کا آؤٹ کے بغیر بنیاد 5.979 ملین (پاکستانی روپے) ہے جو کہ 2014 میں ڈنڈ 4.122 ملین (پاکستانی روپے) تھا۔

ٹرانسفر پرائسنگ:-

متعلقہ پارٹیز کے ساتھ کی گئی تمام ٹرانزیکشنز مالیاتی سال کے درمیان کی گئیں۔ ان میں مناسب قیمت کا طریقہ کار استعمال کیا گیا جو کہ بینک کے بھرپور مفاد میں ہے۔

آؤٹ کا نتیجہ:-

ایکسٹرس آؤٹ پر زرنے اپنی آؤٹ رپورٹ میں پچھلے سال کے ری اسٹریکچر ڈائریکٹریولڈائیوٹس کے بارے میں اپنی رائے کو مؤید بنائے کیا ہے۔

آؤٹ پر زرن:-

ہمارے آؤٹ پر زرنز آر۔ ایس۔ ایم او ایس حیدرلیاقت نعمان چارڈرڈ اکاؤنٹس، ہمارے بینک کے آؤٹ کرنے کے اہل ہیں۔ انہوں نے ہمارے بینک کو دوبارہ آؤٹ کرنے پر آمادگی ظاہر کی ہے۔ بورڈ نے 31 دسمبر 2016 تک کے لئے انہیں آؤٹنگ کے لئے ریکمڈ کیا ہے۔

شمیر ہولڈنگ پوزیشن:-

شمیر ہولڈنگ کا طریقہ کار سالانہ رپورٹ کے ساتھ لگا دیا گیا ہے۔

تسلیمات:-

ہم اپنے گراں قدر صارفین، شمیر ہولڈرز اور دوسرے اسٹیک ہولڈرز کے تہدول سے مشکور ہیں کہ ان کی سرپرستی اور اعتماد ہمارے ساتھ شامل حال رہا۔ ہم اپنی انتظامیہ اور ملازمین کا بھی نہایت شکر یہ ادا کرتے ہیں کہ انکی سخت محنت مستقبل جاری رہی۔

ہم اسٹیٹ بینک آف پاکستان، سیکورٹی اور ایچ ایچ کمیشن آف پاکستان اور پاکستان اسٹاک ایکسچینج کالان کی رہنمائی کی وجہ سے شکر یہ ادا کرنا چاہتے ہیں

بورڈ کی طرف سے

لاہور، 4 مارچ 2016



محمد فاروق عابدی

صدر ای۔ ای۔ او

**STATEMENT SHOWING
ATTENDANCE OF BOARD MEETINGS**
From January 1, 2015 to December 31, 2015

Six (6) Board meetings were held during the year 2015 and attended as follows:

NAME OF DIRECTORS	MEETINGS DUE	MEETINGS ATTENDED
Mr. Qamaruz Zaman	5	5
Mr. Muhammad Azam Cheema	5	4
Mr. Muhammad Akram Shahid	5	5
Ms. Shahida Bilquis	5	5
Mr. Imad Mohammad Tahir	5	5
Mr. Muhammad Farooq Abid Tung	5	5
Mr. Muhammad Saleem Shaikh	5	4

**STATEMENT SHOWING ATTENDANCE
OF BOARD'S AUDIT COMMITTEE MEETINGS**
From January 1, 2015 to December 31, 2015

Four (4) Board Audit Committee meeting were held during the year 2015 and attended as follows:

NAME OF DIRECTORS	MEETINGS DUE	MEETINGS ATTENDED
Ms. Shahida Bilquis	4	4
Mr. Muhammad Akram Shahid	4	4
Mr. Muhammad Azam Cheema	4	2

ETHICS AND BUSINESS PRACTICES

All employees of Apna Microfinance Bank Limited, hereafter called AMLB, are required to follow a Code of Ethics and Business Practices in all areas of professional conduct. They must abide by the following:

Laws and Rules

- All the employees are required to comply with all the laws, rules and regulations governing AMLB, including the Bank's policies, procedures and standards, the State Bank of Pakistan and the Security and Exchange Commission of Pakistan's regulations applicable to the Bank.
- All employees must function with integrity within the scope of their authorities and follow directives given by the person(s) under whose jurisdiction they are deputed with complete honesty.
- Core value of 'Integrity' must be promoted by upholding fairness, equality and respect for all team members. Discrimination, harassment of all types, intimidation and other negative practices are strictly prohibited.
- Harassment includes any unwanted, immoral act or attitude, including abuse of authority, creating a hostile environment and retaliation to non compliance with unethical demands, which is demeaning or detrimental to work performance or the career of any employee in any capacity.
- Adherence to designated time schedules is imperative. The Bank is entitled to take disciplinary action in case of unauthorized absences.
- No employee shall indulge in any political activity, including forming or joining a political, ethnic or linguistic association; get elected to a legislative body, in Pakistan or elsewhere, or indulge in any activity detrimental to the ideology of Pakistan.
- All full-time employees must devote their entire business day to their work; avoid any outside activity that interferes with their judgment in the best interest of the Bank and its clients. The Human Resource & Recruitment Department must be informed in case an employee:
 - Holds an outside directorship; carries on business activity outside; holds majority shares/interest in a public or private business; takes direct advantage of securities of a public listed company, or serves as a client's personal representative.
 - No employee shall bring political or other outside pressure/ influence to bear on the authorities/superior officers or use the media with intent to induce them to act in a manner inconsistent with rules in any matter relating to the Bank.
- Employees are prohibited from any engagement outside the Bank without prior approval from the Human Resource & Recruitment Department. Employees with financial or other interest in any family business must declare in advance by writing and seek no objection.
- Employees shall not borrow from or lend personal funds or property to any Client or Vendor who has a relationship with the Bank except on market terms and conditions from financial institutions. Borrowing or lending in personal capacity within the Bank is prohibited.
- Employees shall be alert and vigilant with respect to frauds, thefts or significant illegal activity committed within the office, reporting them immediately in writing to higher authority for appropriate action to be taken. Employment or Internship Certificates can only be issued by the Human Resource & Recruitment Department. Receipts of funds can only be issued on prescribed forms.
- Disciplinary action may be taken in case of misconduct or unsatisfactory performance including breach of above mentioned rules; willful insubordination; breach of confidential material; use of drugs or alcohol; falsification of documents; violation of safety/health rules; insider trading; parallel banking; money laundering and any act detrimental to the Bank's business.

ETHICS AND BUSINESS PRACTICES

Workplace Environment

- The Bank is committed to creating and maintaining a working, learning and customer care environment, which is free from violence and has zero tolerance for violence against any employee or its property.
- Employees are not allowed to play practical jokes or pranks on each other, indulge in horseplay, or share immoral jokes with other employees or the outside world, through Apna bank email server or computer, or cell phones.
- Employees are prohibited to use, exchange, or sell intoxicants or drugs in the work place or come to work under their influence.
- Employees are required to maintain proper dress code, appear well groomed and presentable at all the time. Livery staff should be in their proper uniform. High standards of behavior and tidy work areas are to be maintained at all times.

Responsibilities towards Employer (AMBL)

- Employees must raise concerns and suspicions, in confidence, about any actual or potential illegal activity or misconduct according to the process in Whistle Blowing Policy and the Anti Harassment Policy. Failure to do so will result in employee being deemed a party to the irregularity.
- Guidance must be sought from relevant department in case any employee receives any demand or request for information from outside party including law enforcement agencies.
- Every employee must protect the Bank's assets, physical and intellectual, and adhere to its Email and Internet Usage Policy and Acceptable Use Policy.
- Employees must maintain all records accurately and are prohibited from making any false or misleading entries, forging or tampering with signatures to compromise integrity of Bank's record.
- Employees are required to identify all conflicts of interest and declare them immediately, including all matters expected to interfere with their duty to the Bank or ability to make unbiased and objective recommendations.

Information Management

- All employees shall regard as strictly confidential any information concerning the business of the Bank which is not intended to be made public unless required to do so under the law, consulting the Human Resource & Recruitment Department in case of ambiguity about a required disclosure. Confidential information must only be shared with employees on a need to know basis consistent with their job assignments as set out in Information Security and Governance Policies.
- All customers' related information should be kept secret, used for intended purpose only and any further use should be allowed only after prior consent of the concerned customer.
- Employees should protect the privacy and confidentiality of personnel records, not sharing them inside or outside the Bank except after approval by Human Resource & Recruitment Department.
- Employees should not use Bank's facilities to access, download or distribute personal or social information, including any material that may pose reputational risk to the Bank. Secrecy of passwords must be maintained to prevent unauthorized access to Bank's systems. Personal use of internet and email is deemed inappropriate in the workplace. Private telephone conversations must be kept at a minimum during office hours.
- Only officially designated spokesperson, as provided under the Bank's Media Policy, may provide comments about the Bank to the media.

ETHICS AND BUSINESS PRACTICES

Relationship with and Responsibilities to Customers, Prospects and other External Constituencies

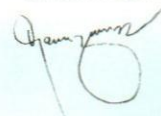
- Employees must always act fairly, equitably and objectively with all customers, prospects, suppliers and other external constituencies. Highest degree of integrity, honesty, proprietary and loyalty, towards the interest of the Bank, its customers and regulators is a must.
- Employees are not authorized to accept or agree to accept any gifts or conveyance of anything of value from any current or prospective Apna bank customers or vendors or any person who has a business relationship with the Bank with exception of the following.
- Gifts that relate to commonly recognized events or occasions such as a promotion, new job, wedding, retirement etc. provided those gifts are of reasonable value.
- Gifts from a person who has a business relationship with the Bank, provided the acceptance is based on relationship existing independent of the business of the Bank and reported to the Human Resource & Recruitment Department.
- Benefits available to the general public e.g. advertising or promotional materials, and discount or rebates on merchandise or services.
- Civic, charitable, educational or religious organizational awards for recognition of service or accomplishment.

Other Key Legal/Compliance Rules and Issues

- Employees are strictly prohibited to engage in insider trading, buying or selling Bank's common stocks or otherwise benefitting from sharing inside information, whether obtained through workplace or outside sources.
- AMBL fully supports the intended drive against serious crime and is committed to assisting the authorities to identify money laundering transactions and where appropriate to confiscate the proceeds of crime. Employees must follow the Anti Money Laundering Policy and Procedures.
- Violation of any of the clauses of this 'Code of Ethics' by any employee, may lead to disciplinary proceedings culminating in punishment as per merits of the case.



Chairman



Date: March 4th, 2016

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE For the year ended 31 December 2015

Name of company: Apna Microfinance Bank Limited.

Year ending: December 31, 2015.

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation no. 35 of the listing Regulations of the Karachi Stock Exchanges Limited for the purpose of establishing a frame work of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Bank has applied the principles contained in the CCG in the following manner:

1. The Bank encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

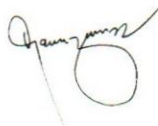
Names	Category
Mr. Qamar-uz-Zaman	Chairman/ Non- executive director
Mr. Muhammad Azam Cheema	Non- executive director
Mr. Muhammad Akram Shahid	Non- executive director
Mr. Muhammad Farooq Abid Tung	President & CEO/Executive director
Ms. Shahida Bilquis	Non- executive director
Mr. Muhammad Saleem Shaikh	Non- executive director
Mr. Imad Mohammad Tahir	Non-executive director

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Bank. (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Bank are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, DFI or NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the current year.
5. The Bank has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Bank. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive Directors have been taken by the Board/Shareholders. The CEO is working on contract basis.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Directors are well conversant with the listing regulations, legal requirement and operational imperatives of the Bank, and as such are fully aware of their duties and responsibilities. The Board is already attended and certified from PICG as Certified Director, Mr. Qamar uz Zaman, Mr. Muhammad Akram Shahid, Ms. Shahida Bilquis, Mr. Muhammad Azam cheema, Mr. Muhammad farooq Abid Tung and Mr. Saleem Shaikh as attended the training programs and certified.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE For the year ended 31 December 2015

10. The board has approved appointment of Company Secretary, Chief Financial Officer and Head of Internal Audit, including their remuneration and terms and conditions of employments.
11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Bank were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Bank, other than that disclosed in the pattern of shareholding.
14. The Bank has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed Human Resource and Remuneration Committee comprises of non-executive directors and the duties have been assigned as per Code.
16. The Board has formed an audit committee. It comprises five members, who are non-executive directors including the chairman of the committee. The Chairman of the Committee is an independent director.
17. The meetings of the audit committee were held at least once every quarter prior to approval of the interim and final results of the Bank and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
18. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company and they are involved in the internal audit function on full time basis.
19. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Bank and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results and business decisions which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and Karachi Stock Exchange Limited.
22. Material/ price sensitive information has been disseminated among all market participants at once through Karachi Stock Exchange Ltd.
23. We confirm that all other material principles enshrined in the CCG have been complied.

For Apna Microfinance Bank Ltd.



Chairman

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors ("the Board") of **APNA MICROFINANCE BANK LIMITED** ("the Bank") for the year ended 31 December 2015 to comply with the Listing Regulation of the Karachi Stock Exchange where the Bank is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Bank. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Bank's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Bank's personnel and review of various documents prepared by the Bank to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Bank's corporate governance procedures and risks.

The Code requires the Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Following instance of non-compliance with the requirement of the Code was observed which is not stated in the Statement of Compliance:

- i. No independent Director is appointed on the Board of Directors' by the Bank, whereas the Code requires the appointment of at least one independent Director on the Board.

Based on our review, except for the above instance of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Bank's compliance, in all material respects, with the best practices contained in the Code as applicable to the Bank for the year ended December 31, 2015

RSM AVAIS HYDER LIAQUAT NAUMAN

Chartered Accountants

Engagement partner: Syed Ali Adnan Tirmizey

Date:

Place: Lahore

PATTERN OF SHAREHOLDING

As at 31 December 2015

1. Incorporation Number - 0045352
2. Name of the Company APNA MICRO FINANCE BANK LTD.
3. Pattern of holding of the shares held by the shareholders as at 31-DEC-15

No. of Share Holders	Shareholdings		Total Shares Held
227	Shareholding From 1	To 100	2,232
75	Shareholding From 101	To 500	30,146
26	Shareholding From 501	To 1000	24,469
33	Shareholding From 1001	To 5000	98,798
8	Shareholding From 5001	To 10000	56,864
2	Shareholding From 10001	To 15000	28,375
3	Shareholding From 15001	To 20000	50,005
2	Shareholding From 25001	To 30000	53,108
1	Shareholding From 55001	To 60000	60,000
1	Shareholding From 140001	To 145000	140,500
1	Shareholding From 155001	To 160000	157,000
1	Shareholding From 210001	To 215000	211,833
1	Shareholding From 235001	To 240000	238,000
1	Shareholding From 535001	To 540000	537,000
1	Shareholding From 835001	To 840000	840,000
2	Shareholding From 995001	To 1000000	2,000,000
1	Shareholding From 1195001	To 1200000	1,200,000
1	Shareholding From 1245001	To 1250000	1,246,922
1	Shareholding From 1310001	To 1315000	1,314,500
1	Shareholding From 3405001	To 3410000	3,406,792
2	Shareholding From 7010001	To 7015000	14,021,617
1	Shareholding From 11430001	To 11435000	11,430,794
1	Shareholding From 11995001	To 12000000	11,996,890
1	Shareholding From 40080001	To 40085000	40,082,921
1	Shareholding From 48690001	To 48695000	48,692,325
1	Shareholding From 82075001	To 82080000	82,078,909
396			220,000,000

CATEGORIES OF SHAREHOLDERS

As at 31 December 2015

DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE AND MINOR CHILDREN	Shares Held	Percentage
QAMAR UZ ZAMAN	48,692,325	
MUHAMMAD AKRAM SHAHID	11,996,890	
MUHAMMAD FAROOQ ABID TUNG	3,406,792	
MR. IMAD MOHAMMAD TAHIR	40,082,921	
SHAHIDA BILQUIS	11,430,794	
MUHAMMAD AZAM CHEEMA	7,010,799	
JAMSHED IOBAL	7,010,818	
Sub-Totals:	129,631,339	58.92 %

ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES.		
THE UNITED INSURANCE COMPANY OF PAKISTAN	82,078,909	
UNITED INSURANCE COMPANY OF PAKISTAN LTD.	537,000	
THE UNITED INSURANCE COMPANY OF PAK. LTD.	157,000	
Sub-Totals:	82,772,909	37.62 %

MODARABAS AND MUTUAL FUNDS.		
MCBFSL - TRUSTEE NAMCO BALANCED FUND	840,000	
Sub-Totals:	840,000	0.38 %

OTHERS		
UNITED TRACK SYSTEM (PVT.) LIMITED	1,314,500	
DARSON SECURITIES (PVT.) LIMITED	13,709	
KARACHI STOCK EXCHANGE LIMITED	59	
TIME SECURITIES (PVT.) LIMITED.	114	
FIRST NATIONAL EQUITIES LIMITED	1	
MAPLE LEAF CAPITAL LIMITED	1	
Sub-Totals:	1,328,384	0.60 %

Individual		
Local - individual	5,427,368	
Sub-Totals:	5,427,368	2.47 %
Grand Totals:	220,000,000	100 %

**LIST OF CDC BENEFICIAL OWNERS
HOLDING SHARES 5.00% AND ABOVE
For the year ended 31 December 2015**

Serial Number	CDC Folio Number	Name, Father/Husband Name & Address of Share Holder(s)	Number of Shares
1	CDC-05264-036702C	MUHAMMAD AKRAM SHAHID CHAUDHRY MUHAMMAD RASHID 70-E, MODEL TOWN, LAHORE	11,996,890
2	CDC-03525-079285IIA	QAMAR UZ ZAMAN MAHR MUHAMMAD ASHRAF 481-Z, PHASE III, DHA, LAHORE	48,692,325
3	CDC-03277-057265CIA	THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED SUITE # 204, 2nd FLOOR, MADINA CITY MALL ABDULLAH HAROON ROAD, KARACHI.	82,078,909
Total Shares			142,768,124

**LIST OF CDC BENEFICIAL OWNERS HOLDING SHARES
BY SPONSORS DIRECTORS
For the year ended 31 December 2015**

Serial Number	CDC Folio Number	Name, Father/Husband Name & Address of Share Holder(s)	Number of Shares
1	CDC-05264-036702C	MUHAMMAD AKRAM SHAHID CHAUDHRY MUHAMMAD RASHID 70-E, MODEL TOWN, LAHORE	11,996,890
2	CDC-03525-079255IIA	MUHAMMAD AZAM CHEEMA MUHAMMAD KHAN AURIGA GROUP, 33 KM, MULTAN ROAD, LAHORE	7,010,799
3	CDC-03525-079285IIA	QAMAR UZ ZAMAN MAHR MUHAMMAD ASHRAF 481-Z, PHASE III, DHA, LAHORE	48,692,325
4	CDC-03277-057265CIA	THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED SUITE # 204, 2nd FLOOR, MADINA CITY MALL ABDULLAH HAROON ROAD, KARACHI.	82,078,909
5	CDC-03525-079254IIA	SHAHIDA BILQUIS MUHAMMAD SAEED AKHTAR 128-E-II, MODEL TOWN, LAHORE	11,430,794
6	CDC-05264-028998C	MUHAMMAD FAROOQ ABID TUNG HOUSE NO. 9-E, UPPER MALL, LAHORE	3,406,792
Total Shares			164,616,509

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FINANCIAL STATEMENTS

For the year ended December 31, 2015

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of APNA MICROFINANCE BANK LIMITED ("the Bank") as at 31 December 2015, and the related profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Bank's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984 and the Microfinance Institutions Ordinance, 2001. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) During the year ended December 31, 2014 the Bank rescheduled / restructured around 2,068 loan cases having outstanding principal and mark-up aggregating to Rupees 106.36 million. The predecessor auditor expressed a qualified opinion on this matter for determining whether any provision might have been necessary owing to limitations of the Bank's information system. During the year out of Rupees 106.36 million, loan amounting to Rupees 76.43 million were settled/adjusted and loans amounting to rupees 29.93 million were outstanding at year end. Provision required as per Prudential Regulations for Microfinance Banks of Rupees 23.33 million on outstanding loans or Rupees 29.93 million has been made in the financial statements. Our opinion on the current period financial statements is modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Except for the effects of adjustments, if any, as might have been determined to be necessary, had we been able to satisfy ourselves in respect of the matters stated in the preceding paragraphs (a) we report that:

- (b) in our opinion, proper books of account have been kept by the Bank as required by the Companies Ordinance, 1984 and the Microfinance Institutions Ordinance, 2001;
- (c) in our opinion:
- i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with Companies Ordinance, 1984 and the Microfinance Institutions Ordinance, 2001 and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Bank's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Bank;
- (d) in our opinion and to the best of our information and according to the explanations given to us, except for the possible effects on the corresponding figures of the matter described in paragraph (a) above, the balance sheet, profit and loss account, statement of comprehensive income, statement of cash flow and statement of changes in equity together with the notes forming part thereof conform with approved

AUDITORS' REPORT TO THE MEMBERS

accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 and Microfinance Institutions Ordinance, 2001, in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at 31 December 2015, and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

(e) in our opinion, Zakat was deducted at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980),

The financial statements of the Bank for the year ended December 31, 2014 were audited by another firm of chartered accountants who expressed a qualified opinion on these statements on February 27, 2015

RSM Avais Hyder Liaquat Nauman

Chartered Accountants

Engagement partner: Syed Ali Adnan Tirmizey

Date:

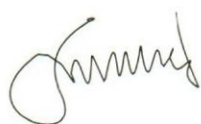
Lahore

APNA MICROFINANCE BANK LIMITED
BALANCE SHEET
As at 31 December 2015


	Note	2015 PKR.	2014 PKR.
ASSETS			
Cash and balances with SBP and NBP	7	237,836,612	68,226,942
Balances with other banks/MFBs	8	1,758,682,849	528,251,817
Lending to financial institutions		-	-
Investments - net of provisions	9	257,598,018	190,767,143
Advances - net of provisions	10	2,588,423,092	766,138,548
Operating fixed assets	11	351,136,431	93,725,598
Other assets	12	476,801,818	111,844,458
Deferred tax asset		-	-
Total assets		5,670,478,820	1,758,954,506
LIABILITIES			
Deposits and other accounts	13	4,546,697,079	1,193,506,624
Borrowings	14	-	-
Subordinated debt		-	-
Other liabilities	15	68,758,801	22,839,032
Deferred tax liabilities		-	-
Total liabilities		4,615,455,880	1,216,345,656
NET ASSETS		1,055,022,940	542,608,850
REPRESENTED BY:			
Share capital	16	2,200,000,000	1,100,000,000
Discount on issue of shares		(950,000,000)	(400,000,000)
Statutory reserve		1,279,583	1,279,583
Depositors' protection fund		319,896	319,896
Accumulated loss		(221,485,690)	(192,270,001)
		1,030,113,789	509,329,478
Surplus / (deficit) on revaluation of assets		(50,142)	1,740,937
Deferred grants	17	24,959,293	31,538,435
Share deposit money		-	-
		1,055,022,940	542,608,850

MEMORANDUM/OFF BALANCE SHEET ITEMS 18

The annexed notes 1 to 35 form an integral part of these financial statements.



President & Chief Executive Officer



Chairman



Director



Director

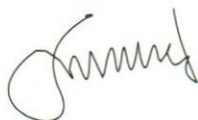
APNA MICROFINANCE BANK LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2015

	Note	2015 PKR.	2014 PKR.
Mark-up/return/interest earned	19	447,154,900	239,418,864
Mark-up/return/interest expensed	20	(187,445,668)	(78,963,877)
Net mark-up/interest income		259,709,232	160,454,987
Provision against non-performing loans and advances	10.3	(33,458,766)	(25,549,731)
Provision for diminution in the value of investments		-	-
Recovery against bad debts written off		3,323,328	5,973,069
Bad debts written off directly		-	-
		(30,135,438)	(19,576,662)
Net mark-up/interest income after provisions		229,573,794	140,878,325
Non mark-up/non interest income			
Fee, commission and brokerage income		39,775,757	9,423,475
Dividend income		-	-
Other income	21	58,096,193	24,084,505
Total non mark-up/non interest income		97,871,950	33,507,980
		327,445,744	174,386,305
Non mark-up/non interest expenses			
Administrative expenses	22	(351,792,126)	(165,664,970)
Other provisions/write offs		-	-
Other charges		-	-
Total non mark-up/non interest expenses		(351,792,126)	(165,664,970)
		(24,346,382)	8,721,335
Extra ordinary/unusual items		-	-
Profit/(loss) before taxation		(24,346,382)	8,721,335
Taxation - Current	23	(4,869,307)	(2,548,154)
Prior years		-	(25,322)
Deferred		-	-
		(4,869,307)	(2,573,476)
Profit/(loss) after taxation		29,215,689	6,147,859
Accumulated loss brought forward		(192,270,001)	(196,880,895)
		(221,485,690)	(190,733,036)
Appropriations			
Transfer to			
Statutory reserve		-	(1,229,572)
Capital reserve		-	-
Contribution to MSDF/ DPF/ RMF		-	(307,393)
Revenue reserve		-	-
Proposed cash dividend Rupee Nil per share (2014: Rupee Nil per share)		-	-
Others		-	-
		-	(1,536,965)
Accumulated loss carried forward		(221,485,690)	(192,270,001)
Earnings/(loss) per share - basic and diluted (2014: restated)	24	(0.16)	0.07

The annexed notes 1 to 35 form an integral part of these financial statements.



President & Chief Executive Officer



Chairman



Director



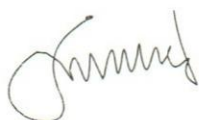
Director

APNA MICROFINANCE BANK LIMITED
 STATEMENT OF COMPREHENSIVE INCOME
 For the year ended 31 December 2015

	2015 PKR	2014 PKR
Profit/ (loss) after taxation	(29,215,689)	6,147,859
Other comprehensive income		
Items that will not be reclassified to profit and loss account	-	-
Items that may subsequently be reclassified to profit and loss account	-	-
Comprehensive income/ (loss) transferred to equity	(29,215,689)	6,147,859
Components of comprehensive income not reflected in equity		
Net change in fair value of available-for-sale investments	(1,791,079)	3,188,967
Total comprehensive income/ (loss) for the year	(31,006,768)	9,336,826

Surplus / (deficit) on revaluation of available for sale investments is presented under a separate account below equity in accordance with the format of financial statements as prescribed under BSD Circular No. 11 dated 30 December 2003 issued by the State Bank of Pakistan.

The annexed notes 1 to 35 form an integral part of these financial statements.



President & Chief Executive Officer



Chairman



Director



Director

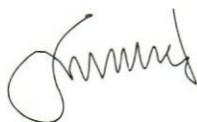
APNA MICROFINANCE BANK LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

Note	2015 PKR	2014 PKR
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(24,346,382)	8,721,335
Adjustments for non-cash items		
Depreciation	17,541,539	9,404,402
Amortization of intangibles	9,645,750	9,033,866
Amortization of deferred grants	(23,648,573)	(15,304,616)
Amortization of premium on PIBs	-	1,048,039
Amortization of discount on TFCs	(1,541,706)	(599,892)
Provision against non-performing advances	33,458,766	25,549,731
Fair value adjustment on investments classified as held for trading	(617,156)	(263,505)
Loss on outright sale of PIBs	-	1,000,584
Loss / (Gain) on disposal of fixed assets - net	997,594	(1,274,013)
	35,836,214	28,594,596
Operating cash flow before working capital changes	11,489,832	37,315,931
Changes in working capital		
(Increase)/decrease in operating assets		
Advances	(1,855,743,310)	(472,671,396)
Other assets	(358,064,475)	(64,544,937)
	(2,213,807,785)	(537,216,333)
Increase / (decrease) in operating liabilities		
Deposits	3,353,190,455	431,481,055
Other liabilities	45,919,769	(11,443,159)
	3,399,110,224	420,037,896
CASH FLOW FROM OPERATIONS	1,196,792,271	(79,862,506)
Income tax paid	(6,942,361)	(4,536,558)
Net cash (used in) / flow from operating activities	1,189,849,910	(84,399,064)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available for sale securities	87,845,513	72,824,074
Net investments in held for trading securities	(11,638,505)	39,625,000
Net investments in held to maturity securities	(141,742,418)	(10,135,740)
Investments in operating fixed assets	(290,568,909)	(28,497,696)
Investments in intangible assets	(774,320)	(3,333,547)
Sale proceeds of operating fixed assets disposed off	-	2,296,740
Net cash flow from / (used in) investing activities	(356,878,639)	72,778,831
CASH FLOW FROM FINANCING ACTIVITIES		
Share deposit money - net	550,000,000	(3,300,000)
Grant received from SBP - Net	17,069,431	43,822,788
Net cash flow from financing activities	567,069,431	40,522,788
Increase in cash and cash equivalents during the year	1,400,040,702	28,902,555
Cash and cash equivalents at the beginning of the year	596,478,759	567,576,204
Cash and cash equivalents at the end of the year	1,996,519,461	596,478,759

The annexed notes 1 to 35 form an integral part of these financial statements.



President & Chief Executive Officer



Chairman



Director



Director

APNA MICROFINANCE BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	Share Capital	Discount on Issue of Shares	Statutory Reserve	Depositors' Protection Fund	Accumulated Loss	Total
PKR						
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 year						
Profit after taxation	-	-	-	-	6,147,859	6,147,859
Transfer to Statutory Reserve*	-	-	1,229,572	-	(1,229,572)	-
Transfer to depositors' Protection Fund (DPF)**	-	-	-	307,393	(307,393)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,229,572	307,393	4,610,894	6,147,859
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 year						
Loss after taxation	-	-	-	-	(29,215,689)	(29,215,689)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	(29,215,689)	(29,215,689)
Transfer to Statutory Reserve*	-	-	-	-	-	-
Transfer to depositors' Protection Fund (DPF)**	-	-	-	-	-	-
Balance as at 31 December 2015	2,200,000,000	(950,000,000)	1,279,583	319,896	(221,485,690)	1,030,113,789

* The Prudential Regulations for microfinance banks require the microfinance banks to create a statutory reserve to which shall be credited an amount equal to at least 20% of its annual Profits after taxes till such time the reserve fund equals to Paid-up Capital of Microfinance bank and thereafter, an amount no less than 5% of its annual Profit after taxes.

**The Microfinance Institutions Ordinance, 2001 requires microfinance banks to maintain Depositors' Protection Fund (DPF) for the purpose of mitigating risk of its depositors to which shall be credited not less than 5 percent of the annual profit after taxes.

The annexed notes 1 to 35 form an integral part of these financial statements.

President & Chief Executive Officer

Chairman

Director

Director

APNA MICROFINANCE BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. STATUS AND NATURE OF BUSINESS

1.1 Apna Microfinance Bank Limited ("the Bank") was incorporated on May 08, 2003 as a public limited Bank under the Companies Ordinance, 1984. The Bank was granted a certificate of commencement of business on December 28, 2004 and its operations started from January 01, 2005. Its shares are listed on Pakistan Stock Exchange Limited. The Bank's principal business is to provide microfinance services to the poor and under served segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. During the year the Bank has been licensed to operate at national level in Pakistan. As at the reporting date, the Bank operates 69 branches (2014: 17 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 year, 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 PRESENTATION

These financial statements have been presented in accordance with BSD Circular No.11 dated 30 December 2003 issued by the State Bank of Pakistan (SBP).

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions 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). Wherever the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks / Institutions or the directives issued by the SECP and SBP differ with the requirements of the IFRSs, the requirements of the Companies Ordinance, 1984, the Microfinance Institutions Ordinance, 2001, the Prudential Regulations for Microfinance Banks / Institutions or the requirements of the said directives shall prevail.

3.1 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 these financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by SBP through various circulars.

3.2 Standards, amendments and interpretations to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after January 01, 2016;

APNA MICROFINANCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

Accounting		Effective date
Standard	Description	(account periods beginning on or after
IFRS - 5	- Non-current Assets Held for Sale and Discontinued Operations (Amendment)	July 01, 2016
IFRS - 7	- Financial Instruments: Disclosures (Amendment)	July 01, 2016
IAS - 1	- Presentation of financial statements (Amendments)	January 01, 2016
IAS - 16	- Property, Plant and equipment (Amendments)	January 01, 2016
IAS - 19	- Employee Benefits (Amendments)	January 01, 2016
IAS - 27	- Separate financial statements (Amendments)	January 01, 2016
IAS - 28	- Investment in Associates and Joint Ventures (Amendments)	January 01, 2016
IAS - 34	- Interim financial Reporting (Amendments)	January 01, 2016
IAS - 38	- Intangible Assets (Amendments)	January 01, 2016
IFRS - 13	- Fair Value Measurement	January 01, 2016

There are other new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after 01 January 2015 but are considered not to be relevant or do not have any significant effect on the Bank's operations and are therefore not detailed in these financial statements.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

4. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain investments which are measured as per accounting policy disclosed in Note 6.2.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The estimates / judgments and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The estimates, judgments and assumptions that have significant effect on the financial statements are as follows:

- Classification and valuation of investments (Note 6.2)
- Provision against non-performing advances (Note 6.3)
- Residual values and useful lives of assets and methods of depreciation (Note 6.4)
- Recognition of current and deferred taxation (Note 6.5)

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted and applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

APNA MICROFINANCE BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

6.1 Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand, balances with State Bank of Pakistan (SBP), National Bank of Pakistan and balances held with other banks in current and investment in treasury bills having maturity of less than three months.

6.2 Investments

The investments of the Bank, upon initial recognition, are classified as held-for-trading, held-to-maturity or available-for-sale, as appropriate.

Investments (other than held-for-trading) are initially measured at fair value plus transaction costs associated with investments. Held-for-trading investments are initially measured at fair value and transaction costs are expensed out in the profit and loss account.

Purchase and sale of investments that require delivery within the time frame established by regulation or market convention are recognized at the trade date, which is the date the Bank commits to purchase or sell the investments.

Held-for-trading

These represent securities, which are either acquired for the purpose of generating profit from short-term fluctuations in prices or dealer's margin or are securities included in the portfolio in which a pattern of short-term profit making exists. After initial measurement, such investments are carried at fair value and the surplus / (deficit) arising as a result of revaluation is taken to profit and loss account.

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturities in respect of which the Bank has the positive intent and ability to hold to maturity. After initial measurement, such investments are carried at amortized cost less impairment, if any.

Available-for-sale

These represent securities, which do not fall under the held-for-trading or held-to-maturity categories. After initial measurement, such investments are measured at fair value. The surplus/ (deficit) arising on revaluation is shown in the balance sheet below equity which is taken to the profit and loss account when actually realized upon disposal.

Premium or discount on securities classified as available-for-sale and held-to-maturity is amortized using effective interest method and taken to the profit and loss account.

Provision for impairment in the value of equity securities is made after considering objective evidence of impairment. Provision for diminution in the value of debt securities is made as per the Prudential Regulations.

6.3 Advances including net investment in micro lease

Advances are stated net of specific and general provisions which are determined on the basis of Prudential Regulations. Advances are written off according to the Prudential Regulations or when there is no realistic prospect of recovery.

Leases, where substantially all risks and rewards incidental to ownership of an asset are transferred to the lessee, are classified as micro lease. A receivable is recognized at an amount equal to the present value of the lease payments. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income.

6.4 Operating fixed assets and depreciation

Tangible

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of

APNA MICROFINANCE BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

property and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying asset directly attributable cost of bringing the asset to working condition. Depreciation is charged against income applying the straight line method using the rates stated in note 11.2 to the financial statements. Depreciation on additions is charged from the month in which the asset is acquired and on disposals till the month in which assets are sold.

Maintenance and repairs are charged against income as and when incurred. Subsequent costs including major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Bank.

An item of fixed asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal.

The assets residual values, useful lives and methods are reviewed and adjusted, if appropriate, at each financial year end.

Gains and losses on disposals, if any, of assets are determined by comparing the sale proceeds with the carrying amount of asset and are included in income currently.

The carrying values of tangible fixed assets are reviewed at each reporting date for indication that an asset may be impaired and carrying values may not be recovered. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount and an impairment loss is recognized in the profit and loss account. The recoverable amount of property, plant and equipment is greater of fair value less selling costs and value in use.

Intangible assets

These are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the useful life of the asset on a systematic basis to income applying the straight line method at the rate specified in note 11.3 to the financial statements.

Amortization on additions is charged from the month in which the assets are put to use while no amortization is charged in the month in which the assets are deleted.

Software and other development costs are only capitalized to the extent that future economic benefits are expected to be derived by the Bank.

The carrying amounts are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed estimated recoverable amount, assets are written down to their estimated recoverable amount.

Capital work-in-progress

All expenditure connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when these assets are available for use. These are carried at cost less impairment loss, if any.

6.5 Taxation

Current

Provision for current taxation is based on the taxable income at current rates of taxation after taking into consideration available tax credits and rebates, if any, in accordance with provision of Income Tax Ordinance, 2001. The charge for tax also includes adjustments, where considered necessary relating to prior years.

APNA MICROFINANCE BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

Deferred

Deferred tax is recognized using the balance sheet liability method, on all temporary differences arising at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be realized. Unrecognized deferred tax asset are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax asset and liabilities are measured at the tax rates that are expected to apply to the periods when the asset is utilized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

6.6 Provisions

Provisions are recognized when the Bank has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best Estimate.

6.7 Employee benefits

Defined Contribution plan

The Bank operates approved funded contributory provident fund for all its permanent employees to whom equal monthly contributions are made both by the bank and the employees at the rate of 10% per annum of basic salary. The contributions made by the Bank are recognized as employee benefit expense when they are due.

6.8 Revenue recognition

Mark-up / return / interest on regular advances is recognized on accrual basis using effective interest rate method. Profit on classified advances is recognized on receipt basis.

Return on investment is recognized on accrual basis using effective interest rate method.

Income on net investment in micro lease is recognized over the term of the lease so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Income on classified micro lease is recognized on receipt basis in compliance with the Prudential Regulations issued by SBP.

Fee, commission and brokerage income is recognized when earned.

Dividend income from investments is recognized when Bank's right to receive the dividend is established.

Gain and loss on sale of securities is accounted for in the period in which the sale / settlement occurs.

All exchange differences are recognized in income.

Income on balances with other banks is recognized in profit and loss account as it is earned.

6.9 Financial instruments

Financial instruments carried on the statement of financial position include cash and balances with State Bank of Pakistan and other banks, investments, advances and other assets, bills payable, deposits and other

APNA MICROFINANCE BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

liabilities. Financial assets and financial liabilities are recognized at the time when the Bank becomes a party to the contractual provisions of the instruments. Financial assets are de-recognized when the contractual right to future cash flows from the asset expire or is transferred along with the risk and rewards of the asset. Financial liabilities are derecognized when obligation specified in the contract is discharge, cancelled or expired. Any gain or loss on de-recognition of the financial assets and liabilities is recognized in the profit or loss account of the current period.

6.10 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognized amount and the Bank intends either to settle the assets and liabilities on a net basis or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also off-set and the net amount is reported in the financial statements.

6.11 Related party transactions

Prices for transactions with related parties are determined using the comparable uncontrolled price method except for those transactions which in exceptional circumstances are specifically approved by the Board.

6.12 Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using appropriate valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account.

6.13 Deposits

Deposits are initially recorded at the amount of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities.

6.14 Foreign currencies

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates. The financial statements are presented in Pak Rupees, which is the Bank's functional and presentation currency.

Foreign currency transactions

Transactions in foreign currencies are translated into rupees at the foreign exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currencies are expressed in rupee terms at the rates of exchange ruling on the balance sheet date. Forward foreign exchange promise / options are valued at forward rates applicable to their respective maturities.

Translation gains and losses

Translation gains and losses are included in the profit and loss account.

6.15 Segment reporting

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing product or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

APNA MICROFINANCE BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

6.15.1 Business segments

Investments in Government Securities

- includes investment in market treasury bills and Pakistan Investment Bonds

Retail Banking

- includes retail deposits and banking services

Micro Finance Banking

- Micro finance banking comprises advances provided to customers on Micro Credit and Micro Lease basis.

6.15.2 Geographical segment

The Bank has 69 branches as at 31 December 2015 (2014:17 branches) and operates only at national level in Pakistan.

6.16 Deferred Grants

Grants are initially recognized at fair value in the balance sheet when there is reasonable assurance that the grants will be received and the Bank will comply with all the attached conditions. Grants that compensate the Bank for expenses incurred are recognized as other income in the profit and loss account on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Bank for the cost of an asset are recognized in the profit and loss account as other income on a systematic basis over the useful life of the asset.

	Note	2015 PKR	2014 PKR
7. CASH AND BALANCE WITH SBP and NBP			
Cash in hand – local currency	7.1	107,058,721	26,627,936
Balance with State Bank of Pakistan		122,119,149	31,804,154
Balance with National Bank of Pakistan in			
Current account		8,658,742	9,794,852
Deposit account		-	-
		237,836,612	68,226,942

7.1 This represents balance maintained in current account with the State Bank of Pakistan to meet the requirements of maintaining a minimum balance equivalent not less than 5% of the Bank's time and demand liabilities in accordance with Regulation 3 of the Prudential Regulations.

	Note	2015 PKR	2014 PKR
8. BALANCES WITH OTHER BANKS/MFBs			
In Pakistan			
- on current account		49,480,887	10,004,461
- on deposit account	8.1	1,259,201,962	236,247,356
- certificates of deposits	8.2	450,000,000	282,000,000
		1,758,682,849	528,251,817

8.1 These carry mark-up rates ranging from 4 to 9 percent (2014: 7.5 to 9.5 percent) per annum.

8.2 These represents placements with different financial institutions carrying mark-up ranging from 7.1 to 9.75 percent (2014: 9.5 to 10.5 percent) per annum. Their maturity ranges from three months to one year from the date of placement.

8.3 The Bank has obtained a running finance facility of Rs. 190 million to ensure that sufficient funds are available in the current account with State Bank of Pakistan (SBP) to honor clearing obligations in case the funds in current account with SBP fall short. These borrowings are secured against lien over time deposit receipt of Rs. 200 million in the name of Apna Microfinance Bank Limited.

APNA MICROFINANCE BANK LIMITED
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For the year ended 31 December 2015

	Note	2015 PKR	2014 PKR
9. INVESTMENTS - NET OF PROVISIONS			
Held-for-trading			
Term Finance Certificate (TFCs)	9.1	19,631,516	38,993,011
Fair value adjustment		(437,579)	263,505
		19,193,937	39,256,516
NAMCO Income Fund - Mutual Fund			
Opening Balance		-	20,000,000
Placements made during the year		-	80,000,000
Redemptions made during the year		-	(100,000,000)
Closing Balance		-	-
National Bank of Pakistan NAFA - Mutual Fund			
Opening Balance		-	-
Placements made during the year		31,000,000	-
Fair value adjustment		1,054,735	-
Redemptions made during the year		-	-
Closing Balance		32,054,735	-
Available-for-sale			
Federal Government Securities	9.2	53,579,516	139,633,950
Pakistan Investment Bond (PIBs)		(50,142)	1,740,937
Fair value adjustment		53,529,374	141,374,887
Held-to-maturity			
B R R Guardian Modaraba - Term Finance Certificates (TFCs)	9.3	10,115,192	9,535,848
Amortization of discount		1,541,706	599,892
		11,656,898	10,135,740
Treasury Bills	9.4	141,163,074	-
		257,598,018	190,767,143

9.1 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.

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

9.3 This represents 4000 units of TFCs of B.R.R Guardian Mordaraba, which were issued for 8 years having maturity on 07 December 2016 and carry markup at the rate of 1 Month KIBOR per annum.

9.4 This represents T-Bill issued for a period of three months having maturity on 21 January 2016. These carries interest at the rate of 6.4% per annum.

10. ADVANCES - NET OF PROVISIONS

	Note	2015		2014	
		No. of loans outstanding	PKR	No. of loans outstanding	PKR
Micro credits		21,614	2,654,416,400	11,390	798,673,090
Provision held:					
- Specific			42,365,121		25,090,505
- General			23,628,187		7,444,037
	10.3		65,993,308		32,534,542
Advance-net of provision		21,614	2,588,423,092	11,390	766,138,548

APNA MICROFINANCE BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

10.1 Particulars of non-performing advances

Advances include Rupees 119,238,155 (31 December 2014: Rupees 101,396,356) which have been placed under non performing status as detailed below.

Category of classification	Principal Amount outstanding	2015 Provision required	Provision held	Principal Amount outstanding	2014 Provision required	Provision held
	----- PKR -----					
OAEM	55,458,267	-	-	39,915,242	-	-
Sub-standard	4,050,471	969,782	969,782	21,919,887	5,380,007	5,380,007
Doubtful	36,396,830	18,062,752	18,062,752	39,557,732	19,707,003	19,707,003
Loss	23,332,587	23,332,587	23,332,587	3,495	3,495	3,495
	119,238,155	42,365,121	42,365,121	101,396,356	25,090,505	25,090,505

10.2 All advances falling into 'Loss' category are 100% insured from 'The United Insurance Company of Pakistan Limited' (a related party).

10.3 Particulars of provision against non-performing advances

	Specific	2015 General	Total	Specific	2014 General	Total
	----- PKR -----					
Opening balance	25,090,505	7,444,037	32,534,542	19,768,105	3,052,551	22,820,656
Charge for the year	17,274,616	16,184,150	33,458,766	21,158,245	4,391,486	25,549,731
Amount written off	-	-	-	(15,835,845)	-	(15,835,845)
Closing balance	42,365,121	23,628,187	65,993,308	25,090,505	7,444,037	32,534,542

10.4 Particulars of write offs:

	Note	2015	2014
		----- PKR -----	
Against provision		-	15,835,845
11 OPERATING FIXED ASSETS			
Capital work in progress	11.1	228,187,664	15,533,663
Property and equipment	11.2	114,544,018	60,915,756
Intangible assets	11.3	8,404,749	17,276,179
		351,136,431	93,725,598
11.1 Capital work in progress			
Advance payment toward suppliers, contractors and property		228,187,664	15,533,663

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For the year ended 31 December 2015

11.2 Property and equipment

PARTICULARS	COST		Rate %	DEPRECIATION		Written down Value as at 31 December 2015
	As at 01 January 2015	Additions/ (Deletions) 31 December 2015		As at 01 January 2015	Charge for the year/ (Adjustment)	
Leasehold improvements	21,090,851	31,260,788 (3,846,122)	5	2,620,904	1,259,302 (546,883)	45,172,194
Furniture and fixtures	13,916,136	9,500,158 (4,937,751)	10	4,131,197	1,487,754 (2,929,510)	15,789,102
Electricity and office equipment	15,090,418	18,121,510 (3,422,317)	20	5,585,276	3,658,428 (2,601,123)	23,147,030
Computer hardware & peripheral	22,940,252	14,789,209 (5,592,339)	30	9,420,633	8,384,217 (4,975,906)	19,308,178
Motor Vehicles	15,626,710	4,243,243 (72,500)	20	5,990,601	2,751,838 (72,500)	11,127,514
Total	88,664,367	77,914,908 (17,871,029)		27,748,611	17,541,539 (11,125,922)	114,544,018

PARTICULARS	COST		Rate %	DEPRECIATION		Written down Value as at 31 December 2014
	As at 01 January 2014	Additions/ (Deletions) 31 December 2014		As at 01 January 2014	Charge for the year	
Leasehold improvements	17,769,966	3,320,885	5	1,704,969	915,935	18,469,947
Furniture and fixtures	11,122,476	2,814,570 (20,910)	10	2,959,994	1,182,215 (11,012)	9,784,939
Electricity and office equipment	9,758,082	6,570,404 (1,238,068)	20	3,842,288	1,968,227 (225,239)	9,505,142
Computer hardware & peripheral	14,392,473	9,328,056 (780,277)	30	6,279,140	3,921,770 (780,277)	13,519,619
Motor Vehicles	11,718,266	7,561,440 (3,652,996)	20	8,227,342	1,416,255 (3,652,996)	9,636,109
Total	64,761,263	29,595,355 (5,692,251)		23,013,733	9,404,402 (4,669,524)	60,915,756

11.2.1 Property and equipments include assets costing Rupees 6,698,507 (2014: Rupees 9,174,907) which are fully depreciated and still in use.

APNA MICROFINANCE BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

11.2.2 Details of disposal of property and equipment during the year:

2015	Cost	Accumulated depreciation	Written down Value	Sales Proceed / Insurance Claim	Mode of Disposal	Particulars of Buyers
Items having book value in aggregate more than Rs. 250,000 or cost more than Rs. 1,000,000.						
Leasehold improvements furniture and fixture	3,434,369	(341,743)	3,092,626	3,092,626	Lost in fire & insurance Claim is lodged	The United Insurance Co. of Pak. Ltd. (a related Party)
Furniture and fixtures	3,459,357	(2,668,375)	790,982	-	Physically untraceable	Written off from books
Electricity and office equipment	1,478,394	(261,135)	1,217,259	1,217,529	Lost in fire & insurance Claim is lodged	The United Insurance Co. of Pak. Ltd. (a related Party)
Electricity and office equipment	1,040,853	(1,040,853)	-	-	Physically untraceable	Written off from books
Computer hardware & peripheral	2,381,464	(1,560,270)	821,194	821,194	Lost in fire & insurance Claim is lodged	The United Insurance Co. of Pak. Ltd. (a related Party)
Computer hardware & peripheral	1,471,858	(1,471,858)	-	-	Physically untraceable	Written off from books
Computer hardware & peripheral	4,120,481	(3,504,048)	616,433	616,433	Lost in fire & insurance Claim is lodged	The United Insurance Co. of Pak. Ltd. (a related Party)

Items having book value in aggregate less than

Rs.250,000 or cost less than Rs. 1,000,000						
Leasehold improvements	411,753	(205,140)	206,613	-	Physically untraceable	Written off from books
Motor vehicles	72,500	(72,500)	-	-	Physically untraceable	Written off from books
	17,871,029	(11,125,922)	6,745,107	5,747,512		
	5,692,251	(4,669,524)	1,022,727	2,296,740		

2014

11.3 Intangible assets (In PKR)

PARTICULARS	COST		AMORTISATION				
	as at January 01	Additions/ (Deletions)	as at December 31	Rate %	Charge for the Year (Adjustment)	as at December 31	Written down Value as at December 31
Computer software							
2015	43,254,505	774,320	44,028,825	25	9,645,750	25,978,326	35,624,076
2014	39,920,958	3,333,547	43,254,505	25	9,033,866	16,944,460	25,978,326
							17,276,179

11.3 . Intangibles include assets costing Rupees 5,167,025 (2014: Rupees 5,167,025) which are fully amortised and still in use.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

12 OTHER ASSETS

	Note	2015 PKR	2014 PKR
Income/ mark-up accrued		171,301,700	40,584,078
Advances to staff	12.1	88,374,977	20,251,296
Advances, deposits, advance rent and other prepayments		148,459,648	42,107,475
Advance income tax - net of provision		4,040,340	1,967,286
Security deposits		22,772,375	893,100
Inter banks ATM settlement account		-	1,410,681
Insurance claim receivable	12.2	41,852,778	4,630,542
		476,801,818	111,844,458

12.1 Advances to staff

Loan to executive director of the company	-	8,000,000
Loan to executive and other staff	88,374,977	12,251,296
	88,374,977	20,251,296

These advances are secured and given to employees as per terms of the employment. Maximum amount of loan outstanding during the year was of Rs. 88 million/-.

12.2 The bank has signed an MOU with The United Insurance company of Pakistan (UIC), (a related party) dated July 15, 2014. According to the MOU, the Bank will assign/notify the stuck-up loans in the category of doubtful/loss classified as per Prudential Regulations and UIC will arrange/facilitates recovery full/partial through monitoring/transport facility till final claim settlement.

13 DEPOSITS AND OTHER ACCOUNTS

	2015		2014	
	No. of accounts	Amount PKR	No. of accounts	Amount PKR
Fixed deposits	5,521	2,109,586,605	1,865	693,879,253
Saving deposits	12,014	1,361,731,612	4,378	229,586,147
Current deposits	58,760	1,075,378,862	37,289	270,041,224
	76,295	4,546,697,079	43,532	1,193,506,624

13.1 Particulars of deposits by ownership

	2015		2014	
	No. of accounts	Amount PKR	No. of accounts	Amount PKR
Individual depositors	76,144	4,411,507,083	43,402	1,062,916,009
Institutional depositors				
- Corporation / firm	147	135,153,197	119	53,047,099
- Banks and financial institutions	4	36,799	11	77,543,516
	76,295	4,546,697,079	43,532	1,193,506,624

14 BORROWINGS

The Bank has obtained a running finance facility of Rs. 190 million to ensure that sufficient funds are available in the current account with State Bank of Pakistan (SBP) to honor clearing obligations in case the funds in current

APNA MICROFINANCE BANK LIMITED

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account with SBP fall short. The loan carries interest rate of 1% over and above rate offered for time deposits receipts (TDR) per annum with a Tenor of one year on renewal mode from 20 November 2015. These borrowings are secured against lien over time deposit receipt of Rs. 200 million in the name of Apna Microfinance Bank Limited. However no utilization of the facility has been made.

15 OTHER LIABILITIES

	Note	2015 PKR	2014 PKR
Mark-up/ return/ interest payable		12,088,292	6,472,356
Bills payable		24,184,415	12,620,951
Accrued expenses		8,705,879	2,144,126
Inter banks ATM settlement account		86,720	-
Others		23,693,495	1,601,599
		68,758,801	22,839,032

16 SHARE CAPITAL

16.1 Authorized capital

2015 No. of shares	2014 No. of shares		2015 PKR	2014 PKR
250,000,000	150,000,000	Ordinary shares of Rupees 10 each	250,000,000	150,000,000
250,000,000	150,000,000		250,000,000	150,000,000

16.2 Issued, subscribed and paid-up capital

2015 No. of shares	2014 No. of shares		2015 PKR	2014 PKR
220,000,000	110,000,000	Ordinary shares of Rupees 10 each	220,000,000	110,000,000
-	-	fully paid in cash	(950,000,000)	(400,000,000)
220,000,000	110,000,000	Discount on issue of shares	1,250,000,000	700,000,000

16.3 Reconciliation of issued, subscribed and paid-up capital

2015 No. of shares	2014 No. of shares		2015 PKR	2014 PKR
110,000,000	30,000,000	Share capital in issue as at 01 January	110,000,000	30,000,000
		Add: Shares issued during the year on discount		
110,000,000	80,000,000	Share capital in issue as at 31 December	110,000,000	80,000,000
220,000,000	110,000,000		220,000,000	110,000,000

17 DEFERRED GRANTS

	Note	2015 PKR	2014 PKR
Institutional Strengthening Fund (ISF)	17.1	5,553,328	16,903,539
Financial Innovation Challenge Fund (FICF)	17.2	19,405,965	14,634,896
		24,959,293	31,538,435

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17.1 INSTITUTIONAL STRENGTHENING FUND

Balance as at January 01	16,903,539	12,020,263
Grant recognized during the year	-	18,057,788
Less: Amortization of deferred grants	(11,184,643)	(13,174,512)
Grant returned to SBP	(165,568)	-
	5,553,328	16,903,539

17.1.1 In the year 2013, the SBP approved a grant 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 infra structural Improvement and Human Capital Development" with 25% contribution by the bank. The Bank has recognized the grant against the assets and expenses as prescribed thereby meeting the conditions attached to the grant during 2013 and 2014. During the current year, receipt and amortization of grant was audited by a firm of Chartered Accountants. As a result, un-utilized grant of Rs. 165,568/- was refunded to SBP. Amortization of the grant is being made for expenses incurred and on a systematic basis over the remaining useful life of related asset.

17.2 FINANCIAL INNOVATION CHALLENGE FUND

Balance as at January 01	14,634,896	-
Grant recognized during the year	17,235,000	16,765,000
Less: Amortization of deferred grants	(12,463,930)	(2,130,104)
	19,405,966	14,634,896

17.2.1 In the year 2013, the SBP approved a grant Rupees 34,000,000/- under the Financial Inclusion Program (FIP) out of which grant of Rs. 16,765,000/- was received during 2014 and of Rs. 17,235,000/- was received during current year. The main purpose of the FIP is the provision of improved access to financial services for poor and marginalized groups and for micro, small and medium enterprises in Pakistan with the help of two partners; Pedavar and AGD Pakistan (Pvt.) Ltd. 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 for expenses incurred and on a systematic basis over the remaining useful life of related assets.

18. MEMORANDUM/OFF - BALANCE SHEET ITEMS

The guarantees of Rs. 4.950 million, issued to the controller Department of Tourist Services by the bank for the customers, outstanding as at year ended December 31, 2014 has expired during the year. However, no guarantee has been renewed/issued during the current year.

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

19. MARK-UP/ RETURN/ INTEREST EARNED

	Note	2015 PKR	2014 PKR
Mark-up on loans and advances		347,077,274	163,101,496
Mark-up on investments in government securities		13,549,443	21,957,118
Mark-up on deposit accounts		86,528,183	54,360,250
		447,154,900	239,418,864

20. MARK-UP/ RETURN/ INTEREST EXPENSED

		2015 PKR	2014 PKR
Deposits		(187,445,668)	(78,963,877)
Borrowings		-	-
		(187,445,668)	(78,963,877)

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NOTES TO THE FINANCIAL STATEMENTS

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	Note	2015 PKR	2014 PKR
21 OTHER INCOME			
Gain/ (Loss) on disposal of fixed assets		(997,594)	1,274,013
Fair value adjustment on investments classified as held-for-trading		617,156	263,505
Amortization of deferred grants	17.1 & 17.2	23,648,573	15,304,616
Insurance claim against defaulted loans	10.2	23,332,587	-
Others		11,495,471	7,242,371
		58,096,193	24,084,505
22 ADMINISTRATIVE EXPENSES			
Salaries, allowances, etc.		189,696,579	79,991,983
Training / Capacity building		11,088,730	-
Contribution to defined contribution plan		1,495,643	354,776
Rent, taxes, insurance, electricity, etc.		44,602,794	18,060,936
Communication		10,795,310	4,687,932
Legal and professional charges		2,581,965	3,137,406
Security charges		7,750,299	3,354,635
Traveling		11,924,479	7,716,892
Fees and subscription		7,627,010	4,136,194
Fueling expense		1,012,740	1,121,946
Repair and maintenance		12,260,404	9,145,834
Stationery and printing		8,249,184	3,972,715
Advertisement and publicity		2,083,978	1,006,042
Auditors' remuneration	22.1	897,800	627,000
Depreciation	11.2	17,541,539	9,404,402
Amortization of intangibles	11.3	9,645,750	9,033,866
Entertainment		3,832,640	1,564,184
Credit verification expenses		734,514	890,701
Others		7,970,768	7,457,526
		351,792,126	165,664,970
	Note	2015 PKR	2014 PKR
22.1 Auditors' Remuneration			
Audit fee		600,000	300,000
Half yearly review and other certifications		132,000	110,000
Other certifications fee		52,500	57,000
Out-of-pocket		113,300	160,000
		897,800	627,000

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For the year ended 31 December 2015

23. TAXATION

23.1 CURRENT TAX

The Bank has carried forward tax losses of Rs. 83,566,268/- (2014: 92,608,376) 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 4,869,307/- (2014 Rs. 2,548,154/-) has been made.

23.2 DEFERRED TAX

Deferred tax asset amounting to Rs. 82,052,972/- (2014: Rs. 30,560,765/-) has not been accounted for in these financial statements. The management expects that it is not probable that taxable profits / taxable temporary differences would be available in near future against which the deferred tax asset can be utilized.

24 EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

	Note	2015	2014
(Loss) / Profit after taxation for the year	(PKR)	(29,215,689)	6,147,859
Weighted average number of ordinary shares outstanding during the year	Numbers	180,608,350	92,725,575
Basic and diluted profit / (loss) per share	(PKR)	(0.16)	0.07

25. CASH AND CASH EQUIVALENTS

	Note	2015 PKR	2014 PKR
Cash and balances with SBP and NBP		237,836,612	58,432,090
Balances with other banks/MFBs		1,758,682,849	538,046,669
		1,996,519,461	596,478,759

26 NUMBER OF EMPLOYEES

	2015			2014		
	Credit/ sales staff	Banking/ Support	Total	Credit/ sales staff	Banking/ Support	Total
	Numbers			Numbers		
Permanent	146	163	309	13	42	55
Contractual	311	317	628	78	175	253
Daily wages	-	-	-	-	-	-
	457	480	937	91	217	308

APNA MICROFINANCE BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

27. REMUNERATION OF DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including all benefits to President/ Chief Executive Officer of the Bank was as follows:

	President/ Chief Executive Officer		Executive	
	2015	2014	2015	2014
	----- (PKR) -----		----- (PKR) -----	
Managerial remuneration	4,800,000	2,800,000	16,795,813	10,184,727
Rent and house maintenance	-	-	6,718,325	4,073,890
Utilities	-	-	1,679,581	1,018,473
Medical	-	-	1,679,581	1,018,473
Contribution to provident fund	-	-	-	-
Bonus and other benefits	-	-	44,120	-
	4,800,000	2,800,000	26,917,420	16,295,563
Number of persons	2	1	21	22

27.1 The President / Chief Executive Officer and Executives are entitled to use Bank maintained cars and perquisites in accordance with the terms of their employment.

27.2 During the year, Bank has paid amounting to Rs. 100,000/- to non-executive directors for attending Board of Directors meetings.

28. MATURITIES OF ASSETS AND LIABILITIES

	Total	2015			
		Upto one month	Over one month upto 6 months	Over 6 months upto 1 year	Over one Year upto 5 years
----- (PKR) -----					
Assets					
Cash and balances with SBP	237,836,612	-	237,836,612	-	-
Balances with other banks/MFBs	1,758,682,849	1,308,682,849	300,000,000	150,000,000	-
Investments	257,598,018	141,163,074	32,054,735	30,850,835	53,529,374
Advances - net of provisions	2,588,423,092	403,832,793	333,549,554	1,409,677,346	441,194,023
Operating fixed assets	351,136,431	-	-	-	351,136,431
Other assets	476,801,818	476,801,818	-	-	-
	5,670,478,820	2,330,480,534	903,440,901	1,590,528,181	845,859,828
Liabilities					
Deposits and other accounts	4,546,697,079	2,528,131,475	614,601,213	1,265,297,892	138,666,499
Borrowing	-	-	-	-	-
Other liabilities	68,758,801	68,758,801	-	-	-
	4,615,455,880	2,596,890,276	614,601,213	1,265,297,892	138,666,499
Net assets	1,055,022,940	(266,409,742)	288,839,688	325,230,289	707,193,329
Represented by:					
Share capital	2,200,000,000				
Discount on issue of shares	(950,000,000)				
Statutory reserve	1,279,583				
Depositors' Protection Fund	319,896				
Accumulated loss	(221,485,690)				
	1,030,113,789				
Surplus/(deficit) on revaluation of assets	(50,142)				
Deferred grants	24,959,293				
Share deposit money	-				
	1,055,022,940				

APNA MICROFINANCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

	Total	2014			
		Upto one month	Over one month upto 6 months	Over 6 months upto 1 year	Over one Year upto 5 years
----- (P K R) -----					
Assets					
Cash and balances with SBP	58,432,090	-	58,432,090	-	-
Balances with other banks/MFBs	538,046,669	256,046,669	282,000,000	-	-
Investments	190,767,143	-	-	141,065,121	49,702,022
Advances - net of provisions	766,138,548	20,956,584	240,633,018	396,273,204	108,275,742
Operating fixed assets	93,725,598	-	-	-	93,725,598
Other assets	111,844,458	111,844,458	-	-	-
	1,758,954,506	388,847,711	581,065,108	537,338,325	251,703,362
Liabilities					
Deposits and other accounts	1,193,506,624	506,752,371	73,160,000	569,034,253	44,560,000
Other liabilities	22,839,032	22,839,032	-	-	-
	1,216,345,656	529,591,403	73,160,000	569,034,253	44,560,000
Net assets	542,608,850	(140,743,692)	507,905,108	(31,695,928)	207,143,362
Represented by:					
Share capital	1,100,000,000				
Discount on issue of shares	(400,000,000)				
Statutory reserve	1,279,583				
Depositors' Protection Fund	319,896				
Accumulated loss	(192,270,001)				
	509,329,478				
Surplus/(deficit) on revaluation of assets	1,740,937				
Deferred grants	31,538,435				
Share deposit money	-				
	542,608,850				

29. FINANCIAL RISK MANAGEMENT

29.1 Interest/ mark-up rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates.

The Bank interest rate exposure is low due to the short-term nature of the majority of business transactions. Interest rate risk is also controlled through flexible credit pricing mechanism and variable deposit rates. Optimization of yield is achieved through the Bank's investment strategy which aims on attaining a balance between yield and liquidity under the strategic guidance of ALCO.

APNA MICROFINANCE BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

The advances and deposits of the Bank are on periodic basis based on interest rates scenario as detailed below:

Description	2015					
	Effective yield/ interest	Total	Exposed to yield/ interest risk			
			Upto one month	One month to six months	Over six months to one year	Over one year to five years
		------(PKR)-----				
Assets						
Balances with other banks/MFBs	4-9	1,758,682,849	1,308,682,849	300,000,000	150,000,000	-
Investments - net of provisions	6-12	257,598,018	141,163,074	32,054,735	30,850,835	53,529,374
Advances - net of provisions	19-41	2,588,423,092	403,832,793	333,549,554	1,409,677,346	441,194,023
		4,604,703,959	1,853,678,716	665,604,289	1,590,528,181	494,723,397
Liabilities						
Deposits and other accounts	7-14.5	4,546,697,079	2,528,131,475	614,601,213	1,265,297,892	138,666,499
		58,006,880	(674,452,759)	51,003,076	325,230,289	356,056,898

Description	2014					
	Effective yield/ interest	Total	Exposed to yield/ interest risk			
			Upto one month	One month to six months	Over six months to one year	Over one year to five years
		------(PKR)-----				
Assets						
Balances with other banks/MFBs	8-10	538,046,669	256,046,669	282,000,000	-	-
Investments - net of provisions	9.5-12	190,767,143	-	-	141,065,121	49,702,022
Advances - net of provisions	19-41	766,138,548	20,956,584	240,633,018	396,273,204	108,275,742
		1,494,952,360	277,003,253	522,633,018	537,338,325	157,977,764
Liabilities						
Deposits	7-14.5	1,193,506,624	506,752,371	73,160,000	569,034,253	44,560,000
		301,445,736	(229,749,118)	449,473,018	(31,695,928)	113,417,764

29.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Bank's credit risk is primarily attributable to its advances, balances at banks and investments. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Bank has an effective loan disbursement and recovery monitoring system which allows it to evaluate borrowers' credit worthiness and identify potential problem loans. A provision for loan losses is maintained as required by the Prudential Regulations. Investments are mainly in the government security or other securities having good credit rating. Maximum amount of financial assets which are subject to credit risk amount to Rupees 4,604,53 million (2014: 1,494,352 million).

29.3 Liquidity risk

Liquidity risk is the risk that the Bank will not be able to raise funds to meet its commitments. At present the bank is not exposed to this risk as there is sufficient cash placed with various commercial banks at the year end.

APNA MICROFINANCE BANK LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 December 2015

29.4 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair value.

30. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Investment In Government Securities	Retail Banking	Micro Finance Banking	Total
	(PKR)			
Year ended 31 December 2015				
Total income	13,549,443	137,799,411	397,001,324	548,350,178
Total expenses	-	275,393,700	302,172,168	577,565,868
Net income/(loss)	13,549,443	(137,594,289)	94,829,156	(29,215,690)
Year ended 31 December 2015				
Segment assets (gross)	53,529,374	1,996,519,461	3,620,429,985	5,670,478,820
Segment non performing loans	-	-	119,238,155	119,238,155
Segment provision required	-	-	65,993,308	65,993,308
Segment liabilities	-	4,582,969,786	32,486,094	4,615,455,880
Year ended 31 December 2014				
Total income	21,957,118	71,026,096	185,916,699	278,899,913
Total expenses	-	120,380,119	152,371,935	272,752,054
Net income/(loss)	21,957,118	(49,354,023)	33,544,764	6,147,859
Year ended 31 December 2014				
Segment assets (gross)	141,374,887	596,478,759	1,053,035,510	1,790,889,156
Segment non - performing loans	-	-	101,396,356	101,396,356
Segment provision required	-	-	32,534,542	32,534,542
Segment liabilities	-	1,212,599,931	3,745,725	1,216,345,656

APNA MICROFINANCE BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

31. TRANSACTION AND BALANCES WITH RELATED PARTIES

Related parties of the Bank comprise group companies, staff retirement benefits fund, key management personnel and major shareholders of the bank. The details of transactions and balances with related parties other than those disclosed elsewhere in these financial statements are as under:

	2015 PKR	2014 PKR
Balances at year end:		
Associated company:		
Deposits	5,775,402	1,872,288
Key management personnel:		
Deposits	6,337,559	3,368,434
From directors/ sponsors:		
Deposits	595,074	1,983,753
Transactions during the year:		
Associated company:		
Deposits received	388,519,865	283,634,948
Withdrawals	384,616,750	283,538,740
Insurance premium	445,166	1,822,688
Other related parties		
Contribution to Staff Provident Fund	1,495,643	354,776
Key management personnel:		
Deposits		
Deposits received	54,642,043	57,218,080
Withdrawals	52,267,946	56,604,756
Mark-up on deposit paid	493,762	303,235
From Directors/Sponsors:		
Deposits received	335,786,548	117,653,199
Share deposit money received	338,513,710	67,993,790
Share deposit money repaid	338,513,710	70,993,790
Withdrawals	237,068,934	129,245,096
Mark-up paid on deposits	3,248,844	-

32. PROVIDENT FUND RELATED DISCLOSURE

The following information is based on audited financial statements of the provident fund for the year ended 31 December 2014 and unaudited financial statements for the year ended 31 December 2015.

	2015 PKR Un-Audited	2014 PKR Audited
Size of the funds- Total assets	5,978,530	4,121,611
Cost of investments	2,538,210	3,543,496
Percentage of investments made	42.46 %	85.97 %
Fair value of investments	2,538,210	3,543,496

APNA MICROFINANCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

32.1 The break-up cost of investments is as follows:

	2015 Percentage	2014 Percentage	2015 PKR	2014 PKR
Deposits	100.00%	100.00%	2,538,210	3,543,496
	100.00%	100.00%	2,538,210	3,543,496

32.2 The above investment / placement of funds has been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

33. RECLASSIFICATION

Corresponding figures have been reclassified / re-arranged, wherever necessary for better presentation, the impact of reclassification is as under:

Particulars	Note	From	To	Amount PKR
Cash and balance with SBP and NBP and balances with other banks / MFBs	7&8	Balances with other banks/ MFBs	Cash and balances with SBP and NBP	9,794,852

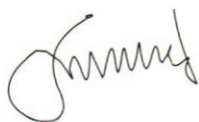
34. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were approved and authorized for issue on March 04, 2016 by the Board of Directors of the Bank.

35. GENERAL

35.1 Where there are no balances or amounts to be disclosed in the account captions as prescribed by BSD Circular No. 11 dated December 30, 2003 issued by the State Bank of Pakistan, format of financial statements for Microfinance Banks/ Institutions, these captions have not been reproduced in these financial statements except for in the balance sheet and profit and loss account.

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



President & Chief Executive Officer



Chairman



Director



Director

NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING For the year ended 31 December 2015

Notice is hereby given that the Thirteen Annual General Meeting of Apna Microfinance Bank Limited is scheduled to be held on Tuesday, April 5, 2016 at 12:30 p.m. at its Institute of Chartered Accountants, Chartered Accountants Avenue, Clifton, Karachi to transact the following business:

AGENDA

1. To read and confirm the minutes of the Annual General Meeting held on March 30, 2015.
2. To receive, consider and adopt the Annual Audited Financial Statements for the year ended December 31, 2015 together with Directors' and Auditors' Reports thereon.
3. To review, consider and appoint Avais Hyder Liaquat Nauman, Chartered Accountants as auditors of the bank for the year ending December 31, 2016 as proposed by the Board of Directors and to fix their remuneration.
5. To transact any other business with the permission of the chair.

March 16, 2016
Karachi

By Order of the Board



Rafat Abbas
Company Secretary

NOTES:

1. A member of the Bank entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must receive by the Bank not less than 48 hours before the meeting.
Central Depository Company of Pakistan Limited (CDC) account holders will further have the following under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.
 - A) For Attending Meeting:
 - i) In the case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original National Identity Card (CNIC) or original Passport at the time of attending the meeting.
 - ii) In the case of Corporate Entity, the Board of Directors' Resolution/ Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
 - B) For Appointing Proxies:
 - i) In the case of individuals, the account holder or sub-account holder and /or the person whose securities are in-group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.

NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING For the year ended 31 December 2015

- ii) Two persons whose names, addresses and CNIC numbers shall be mentioned on the form shall witness the proxy.
- iii) Attested copies of CNIC or the passport of the beneficial owners and proxy shall be furnished with the Proxy Form.
- iv) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.

FORM OF PROXY

I/ We _____ of _____ a member/ members of the company/ merged companies, do hereby appoint Mr./ Ms. _____ of _____ a member of the company, or failing him/ her Mr./ Ms. _____ of _____ who is also a member of the company, as my/ our proxy to attend, speak and vote for me/ us and on my/ our behalf at the **Annual General Meeting** of the bank to be held on _____ 2016 at _____ a.m/ p.m. at Institute of Chartered Accountant of Pakistan, Chartered Accountants Avenue, Clifton, Karachi and at any adjournment thereof.

Signed this _____ day of _____ 2016.

Witness: (1)

Signature _____

Name _____

Address _____

CNIC _____

Witness: (2)

Signature _____

Name _____

Address _____

CNIC _____

Please affix
Revenue
Stamp

Signature: _____

(The signature should agree with the Specimen Registered with the Company)

Folio No. _____

CDC A/c No. _____

No. of shares held _____

Distinctive Numbers _____

IMPORTANT:

1. The proxy Form must be deposited at the registrar office of the company, Technology Trade (Pvt.) Ltd, Dagia House, 241-C, Block-2, P.E.C.H.S. off. Shahrah-e-Quaideen, Karachi, as soon as possible but not later than 48 hours before the time of holding the meeting and default Proxy form will not be treated as valid.
2. No person shall act as proxy unless he/ she is a member of the company except a corporation being a member may appoint as its proxy any officer of such corporation whether a member of the company or not.
3. The proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
4. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
5. The proxy shall produce his/ her original CNIC or original passport and bring Folio number at the time of the meeting.
6. In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature shall be submitted along with proxy form to the Company (if not provided earlier).

The Company Secretary
APNA MICROFINANCE BANK LIMITED
K-4/3 & 4/4,
Ch. Khaliq-uz-Zaman Road,
Gizri, Karachi-Pakistan



Stamp
Affix Revenue



خوابوں سے خوشحالی تک

قومی سطح پر بینکاری کا آغاز

اپنا بینک! پاکستان کا سب سے تیزی سے پھیلتا ہوا بینک
اپنا پیسہ اپنا بینک ایک ایسی کاروباری سہولت جو دے اپنا بینک آسان اکاؤنٹ
ہولڈر کو سنہری موقع اپنے کاروبار کی وسعت اور خاندان کی خوشحالی کا

مارک اپ سب سے کم

جان و مال اور کاروبار کی انشورنس

مختصر کاغذی کارروائی

قرض کا حصول انتہائی آسان

غیر مالک کاشتکار کے لیے اپنا ٹریکٹر

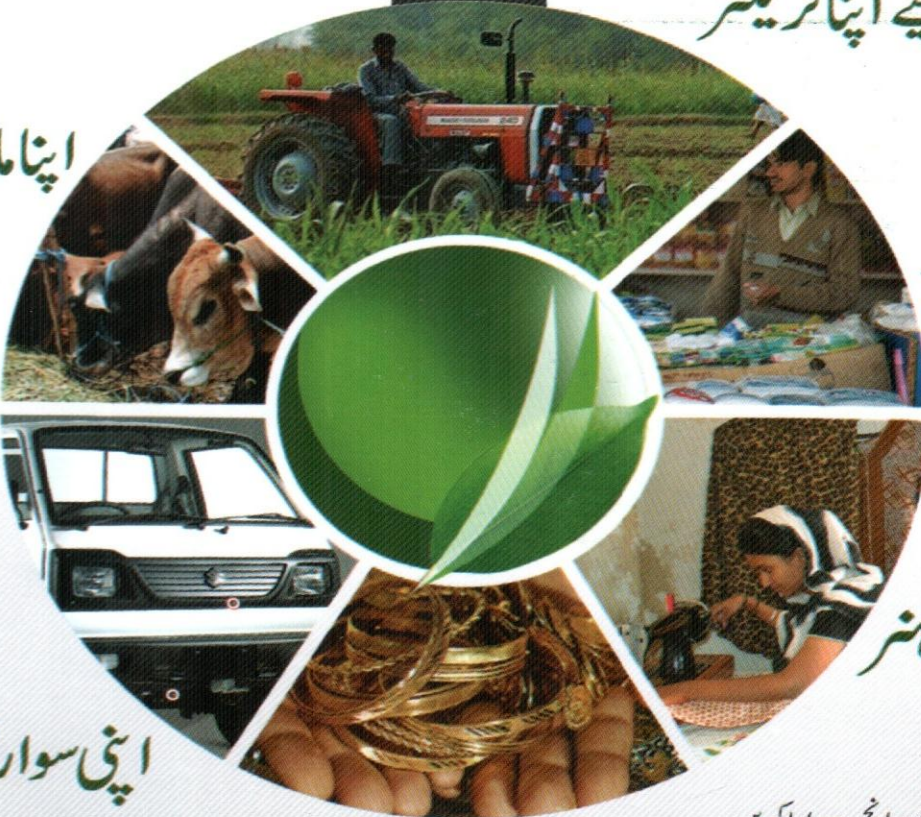
کامیابی کی چابی

ماہانہ منافع 11% تا 13%

پیشگی منافع 11,425

ہر ایک لاکھ پر*

اپنا مال



اپنا کاروبار

اپنا ہنر

اپنی سواری

اپنا گولڈ لون

مزید تفصیلات کے لیے اپنا بینک کی کسی بھی قریبی برانچ سے رابطہ کریں

HEAD OFFICE

23-A, Sundar Das Road, Zaman Park, Lahore

Ph: 042-36305314-15, Fax: 042-36306730

Email: info@apnabank.com.pk

www.apnabank.com.pk



Micro Finance
apna bank
Limited

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