



Micro Finance  
**apna bank**  
Limited

Un-Audited Interim Condensed  
**Financial Statements**  
FOR THE HALF YEAR ENDED JUNE 30, 2019

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Muhammad Akram Shahid

*Chairman*

Mr. Muhammad Azam Cheema

*Director*

Mr. Imad Mohammad Tahir

*Director*

Mr. Muhammad Saleem Shaikh

*Director*

Syed Rahat Ali Shah

*Director*

Mr. Muhammad Asghar

*Director*

Mr. Imam Bukhsh Baloch

*Director*

**Note:** The fresh elections of the directors were held on June 18, 2019. However after the completion of clearance process from the State Bank of Pakistan (SBP), the new Board and committees will be formed.

## PRESIDENT / CHIEF EXECUTIVE

Mr. Muhammad Gulistan Malik

## COMPANY SECRETARY

Mr. Rafat Abbas

## CHIEF FINANCIAL OFFICER

Mr. Ali Murtza

## BOARD COMMITTEES

### AUDIT COMMITTEE

#### Composition

Mr. Imam Bukhsh Baloch

*Chairman*

Mr. Muhammad Asghar

*Member*

Mr. Imad Mohammad Tahir

*Member*

Mr. Muhammad Saleem Shaikh

*Member*

Syed Rahat Ali Shah

*Member*

### EXECUTIVE COMMITTEE

#### Composition

Mr. Muhammad Akram Shahid

*Chairman*

Mr. Muhammad Asghar

*Member*

Syed Rahat Ali Shah

*Member*

Mr. Muhammad Azam Cheema

*Member*

### HUMAN RESOURCE & REMUNERATION COMMITTEE

#### Composition

Mr. Imam Bukhsh Baloch

*Chairman*

Mr. Muhammad Akram Shahid

*Member*

Mr. Imad Mohammad Tahir

*Member*

Syed Rahat Ali Shah

*Member*

Mr. Muhammad Saleem Shaikh

*Member*

## **RISK MANAGEMENT & COMPLIANCE COMMITTEE**

### **Composition**

**Mr. Muhammad Asghar**

*Chairman*

**Mr. Muhammad Akram Shahid**

*Member*

**Mr. Muhammad Azam Cheema**

*Member*

**Syed Rahat Ali Shah**

*Member*

**Mr. Imam Bukhsh Baloch**

*Member*

## **MONITORING COMMITTEE**

### **Composition**

**Mr. Muhammad Asghar**

*Chairman*

**Mr. Muhammad Azam Cheema**

*Member*

**Mr. Muhammad Saleem Shaikh**

*Member*

**Syed Rahat Ali Shah**

*Member*

**Mr. Imam Bukhsh Baloch**

*Member*

## **AUDITORS**

**Ilyas Saeed & Co.**

*Chartered Accountants*

## **TAX / LEGAL ADVISOR**

**RAMDAYS**

*Advocates & Corporate Consultants Lahore*

## **BANKERS**

Khushali Microfinance Bank Limited

Sindh Bank Limited

First Microfinance Bank Limited

Bank Al-Habib Limited

Bank Al-Falah Limited

Summit Bank Limited

Zarai Taraqiati Bank Limited

JS Bank Limited

Silk Bank Limited

Allied Bank Limited

Dubai Islamic Bank Limited

Soneri Bank Limited

SME Bank Limited

Telenor Microfinance Bank Limited

FINCA Microfinance Bank Limited

NRSP Microfinance Bank Limited

United Bank Limited

National Bank of Pakistan Limited

The Bank of Punjab Limited

U Microfinance Bank Limited

Mobilink Microfinance Bank Limited

## **REGISTERED OFFICE**

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

PABX Tel: +92 21 35865352-55

Fax: +92 21 35865017

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

## **HEADOFFICE**

23-A, Sundar Das Road, Zaman Park,  
Lahore. Tel: +92 42 36306730

UAN: +92 42 111-771-772

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

## **SHARE REGISTRAR**

F.D. Registrar Services (SMC-Pvt.) Ltd.

Office No. 1705, 17<sup>th</sup> Floor, Saima Trade

Tower-A, I.I. Chundrigar Road, Karachi.

Phone: 021-32271905 & 32271906

Fax: 021-3261233

Email: [fdregistrar@yahoo.com](mailto:fdregistrar@yahoo.com)



## DIRECTORS' REPORT TO THE MEMBERS

The Directors of the Apna Microfinance Bank Limited (hereinafter referred to as 'the Bank') are pleased to present the Un-audited Condensed Interim Financial Information of the Bank for the half year ended June 30, 2019.

### Principal Activity, Developments and Financial Performance

The Bank was incorporated as a public limited bank and its shares are listed on Pakistan Stock Exchange Limited. The Bank's principal business is to provide microfinance banking and related services to the poor and underserved segment of the society with a view to alleviate poverty under the Microfinance Institutions Ordinance, 2001. The financial performance of the Bank during the half year ended June 30, 2019 is as follows;

Particular	June 30, 2019	December 31, 2018	%
	Un-audited	Audited	Change
Advances net of provision	9,323,959,402	9,165,740,059	2%
Deposits and other accounts	16,817,664,494	15,866,330,742	6%
	June 30, 2019	June 30, 2018	%
	Un-audited	Un-audited	Change
Mark-up/return/interest earned	1,379,348,554	938,841,705	47%
Mark-up/return/interest expenses	(531,410,812)	(357,156,255)	49%
Administrative expenses	(891,969,024)	(763,294,421)	17%
Profit after taxation	40,872,538	32,369,747	26%

The Bank posted a profit after tax in the current period amounting to PKR 40.87 million as compared to a profit of PKR 32.37 million in corresponding period. The equity (net of losses) of the Bank stood at PKR 1,069.31 million and the total assets have grown to PKR 18,744.52 million from PKR 17,623.05 million as at December 31, 2018, the earnings per share for the period ended June 30, 2019 is PKR 0.119 as compared to earnings per share of PKR 0.01 in the corresponding period.

During the first half of year 2019, the Bank has made lending of approx. PKR 2.294 billion to approx. 25,822 new customers. The Bank recorded the additional provision expense of PKR 107 million against the portfolio of 10.3 billion in current period. Whereas, the provision of PKR 20 million was recorded against the portfolio of Rs. 8.6 billion in corresponding period. The expense of the bank increased due to current prevailing economic conditions such as inflations and higher cost of living which has impacted the borrowers earnings to greater extent from whom the recoveries of loans getting delayed and falling into classification categories. However, the management have devised and implemented new strategies to control the provision of the Bank's loan portfolio.

Owing to the prevailing current market condition and increasing policy rates and need for the funds, the microfinance sector has to offer high rates to its depositors as compared to commercial banks, consequently the cost of deposits of the microfinance banks is comparatively higher than the commercial banks. To counter this inherent business limitation, the management of the Bank has formulated and implemented a strategic plan regarding its products. It includes attracting low cost deposits with the focus on restructuring of the Bank's deposit mix (CASA) to maintain the mark-up/interest expense within acceptable limits.

## Future Outlook

We will continue to implement various strategies to cater ongoing worse economic scenarios and will strive for betterment in order to stay in competition in microfinance industry.

In order to provide a platform to cater for the unbanked population, the Bank has prepared to establish digital banking (internet banking and mobile banking) to increase its outreach, which is expected to be launched in near future. This defined our vision to build a technology powerhouse to cater to the needs of the payments industry and enhance the businesses of the Bank.

The Bank's Capital Adequacy Ratio (CAR), as also referred in Note no 1.2 to the condensed interim financial statements for the half year ended June 30, 2019, is not in compliance with the requirements of Prudential Regulation for MFB's. However, the sponsors are committed to filling the CAR shortage soon.

## Credit Rating

During the year 2018, the Pakistan Credit Rating Agency (Pvt.) Ltd. (PACRA) upgraded the long-term rating of the Bank to "BBB+" (Triple B plus) from BBB (Triple B) while maintaining the short-term rating at "A3" (A Three) with a "Stable" future outlook.

## Material Changes:

Following are the material changes since December 31st, 2018 to current balance sheet date. I.e. June 30th, 2019

- I. The Bank has completed its right issue process and issued the 93,984,962 right shares to its directors/sponsors and general members.
- II. Mr. Qamar uz Zaman, the director of the Bank has resigned from the Board in February 2019.
- III. The elections of the directors were held on June 18, 2019, however, clearance from the state bank of Pakistan is in process which will form the new Board and their committees.

## Acknowledgement

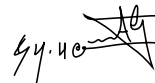
The Board would like to record their appreciation for the efforts and devotion of all the Bank's employees and hope they will continue their contribution towards the enhancement of productivity and well-being of the Bank in the future as well.

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

For and on behalf of Board of Directors,  
The Apna Microfinance Bank Limited.



**Muhammad Gulistan Malik**  
President/CEO  
Date: August 27, 2019  
Lahore



**Syed Rahat Ali Shah**  
Director

بینک کی CAR مائیکرو فنانس کے پروڈیٹس ریلیشنز کے مطابق نہیں ہے جیسا کہ 30 جون 2019ء کی مالیاتی رپورٹ کے نوٹ نمبر 1.2 میں بھی بیان کیا ہے۔ تاہم اسپانسرز CAR کی کمی کو جلد پورا کرنے کے لئے پُر عزم ہے۔

#### کریڈٹ رینٹنگ:

دوران سال 2018 میں پاکستان کریڈٹ رینٹنگ ایجنسی پرائیویٹ لمیٹڈ (PACRA) نے بینک کے مستقبل کے لائحہ عمل کے تناظر میں بینک کی لاگت ٹرم رینٹنگ ٹریل پی (BBB) سے بڑھا کر ٹریل پی پلس (BBB+) کر دی اور شارٹ ٹرم رینٹنگ اے قری (A3) کو برقرار رکھا۔

#### اہم تبدیلیاں:

31 دسمبر 2018 سے 30 جون 2019 کی موجودہ بیلنس شیٹ کی تاریخ تک مندرجہ ذیل اہم تبدیلیاں رونما ہوئی۔

- بینک نے رائٹ حصص کے حصول کا عمل مکمل کیا اور اپنے ڈائریکٹرز اسپانسرز اور عام اراکین کو 93,984,962 رائٹ حصص جاری کئے۔

- بینک کے ڈائریکٹر جناب قمر زمان نے بینک کے بورڈ سے فروری 2019 میں استعفیٰ دیدیا۔

- ڈائریکٹرز کے انتخابات 18 جون 2019 کو ہوئے، تاہم سٹیٹ بینک آف پاکستان کی طرف سے منظوری دوران عمل ہے، جس کے بعد نیا بورڈ اور ان کی کمیٹیوں کی تشکیل ہوگی۔

#### اعترافات:

بینک کے ڈائریکٹر قمر زمان زمین کی کوششوں اور لگن کو سراہتے ہیں اور امید کرتے ہیں کہ وہ بینک کی ترقی میں اضافہ اور بینک کی بھلائی کی خاطر مستقبل میں بھی اپنی کوششوں کو جاری رکھیں گے۔

ہم سٹیٹ بینک آف پاکستان، سکیورٹیز اینڈ ایکسچینج آف پاکستان اور پاکستان سٹاک ایکسچینج کو ان کی مستقل رہنمائی اور تعاون کے لئے اظہار تشکر پیش کرتے ہیں۔

منجانب: بورڈ آف ڈائریکٹرز

اپنا مائیکرو فنانس بینک لمیٹڈ

44.11.19

سید راحت علی شاہ

ڈائریکٹر

محمد گلستان ملک

صدر اسی۔ ای۔ او

تاریخ: 27 اگست 2019  
لاہور

## ممبران کے لئے ڈائریکٹرز رپورٹ

انجمنائیکرو فنانس بینک کے ڈائریکٹرز انتہائی مسرت کے ساتھ بینک کی 30 جون 2019 کو ختم ہونے والے مالیاتی مدت کی غیر آڈٹ شدہ مختصر عبوری مالیاتی رپورٹ پیش کر رہے ہیں۔

### پرنسپل سرگرمی، ترقی اور مالی کارکردگی:

بینک ایک پبلک لیٹڈ بینک کے طور پر بنا اور اس کے حصص پاکستان عٹاک انچیف پر درج ہیں۔ بینک کا اہم کاروبار مائیکرو فنانس انسٹی ٹیوشن آرڈیننس 2001ء کے تحت غربت کو کم کرنے کے نظریے سے معاشرے کے غریب اور پسماندہ طبقے کو مائیکرو فنانس سے متعلق خدمات مہیا کرنا ہے۔ ششماہی 30 جون 2019ء کے دوران بینک کی مالیاتی کارکردگی مندرجہ ذیل ہے۔

کوائف	30 جون 2019	31 دسمبر 2018	% تبدیلی
	ان آڈٹڈ	آڈٹڈ	
	(پاکستانی روپے)	(پاکستانی روپے)	
فرام کی گئیاں ایلڈ انس (پروڈن کے بعد)	9,323,959,402	9,165,740,059	2%
ڈپازٹس اور دیگر اکاؤنٹس	16,817,664,494	15,866,330,742	6%
کوائف	30 جون 2019	30 جون 2018	% تبدیلی
	ان آڈٹڈ	ان آڈٹڈ	
	(پاکستانی روپے)	(پاکستانی روپے)	
مارک اپ آمدنی	1,379,348,554	938,841,705	47%
مارک اپ خرچ	(531,410,812)	(357,156,255)	49%
انتظامی اخراجات	(891,969,024)	(763,294,421)	17%
منافع بعد از ٹیکس ادائیگی	40,872,538	32,369,747	26%

بینک نے ٹیکس کے بعد رواں مدت میں 40.87 ملین (پاکستانی روپے) کا منافع ظاہر کیا ہے۔ جبکہ گزشتہ برس اسی مدت میں 32.37 ملین (پاکستان روپے) کا منافع تھا۔ بینک کی کل ایکویٹی بعد از نقصانات 1,069.31 ملین (پاکستان روپے) ہے جبکہ 30 جون 2019 کو بینک کے کل اثاثہ جات 17,623.05 ملین پاکستانی روپے سے بڑھ کر 18,744.52 ملین پاکستانی روپے ہو گئے ہیں۔ 30 جون 2019 کو فی حصص منافع کی شرح 0.119 روپے ہے جبکہ گزشتہ برس اسی مدت میں یہی شرح 0.01 روپے تھی۔

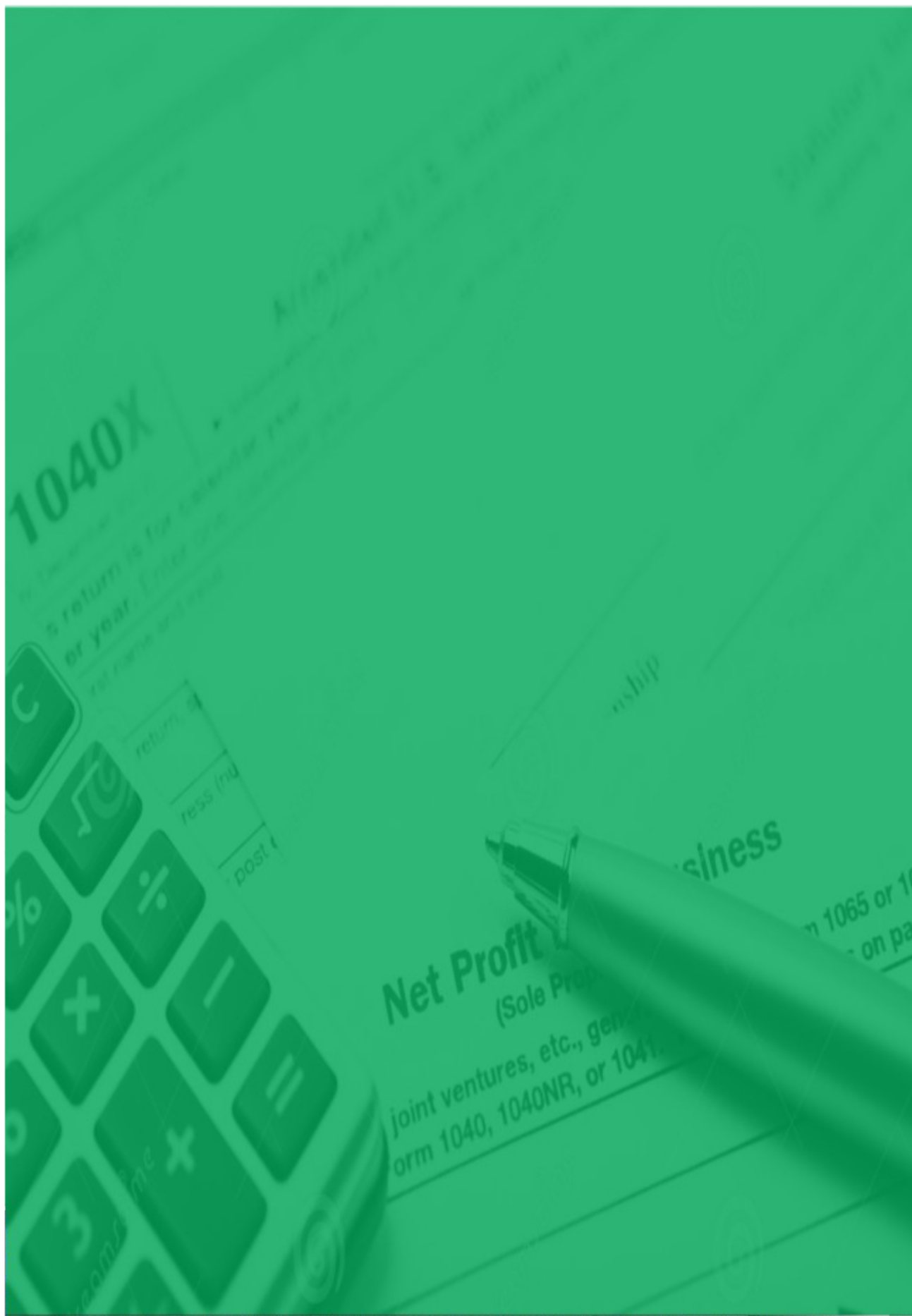
سال 2019 کی پہلی ششماہی کے دوران بینک نے 25,822 نئے سسٹمز کو تقریباً 2.294 ارب کے قرضے دیئے۔ بینک نے رواں مدت میں 10.3 ارب کے کریڈٹ پورٹ فولیو پر 107 ملین پاکستانی روپے کی اضافی پروویژن چارج کی۔ جبکہ گزشتہ برس اسی مدت میں 20 ملین پاکستانی روپے کی پروویژن 8.6 ارب کے کریڈٹ پورٹ فولیو پر چارج کی گئی تھی۔ بینک کے اخراجات بڑھنے کی ایک بڑی وجہ موجودہ ملکی معاشی حالات اور مہنگائی ہے جس نے قرض لینے والوں کی آمدنی کو کافی حد تک متاثر کیا ہے جس سے قرضوں کی وصولی میں تاخیر ہوئی ہے اور NPL میں قرضے چارٹر شروع ہو گئے۔ تاہم انتظامیہ نے بینک کے کریڈٹ پورٹ فولیو کی پروویژن کو کم کرنے کے لئے نئی حکمت عملی وضع کیا۔

موجودہ مارکیٹ کے حالات اور بڑھتی ہوئی پالیسی ریٹ اور سرمائے کی ضرورت کی وجہ سے کمرشل بینک کے مقابلے میں مائیکرو فنانس بینک کو اپنے صارفین کو بہت زیادہ شرح منافع فراہم کرنا پڑ رہا ہے، نتیجے میں مائیکرو فنانس کا سودی خرچ کمرشل بینک سے نسبتاً زیادہ ہے۔ اس بنیاد پر تقابلاً پانے کے لئے انتظامیہ نے اپنی پراڈکٹ کے لئے حکمت عملی وضع کی اور اس کو نافذ کیا ہے، جس میں کم خرچے والے ڈیپازٹس کو متعارف کرانا ہے اور ڈیپازٹس کے مرکب کی تبدیلی پر اہم توجہ دینا ہے، جس کے نتیجے میں بینک کے کرنف اور سیویگ ڈیپازٹس (CASA) کا تناسب بڑھے گا، جو مارک اپ کے خرچے کو قابل قبول حد تک برقرار رکھنے میں مدد کرے گا۔

### مستقبل کا لائحہ عمل:

ہم بدترین معاشی حالات سے مقابلہ کرنے کے لیے مختلف حکمت عملی پر عمل درآمد جاری رکھیں گے اور مائیکرو فنانس صنعت میں مسابقت میں رہنے کے لیے بہتری کی کوشش کرے گے۔

ان آبادیوں میں جہاں بینک کی رسائی نہیں ہے، بینک نے ڈیجیٹل بینکنگ (انٹرنیٹ بینکنگ اور موبائل بینکنگ) کے قیام کو ارادہ کیا ہے جس کا آغاز مستقبل قریب میں کر دیا جائے گا۔ یہ ہمارے ٹیکنالوجی گڑھ بنانے کے نقطہ نظر کو بیان کرتا ہے اس سے صنعتی ادائیگی اور بینک کے کاروبار کو بڑھانے کی ضروریات کو پورا کرنے میں مدد ملے گی۔



# FINANCIAL STATEMENTS

APNA MICRO FINANCE BANK LIMITED



## **INDEPENDENT AUDITORS' REVIEW REPORT**

**To the members of Apna Microfinance Bank Limited**

**Report on review of Interim Financial Statements**

### **Introduction**

We have reviewed the accompanying condensed interim balance sheet of **APNA MICROFINANCE BANK LIMITED** ("the Bank") as at June 30, 2019 and the related condensed interim profit and loss account and condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim cash flow statement, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis of Qualified Conclusion**

As disclosed in note 1.1.1 to the condensed interim financial statements, the Bank's lending operations were suspended by the State Bank of Pakistan (SBP) in November, 2016. Till then the Bank's information system had not been classifying micro-credits (Running Finance) cases as non performing advances, making any provision and suspending related income. Subsequently, the Bank was allowed to resume the lending operations from June 2017. During the year 2018, the Bank claims to have completed the tagging of old running finance portfolio pertaining to the period prior to November, 2016, by manual input. We have found the tagging both incomplete and subjective. We are, therefore, unable to verify the non performing advances as per note 1.1.1 out of running finance portfolio built before November 2016. Further, we are unable to determine the quantum of non-performing advances, related provision and suspended income in accordance with the requirements of Prudential Regulations due to incomplete information / details generated from the Bank's information system.

### **Qualified Conclusion**

Based on our review, with the exception of the matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

**Emphasis of matter**

We draw attention to note 1.2 of the accompanying condensed interim financial statements which mentions that the Bank has not complied with certain applicable regulatory requirements as detailed in the said note. Our opinion is not qualified in respect of this matter.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Ilyas**.



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**ILYAS SAEED & CO.***Chartered Accountants*

LAHORE

Date: August 27, 2019

**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT JUNE 30, 2019**

	Note	June 30, 2019	December 31, 2018
		Rupees	Rupees
		Un-audited	Audited
<b>ASSETS</b>			
Cash and Balances with SBP and NBP	6	1,364,723,487	1,585,615,708
Balances With Other Banks/NBFIs/MFBs	7	3,980,223,133	2,910,830,798
Lending to financial Institutions		-	-
Investments - Net Of Provisions	8	889,967,648	884,469,380
Advances - Net Of Provisions	9	9,323,959,402	9,165,740,059
Operating Fixed Assets		904,343,990	857,383,100
Other Assets	10	1,812,632,025	1,730,824,450
Deferred Tax Asset		468,666,989	488,183,434
<b>Total Assets</b>		<b>18,744,516,674</b>	<b>17,623,046,929</b>
<b>LIABILITIES</b>			
Deposits and other accounts	11	16,817,664,494	15,866,330,742
Borrowings	12	8,014,355	9,369,059
Subordinated Debt		-	-
Other Liabilities		305,819,834	273,601,040
Deferred Tax Liabilities		-	-
<b>Total Liabilities</b>		<b>17,131,498,683</b>	<b>16,149,300,841</b>
<b>NET ASSETS</b>		<b>1,613,017,991</b>	<b>1,473,746,088</b>
<b>REPRESENTED BY:</b>			
Share capital	13	3,439,849,620	2,500,000,000
Discount on issue of shares		(1,335,963,831)	(950,000,000)
Share deposit money		446,210,175	900,078,363
Statutory reserve		11,931,873	11,931,873
Depositors' protection fund		2,982,969	2,982,969
Unappropriated Profit/(loss)		(955,701,531)	(996,574,069)
		<b>1,609,309,275</b>	<b>1,468,419,136</b>
Surplus/(Deficit) on Revaluation of Assets		-	-
Deferred Grants		3,708,716	5,326,952
<b>Total Capital</b>		<b>1,613,017,991</b>	<b>1,473,746,088</b>
<b>MEMORANDUM / OFF- BALANCE SHEET ITEMS</b>	14	-	-

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

  
President /CEO

  
Chief Financial Officer

  
Chairman

  
Director

  
Director

**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2019**

Note	Half Year Ended		Quarter Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)	Rupees (Un-Audited)
Mark-up/Return/Interest Earned	15 1,379,348,554	938,841,705	731,956,964	506,046,967
Mark-up/Return/Interest Expensed	(531,410,812)	(357,156,255)	(288,525,153)	(194,770,845)
Net mark-up/Interest Income	847,937,742	581,685,450	443,431,811	311,276,122
Provision against non-performing loans and advances	9.4 18,527,735	76,961,816	7,906,881	74,340,386
Provision for diminution in the value of investments	-	-	-	-
Recovery against bad debts written off	520,319	207,716	129,554	119,608
Bad debts written off directly	-	-	-	-
	19,048,054	77,169,532	8,036,435	74,459,994
Net mark-up/Interest Income / (loss) after provisions	866,985,796	658,854,982	451,468,246	385,736,116
<b>NON MARK-UP/NON INTEREST INCOME</b>				
Fee, Commission and Brokerage Income	64,287,992	98,664,953	31,643,192	46,305,012
Dividend Income	-	-	-	-
Other Income	39,129,676	52,020,117	15,581,278	34,422,916
Total non mark-up/non interest Income	103,417,668	150,685,070	47,224,470	80,727,928
	970,403,464	809,540,052	498,692,716	466,464,044
<b>NON MARK-UP/NON INTEREST EXPENSES</b>				
Administrative expenses	(891,969,024)	(763,294,421)	(464,869,647)	(444,276,640)
Other provisions/write offs/adjustment	-	-	-	-
Other charges	-	-	-	-
Total non mark-up/non interest expenses	(891,969,024)	(763,294,421)	(464,869,647)	(444,276,640)
	78,434,440	46,245,631	33,823,069	22,187,404
Extra ordinary/unusual items	-	-	-	-
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	78,434,440	46,245,631	33,823,069	22,187,404
Taxation				
- Current	(18,045,457)	(12,968,833)	(10,010,629)	(4,439,005)
- Prior years	-	-	-	-
- Deferred	(19,516,445)	(907,051)	(12,395,642)	(907,051)
	(37,561,902)	(13,875,884)	(22,406,271)	(5,346,056)
<b>PROFIT/(LOSS) AFTER TAXATION</b>	40,872,538	32,369,747	11,416,798	16,841,348
Unappropriated Profit / (Loss) brought forward	(996,574,069)	(1,036,520,157)	(967,118,329)	(1,020,991,758)
Profit available for appropriation / (loss)	(955,701,531)	(1,004,150,410)	(955,701,531)	(1,004,150,410)
<b>APPROPRIATIONS:</b>				
Transfer to:				
Statutory Reserve	-	-	-	-
Capital Reserve	-	-	-	-
Contribution to MSDF/ DPF/ RMF	-	-	-	-
Revenue Reserve	-	-	-	-
Proposed Cash dividend Rs. Nil per share (2018: Rs. Nil per share)	-	-	-	-
Others	-	-	-	-
	-	-	-	-
<b>Unappropriated Profit / (Loss) carried forward</b>	(955,701,531)	(1,004,150,410)	(955,701,531)	(1,004,150,410)
<b>Earnings / (Loss) per share-Basic &amp; Diluted</b>	0.119	0.01	0.03	0.007

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

  
President /CEO

  
Chief Financial Officer

  
Chairman

  
Director

  
Director

APNA MICROFINANCE BANK LIMITED  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)**  
 FOR THE PERIOD ENDED JUNE 30, 2019

Note	Half Year Ended		Quarter Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	Rupees	Rupees	Rupees	Rupees
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
<b>PROFIT/(LOSS) AFTER TAXATION</b>	<b>40,872,538</b>	32,369,747	<b>11,416,798</b>	16,841,348
Other comprehensive income / (loss)				
Items that will not be reclassified to profit and loss account	-	-	-	-
Items that may subsequently be reclassified to profit and loss account	-	-	-	-
	-	-	-	-
<b>Comprehensive income/(loss) transferred to equity</b>	<b>40,872,538</b>	32,369,747	<b>11,416,798</b>	16,841,348
<b>Components of comprehensive (loss) not reflected in equity</b>				
Net change in fair value of available-for-sale investments	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>40,872,538</b>	32,369,747	<b>11,416,798</b>	16,841,348

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

  
 President /CEO

  
 Chief Financial Officer

  
 Chairman

  
 Director

  
 Director

**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)**  
**FOR THE PERIOD ENDED JUNE 30, 2019**

Note	June 30, 2019 Rupees	June 30, 2018 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	78,434,440	46,245,631
<b>Adjustments for non-cash charges</b>		
Depreciation	42,267,781	27,447,081
Amortization of intangibles	2,017,604	1,247,574
Amortization of deferred grants	(1,618,236)	(922,764)
Provision against non-performing advances	(18,527,735)	(76,961,816)
	24,139,414	(49,189,925)
<b>Operating cash flow before working capital changes</b>	102,573,854	(2,944,294)
<b>Changes in working capital</b>		
<b>(Increase)/Decrease in operating assets</b>		
Advances	(139,691,608)	(2,670,345,862)
Other assets	(99,853,032)	(35,419,116)
	(239,544,640)	(2,705,764,978)
<b>Increase / (Decrease) in operating liabilities</b>		
Deposits	951,333,752	1,997,369,048
Other Liabilities	32,218,794	112,002,609
	983,552,546	2,109,371,657
<b>CASH GENERATED FROM OPERATIONS</b>	846,581,760	(599,337,615)
Net cash flow from operating activities	846,581,760	(599,337,615)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in held to maturity securities	(5,498,268)	(72,782,491)
Investments in operating fixed assets	(91,246,275)	(30,199,911)
	(96,744,543)	(102,982,402)
Net cash flow from investing activities	(96,744,543)	(102,982,402)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share deposit money	100,017,601	-
Borrowings-net	(1,354,704)	(191,430,467)
	98,662,897	(191,430,467)
Net cash flow from financing activities	98,662,897	(191,430,467)
Increase / (Decrease) in cash and cash equivalents	848,500,114	(893,750,484)
<b>Cash and cash equivalents at the beginning of the period</b>	4,496,446,506	5,251,048,358
<b>Cash and cash equivalents at the end of the period</b>	5,344,946,620	4,357,297,874

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The annexed notes from 1 to 20 form an integral part of this condensed interim financial information.

  
President /CEO

  
Chief Financial Officer

  
Chairman

  
Director

  
Director



**APNA MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED JUNE 30, 2019**

16

	Share Capital		Discount On Issue Of Shares		Share Deposit Money		Statutory Reserve		Depositors' Protection Fund		Unappropriated Profit/(Loss)		Total	
	Rupees		Rupees		Rupees		Rupees		Rupees		Rupees		Rupees	
<b>Balance as at 31<sup>st</sup> December 2017 - Audited</b>	2,500,000,000		(950,000,000)		500,008,080		1,279,583		319,896		(1,036,520,157)		1,015,087,402	
<b>Comprehensive income / (loss) for the period</b>														
Profit / (Loss) after taxation	-		-		-		-		-		32,369,747		32,369,747	
Other comprehensive income / (loss)	-		-		-		-		-		-		-	
Total comprehensive income / (loss) for the period	-		-		-		-		-		32,369,747		32,369,747	
<b>Transactions with owners directly recorded in equity</b>														
Share deposit money received during the period	-		-		-		-		-		-		-	
	-		-		-		-		-		-		-	
<b>Balance as at June 30<sup>th</sup> 2018 (Un-audited)</b>	2,500,000,000		(950,000,000)		500,008,080		1,279,583		319,896		(1,004,150,410)		1,047,457,149	
<b>Comprehensive income / (loss) for the period</b>														
Profit / (Loss) after taxation	-		-		-		-		-		20,891,704		20,891,704	
Other comprehensive income / (loss)	-		-		-		10,652,290		-		(10,652,290)		-	
Transfer to statutory reserves	-		-		-		-		2,663,073		(2,663,073)		-	
Transfer to depositors protection fund	-		-		-		-		-		-		-	
Total comprehensive income / (loss) for the period	-		-		-		10,652,290		2,663,073		7,576,341		20,891,704	
<b>Transactions with owners directly recorded in equity</b>														
Share issued against share deposit money	-		-		-		-		-		-		-	
Share issued	-		-		400,070,283		-		-		-		400,070,283	
Share deposit money	-		-		400,070,283		-		-		-		400,070,283	
<b>Balance as at December 31<sup>st</sup> 2018 - Audited</b>	2,500,000,000		(950,000,000)		900,078,363		11,931,873		2,982,969		(996,574,069)		1,468,419,136	
<b>Comprehensive income / (loss) for the period</b>														
Profit / (Loss) after taxation	-		-		-		-		-		40,872,538		40,872,538	
Other comprehensive income / (loss)	-		-		-		-		-		-		-	
Total comprehensive income / (loss) for the period	-		-		-		-		-		40,872,538		40,872,538	
<b>Transactions with owners directly recorded in equity</b>														
Share deposit money received	-		-		100,017,601		-		-		-		100,017,601	
Share issued against share deposit money	939,849,620		(385,963,831)		(553,885,789)		-		-		-		385,963,831	
Discount on issue of share	-		-		-		-		-		-		(385,963,831)	
<b>Balance as at June 30, 2019 - Un-audited</b>	939,849,620		(385,963,831)		(453,868,188)		-		-		-		100,017,601	
	3,439,849,620		(1,335,963,831)		446,210,175		11,931,873		2,982,969		(955,701,531)		1,609,309,275	

The annexed notes from 1 to 20 form an integral part of this condensed interim financial information .

  
President /CEO

  
Chief Financial Officer

  
Chairman

  
Director

  
Director

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED JUNE 30, 2019**

**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 repealed Companies Ordinance, 1984 (now the Companies Act 2017). The Bank was granted certificate of commencement of business on December 28, 2004 and started its operations on 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 underserved segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. The Bank has been operating at national level in Pakistan. The Bank has 123 business locations comprising of 116 branches and 7 service centers (2018: 123 business locations comprising of 116 branches and 7 service centers) in operation. Its registered office is situated at K-4/3 and 4/4, Ch. Khaliq-uz-Zaman Road, Gizri, Karachi in the province of Sindh and its head office is situated at 23 - A, Sundar Das Road, Zaman Park, Lahore, in the province of Punjab.

**1.1.1** In consequence of an inspection by the State Bank of Pakistan (SBP), the lending operations of the Bank were suspended from November, 2016. Till then the Bank's information system had not been classifying micro-credits (Running Finance) cases as non performing advances, had not been making any provision and had not been suspending related income. Provisioning on said portfolio was determined manually on the basis of management's subjective assessment.

Subsequently, the Bank was allowed to resume the lending operations from June 2017. The Bank has built up fresh portfolio as from June, 2017, amounting to 7,618 million (2018: Rs 6,705 million) against which the related provision has been recorded and markup is suspended in accordance with the Prudential Regulations for Microfinance Banks. In year 2018, the Bank has completed the tagging of old running finance portfolio pertaining to the period prior to November, 2016, by manual input on the basis of available information in physical record.

Following the said suspension of operations, the bank faced enormous operational & financial difficulties and fell short of its regulatory requirements named as Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR). However, owing to managements and sponsors below given extraordinary efforts, commitments and dedications, the Bank overcame all of its financial and operational hurdles and emerged as a survivor in microfinance industry:

Subsequent to resumption of financing operations, the Bank built up a new credit portfolio. The portrait of growth in the fresh portfolio and recovery of the old portfolio is stated below:

Particulars	June 2019			2018		
	Term Finance	Running Finance	Total Portfolio	Term Finance	Running Finance	Total Portfolio
	-----Rupees in million-----					
<b>Loan portfolio built before Nov-2016</b>						
Micro credits	445	2,314	2,759	467	2,915	3,382
<b>Less: Provision held</b>						
- Specific	427	601	1,028	438	601	1,039
- General	-	95	95	-	100	100
- Insurance claims receivable against cases held in specific provision	(287)	(42)	(329)	(311)	(42)	(353)
	140	654	794	127	659	786
	<b>305</b>	<b>1,660</b>	<b>1,965</b>	<b>340</b>	<b>2,256</b>	<b>2,596</b>
<b>Loan portfolio built from June-2017</b>						
Micro credits	4,150	3,468	7,618	4,535	2,170	6,705
<b>Less: Provision held</b>						
- Specific	141	45	186	66	5	71
- General	40	33	73	45	20	65
	181	78	259	111	25	136
	<b>3,969</b>	<b>3,390</b>	<b>7,359</b>	<b>4,424</b>	<b>2,145</b>	<b>6,569</b>
<b>Advances - Net of provisions</b>	<b>4,274</b>	<b>5,050</b>	<b>9,324</b>	<b>4,764</b>	<b>4,401</b>	<b>9,165</b>

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED JUNE 30, 2019**

- 1.2** As at June 30, 2019 the Bank could not meet the regulatory requirements of "Prudential Regulations for Micro Finance Banks" issued by the State Bank of Pakistan (SBP), mentioned as under;

Regulation R-5 (C): Only those MFBs that are fully compliant with Minimum Capital Requirement (MCR) and Capital Adequacy Ratio (CAR) (equivalent to at least 15% of their risk weighted assets) shall be eligible to undertake microenterprise lending.

The Capital Adequacy Ratio of the Bank fell below the minimum ratio required as at June 30, 2019 and the Bank is hopeful of bringing its CAR upto the required limit in near future.

**2 BASIS OF PRESENTATION**

This condensed interim financial information is prepared in accordance with BSD Circular No. 11 dated 30 December 2003 issued by the State Bank of Pakistan (SBP) and IAS – 34 'Interim Financial Reporting' and hence do not include all the information required in the annual audited published financial statements. Accordingly, this condensed interim financial information should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2018.

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

**3 STATEMENT OF COMPLIANCE**

- 3.1** This condensed interim financial information of the Bank for the half year ended June 30, 2019 has been prepared in accordance with the requirements of the International Accounting Standard 34 – 'Interim Financial Reporting', provisions of the Companies Act, 2017, the Microfinance Institution Ordinance, 2001, the Prudential Regulations for Microfinance Banks/Institutions and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). In case where the requirements differ, the provisions of Companies Act, 2017, the Microfinance Institution Ordinance 2001, the Prudential Regulations of Microfinance Banks/Institutions or the requirements of the said directives have been followed.
- 3.2** SBP has deferred the applicability of International Accounting Standards (IAS) 39 'Financial Instruments Recognition and Measurement' and International Accounting Standards (IAS) 40 'Investment Property' for Banking Companies through BSD Circular No. 10 dated 26 August 2002. Further, the Securities and Exchange Commission of Pakistan (SECP) has deferred applicability of IFRS-7 "Financial Instruments: Disclosures" through its notification S.R.O 633(1) / 2014 dated 10th July 2014. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim financial information.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Bank for the year ended 31 December 2018.

**5 ACCOUNTING POLICIES AND COMPUTATION METHODS**

The accounting policies and the methods of computation adopted in preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited published financial statements for the year ended 31 December 2018.

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED JUNE 30, 2019**

**6 CASH AND BALANCES WITH SBP AND NBP**

Note	June 30, 2019	December 31, 2018
	Rupees	Rupees
	Un-audited	Audited
Cash in hand - local currency	538,835,477	440,164,743
Balance with State Bank of Pakistan	601,338,779	832,264,937
Balance with National Bank of Pakistan in current accounts	224,549,231	313,186,028
	<b>1,364,723,487</b>	<b>1,585,615,708</b>

**6.1** This represents balance maintained in current accounts with the State Bank of Pakistan (SBP) and National Bank of Pakistan (NBP) to meet the requirements of maintaining a minimum balance equivalent to not less than 5% of the Bank's time and demand liabilities in accordance with Regulation R-3 of the Prudential Regulations for MFBs issued by SBP.

**7 BALANCES WITH OTHER BANKS/NBFIs/MFBs**

Note	June 30, 2019	December 31, 2018
	Rupees	Rupees
	Un-audited	Audited
In Pakistan		
- In current accounts	41,675,388	127,165,114
- In deposit accounts	3,938,547,745	2,333,665,684
- Certificates of deposits	-	450,000,000
	<b>3,980,223,133</b>	<b>2,910,830,798</b>

**7.1** These carry mark-up rates ranging from 8.75% to 13.00% per annum (2018: 6.50% to 11.0% per annum).

**8 INVESTMENTS - NET OF PROVISIONS**

Note	June 30, 2019	December 31, 2018
	Rupees	Rupees
	Un-audited	Audited
<b>Held-to-maturity</b>		
B.R.R Guardian Modaraba - Term Finance Certificates (TFCs)	8.1	-
Term Finance Certificate (TFC's)	8.2	99,970,000
	99,970,000	101,241,370
Treasury Bills	8.3	789,997,648
	<b>889,967,648</b>	<b>884,469,380</b>

**8.1** This represents investment in 4000 units of diminishing Musharaka based Sukuk certificates issued by B.R.R Guardian Modaraba. This investment was rescheduled in the year 2016 with the repayments ending on 06<sup>th</sup> April 2019. It carries markup at the rate of 1 month KIBOR plus 1.5% per annum (2018: 1 month KIBOR plus 1.5% per annum).

**8.2** This represents investment in 20,000 units in TFC's issued by Silk Bank Limited. The investment will mature on August 10, 2025. It carries mark-up at the rate of 6 months KIBOR plus 1.85% per annum (2018: 6 months KIBOR plus 1.85% per annum)

**8.3** This represents T-Bills issued for periods of three months having maturities on August 1<sup>st</sup>, 2019 and 15<sup>th</sup> August 2019. These carry yield rates of 11.13% to 12.65% per annum (2018: 8.65% to 10.26% per annum). These securities have an aggregate face value of Rs. 800 million (2018: Rs. 790 million).

**9 ADVANCES - NET OF PROVISIONS**

Note	June 30, 2019		December 31, 2018	
	No. of Loans Outstanding	Rupees	No. of Loans Outstanding	Rupees
		Un-audited		Audited
Micro credits	9.1	113,398	102,659	10,087,136,105
Less: Provision held:				
- Specific	9.2	11,918	10,848	1,109,836,363
- General		1,214,029,337		164,558,748
		167,558,748		1,274,395,111
		1,381,588,085		(352,999,065)
Less: Insurance claims receivable against cases held in specific provision		(328,719,774)		
	9.3	1,052,868,311		921,396,046
Advances - Net Of Provisions		<b>9,323,959,402</b>		<b>9,165,740,059</b>

**9.1** All advances are secured by personal guarantees including gold loans amounting to Rs. 185.12 million (2018: Rs. 219.89 million).

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED JUNE 30, 2019**

**9.2 Particulars of non-performing advances**

Advances include Rs. 1,518 million (2018: Rs. 1,309 million) which have been placed under non performing status as detailed below:

Category of Classification	June 30, 2019			December 31, 2018		
	Principal Amount Outstanding	Provision Required	Provision Held	Principal Amount Outstanding	Provision Required	Provision Held
	----- Rupees -----			----- Rupees -----		
	----- Un-audited -----			----- Audited -----		
OAEM	108,888,447	-	-	98,397,446	-	-
Sub-standard	75,135,866	13,672,462	13,672,462	45,979,635	9,806,033	9,806,033
Doubtful	157,712,017	56,215,675	56,215,675	89,314,851	40,723,874	40,723,874
Loss	631,524,018	630,269,663	630,269,663	620,183,191	617,925,522	617,925,522
Written off	545,067,988	513,871,537	513,871,537	455,138,742	441,380,934	441,380,934
	<u>1,518,328,336</u>	<u>1,214,029,337</u>	<u>1,214,029,337</u>	<u>1,309,013,865</u>	<u>1,109,836,363</u>	<u>1,109,836,363</u>

**9.3 Particulars of provision against non-performing advances**

	June 30, 2019			December 31, 2018		
	Specific	General	Total	Specific	General	Total
	----- Rupees -----			----- Rupees -----		
	----- Un-audited -----			----- Audited -----		
Opening balance	1,109,836,363	164,558,748	1,274,395,111	1,139,749,422	46,321,387	1,186,070,809
Charge/ (reversal) for the period	104,192,974	3,000,000	107,192,974	88,324,302	-	88,324,302
Transferred (from)/to	-	-	-	(118,237,361)	118,237,361	-
Closing balance	<u>1,214,029,337</u>	<u>167,558,748</u>	<u>1,381,588,085</u>	<u>1,109,836,363</u>	<u>164,558,748</u>	<u>1,274,395,111</u>

**9.4 Provision against non-performing loans and advances**

	June 30, 2019	June 30, 2018
	Rupees	Rupees
	Un-audited	Un-audited
Provision charged during the period	107,192,974	20,619,014
Insurance claims lodged against defaulted loans during the period	(125,720,709)	(97,580,830)
	<u>(18,527,735)</u>	<u>(76,961,816)</u>

**9.5** The provision has been made in accordance with the terms of prudential regulations for MFBs and management's subjective assessment.

10 OTHER ASSETS	Note	June 30, 2019	December 31, 2018
		Rupees	Rupees
		Un-audited	Audited
Income / Mark-up Accrued		1,309,472,824	1,278,598,024
Advances to Staff		125,220,082	124,743,349
Advances and Prepayments		280,667,972	235,914,548
Advance Income Tax - Net of Provision		40,500,186	35,187,390
Security Deposits		38,401,920	38,001,920
Inter Banks ATM Settlement account		13,487,626	13,497,804
Insurance Claim's Receivable	10.1	4,881,415	4,881,415
		<u>1,812,632,025</u>	<u>1,730,824,450</u>

**10.1** This balance is receivable from The United Insurance Company of Pakistan Limited, which is a related party of the Bank.

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED JUNE 30, 2019**

11 DEPOSITS AND OTHER ACCOUNTS	Note	June 30, 2019		December 31, 2018	
		No. of accounts	Rupees	No. of accounts	Rupees
		-----Un-audited-----		-----Audited-----	
Time liabilities					
Fixed Deposits (Deals)	11.1	7,931	6,241,682,455	6,312	5,266,340,560
Demand liabilities					
Saving Deposits	11.2	30,379	6,888,195,500	31,736	6,567,806,922
Current Deposits		319,319	3,687,786,539	312,894	4,032,183,260
		349,698	10,575,982,039	344,630	10,599,990,182
	11.3	357,629	16,817,664,494	350,942	15,866,330,742

11.1 These represent deposits received from customers ranging from 1 month to 5 years. These carry interest at the rate ranging from 5.6% to 16.0% per annum (2018: 5% to 15% per annum).

11.2 These carry interest at the rate ranging from 4.0% to 13.0% per annum (2018: 4.0% to 9.5% per annum).

**11.3 Particulars of deposits by ownership**

	June 30, 2019		December 31, 2018	
	No. of accounts	Rupees	No. of accounts	Rupees
	-----Un-audited-----		-----Audited-----	
Individual Depositors	357,237	16,366,174,974	350,584	15,347,989,917
Institutional Depositors				
- Corporation / Firm	372	209,564,116	339	239,367,628
- Banks & Financial Institutions	20	241,925,404	19	278,973,197
	392	451,489,520	358	518,340,825
	357,629	16,817,664,494	350,942	15,866,330,742

**12 BORROWINGS**

Borrowings from Banks/Financial Institutions in Pakistan

Demand Finance	12.1	8,014,355	9,369,059
		8,014,355	9,369,059

12.1 The demand finance facility is obtained to purchase brand new locally manufactured vehicles with maximum limit of Rs. 100 million for the business of the Bank. The facility is secured against hypothecation charge over financed vehicles under hire purchase agreement, against corporate guarantee of the Bank. Each demand finance (for each vehicle) is repayable in 60 monthly installments commenced from the date of respective disbursement. It is subject to mark-up at the rate of 1 year KIBOR plus 1.50% per annum payable on monthly basis.

**13 SHARE CAPITAL**

**13.1 Authorized capital**

No. of shares		Rupees	
June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
500,000,000	500,000,000	5,000,000,000	5,000,000,000

**13.2 Issued, subscribed and paid-up capital**

No. of shares		Rupees	
June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
343,984,962	250,000,000	3,439,849,620	2,500,000,000

**13.1 Reconciliation of issued, subscribed and paid-up capital**

No. of shares		Rupees	
June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
250,000,000	250,000,000	2,500,000,000	2,500,000,000
93,984,962	-	939,849,620	-
343,984,962	250,000,000	3,439,849,620	2,500,000,000



**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED JUNE 30, 2019**

**14 MEMORANDUM / OFF- BALANCE SHEET ITEMS**

**14.1 Contingencies:**

There are no known material contingencies as at June 30, 2019 (2018: Nil).

**14.2 Commitments:**

Note	June 30, 2019	December 31, 2018
	Rupees	Rupees
	Un-audited	Audited
Bank Guarantee	14.2.1	1,324,298
		1,445,396

**14.2.1** This represents bank guarantee issued by the Bank during the year ranging between Rs. 106,923 to Rs. 500,000. These guarantees will expire within the period from September 2019 to April 2020

15 MARK-UP/RETURN/INTEREST EARNED	Half Year Ended		Quarter Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
	Rupees	Rupees	Rupees	Rupees
	Un-audited	Un-audited	Un-audited	Un-audited
Mark-Up on Loans and Advances	1,187,014,739	812,366,157	624,594,875	452,475,979
Mark-Up on Deposit Accounts	150,949,054	108,467,530	85,679,839	44,273,698
Mark-Up on Investments in Government Securities	41,384,761	18,008,018	21,682,250	9,297,290
	1,379,348,554	938,841,705	731,956,964	506,046,967

**16 CASH AND CASH EQUIVALENTS**

	June 30, 2019	June 30, 2018
	Rupees	Rupees
	Un-audited	Un-audited
Cash and Balances with SBP and NBP	1,364,723,487	1,850,203,375
Balances With Other Banks/NBFIs/MFBs	3,980,223,133	2,507,094,499
	5,344,946,620	4,357,297,874

**17 TRANSACTION AND BALANCES WITH RELATED PARTIES**

Related parties of the Bank comprise of Chief Executive Officer, Directors, 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 this condensed interim financial information are as under:

Nature of Relationship	Nature of Transactions	June 30, 2019	December 31, 2018
		Rupees	Rupees
		Un-audited	Audited
Balances at period end:			
Associated company	Deposits	88,127,709	156,716,764
	Share deposit money	375,915,264	701,008,080
	Insurance Claim Receivable	333,601,189	357,880,480
Key management personnel	Deposits	5,449,873	2,178,053
Directors / sponsors / shareholders	Deposits	1,564,041	1,799,478
	Share deposit money	70,294,911	199,038,815
		June 30, 2019	June 30, 2018
		Rupees	Rupees
		Un-audited	Un-audited
Transactions during the period:			
Associated company	Deposits received	754,813,567	462,277,132
	Withdrawals	829,018,006	443,699,840
	Mark-up paid on deposits	4,420,919	792,402
	Share deposits money received	42,151,381	-
	Insurance claim received	150,000,000	150,092,127
	Share issued against sahere deposit money	367,244,195	-
Key management personnel	Deposits received	38,263,564	19,021,357
	Withdrawals	35,784,016	18,233,877
	Mark-up on deposit paid	490	5,861

**APNA MICROFINANCE BANK LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE PERIOD ENDED JUNE 30, 2019**

<b>Directors / sponsors / shareholders</b>	Deposits received	<b>4,188,944</b>	1,688,609
	Withdrawals	<b>4,441,835</b>	1,414,971
	Share deposit money received	<b>57,866,220</b>	-
	Mark-up paid on deposits	<b>17,453</b>	6,579
	Share issued against share deposit money	<b>186,610,124</b>	-
<b>Staff Provident Fund</b>	Contribution made during the period	<b>8,875,108</b>	5,940,399

**18 TAXATION**

**18.1 Current Tax**

The Bank has carried forward tax losses of Rs. 181.86 million (2018: Rs. 360.38 million) 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 Rs. 18.045 million (2018: Rs. 12.968 million) has been made.

**18.2 Deferred Tax**

The management is expecting future taxable profits and has recognized deferred tax asset amounting to Rs. 468.667 million on the basis of financial projections indicating utilization of deferred tax asset against those future taxable profits. The financial projections involve certain key assumptions such as deposit composition, interest rates, decrease in cost of deposits and operational costs, growth of deposits and advances, investment returns and potential recoveries against non-performing loans. Any significant change in the key assumptions may have an effect on the utilization of the deferred tax asset.


**19 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved and authorised for issue by the Board of Directors on August 27, 2019

**20 GENERAL**

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

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

  
President /CEO

  
Chief Financial Officer

  
Chairman

  
Director

  
Director



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