

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2021**

	Un-audited March 31, 2021	Audited December 31, 2020
Note	-----Rupees-----	
<b>ASSETS</b>		
Cash and balances with State Bank of Pakistan and National Bank of Pakistan	7 121,982,732	115,127,880
Balances with other banks and microfinance banks	8 187,758,356	430,728,498
Lendings to financial institutions	-	-
Investments - net of provisions	9 299,537,616	199,364,055
Advances - net of provisions	10 1,271,196,030	955,643,369
Operating fixed assets	11 155,822,535	159,539,611
Other assets	12 89,855,727	67,625,786
Deferred tax asset - net	55,809,807	55,809,807
<b>Total assets</b>	<b>2,181,962,803</b>	<b>1,983,839,006</b>
<b>LIABILITIES</b>		
Deposits and other accounts	13 1,123,860,055	1,055,182,575
Borrowings	14 225,000,000	225,000,000
Subordinated debt	-	-
Other liabilities	15 183,443,751	150,216,834
Deferred tax liabilities	-	-
<b>Total liabilities</b>	<b>1,532,303,806</b>	<b>1,430,399,409</b>
<b>Net assets</b>	<b>649,658,997</b>	<b>553,439,597</b>
<b>REPRESENTED BY</b>		
Share capital	16 1,725,163,100	1,575,163,100
Reserves	2,989,141	2,989,141
Depositors' protection fund	747,285	747,285
Accumulated losses	(1,079,955,198)	(1,026,174,598)
	648,944,328	552,724,928
Surplus / (deficit) on revaluation of assets	-	-
Deferred grant	17 714,669	714,669
	<b>649,658,997</b>	<b>553,439,597</b>
<b>MEMORANDUM / OFF BALANCE SHEET ITEMS</b>	18	

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
**Chief Executive Officer**

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**Chairman**

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**Director**

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**Director**

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021**

	Note	Three Months ended March 31	
		2021	2020
-----Rupees-----			
Mark-up / return / interest earned	19	139,614,944	129,788,684
Mark-up / return / interest expensed		(38,586,500)	(45,089,666)
<b>Net mark-up / interest income</b>		<b>101,028,444</b>	<b>84,699,018</b>
Provision against non-performing loans and advances - net	10.3	63,769,176	28,118,033
Provision for diminution in the value of investments		-	-
Bad debts written off directly		-	-
		63,769,176	28,118,033
<b>Net mark-up / return / interest income after provisions</b>		<b>37,259,268</b>	<b>56,580,985</b>
<b>Non mark-up / non interest income</b>			
Fee, commission and brokerage income		26,277,238	16,823,636
Dividend income		-	-
Other income	20	5,916,004	1,669,306
<b>Total non-mark-up / non-interest income</b>		<b>32,193,242</b>	<b>18,492,942</b>
		69,452,510	75,073,927
<b>Non mark-up / non interest expenses</b>			
Administrative expenses		120,655,987	105,734,977
Other provision / write offs		-	-
Other operating expenses / Other charges		-	1,439,000
<b>Total non mark-up / non interest expenses</b>		<b>120,655,987</b>	<b>107,173,977</b>
Extra ordinary / unusual items		-	-
<b>(Loss) / profit before taxation</b>		<b>(51,203,477)</b>	<b>(32,100,050)</b>
Taxation - current		2,577,123	2,224,165
- prior		-	-
- deferred		-	-
		2,577,123	2,224,165
<b>(Loss) / profit after taxation</b>		<b>(53,780,600)</b>	<b>(34,324,215)</b>
Accumulated loss brought forward		(1,026,174,598)	(768,620,389)
		(1,079,955,198)	(802,944,604)
<b>Appropriations</b>			
<b>Transfer to:</b>			
Statutory reserve		-	-
Capital reserve		-	-
Depositors' protection fund		-	-
Revenue reserve		-	-
Proposed cash dividend		-	-
<b>Accumulated loss carried forward</b>		<b>(1,079,955,198)</b>	<b>(802,944,604)</b>
(Loss) / profit per share - basic and diluted (Rupee)		(0.34)	(0.26)

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
**Chief Executive Officer**

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**Chairman**

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**Director**

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**Director**

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021**

	<b>Three Months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
	<b>-----Rupees-----</b>	
(Loss) / profit for the period after taxation	(53,780,600)	(34,324,215)
Other comprehensive income	-	-
Total comprehensive (loss) / profit for the period	<u>(53,780,600)</u>	<u>(34,324,215)</u>

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

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
**Chief Executive Officer**

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**Chairman**

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**Director**

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**Director**

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021**

Note	Three Months ended March 31	
	2021	2020
-----Rupees-----		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(51,203,477)	(32,100,050)
<b>Adjustments for non-cash charges and other items</b>		
Depreciation	6,491,010	6,400,841
Depreciation on right-of-use asset	5,749,872	5,781,851
Amortisation of intangible assets	461,145	352,863
Provision against non performing advances - net	63,769,176	28,118,033
Gain on disposal of operating fixed assets	-	(1,370)
Financial charges on lease liability against right-of-use asset	3,278,796	3,464,912
Amortisation of Market Treasury bills	-	(1,517,540)
	79,749,999	42,599,590
	28,546,522	10,499,540
<b>(Increase) / decrease in operating assets</b>		
Advances - net of provisions	(379,321,837)	(47,920,707)
Other assets (excluding advance taxation)	(22,229,941)	(13,456,590)
	(401,551,778)	(61,377,297)
<b>Increase / (decrease) in operating liabilities</b>		
Deposits and other accounts	68,677,480	11,311,777
Borrowings	-	(75,000,000)
Other liabilities (excluding current taxation)	34,473,862	28,409,957
	103,151,342	(35,278,266)
	(269,853,914)	(86,156,023)
Payment of lease liability against right-of-use asset	8,439,703	(5,690,674)
Income tax paid	(2,258,404)	(2,484,911)
<b>Net cash (used in) / generated from operating activities</b>	<b>(263,672,615)</b>	<b>(94,331,608)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in operating fixed assets	(22,269,114)	(3,448,059)
Net investment in held-for-trading investments	-	1,479,923
<b>Net cash used in investing activities</b>	<b>(22,269,114)</b>	<b>(1,968,136)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds against issue of share capital	150,000,000	51,276,871
Grant received during the period	-	-
<b>Net cash generated from financing activities</b>	<b>150,000,000</b>	<b>51,276,871</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>(135,941,729)</b>	<b>(45,022,873)</b>
Cash and cash equivalents at the beginning of the period	745,220,433	414,835,791
<b>Cash and cash equivalents at the end of the period</b>	<b>609,278,704</b>	<b>369,812,918</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chairman

Director

Director

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021**

	Share capital	Capital Reserve	Statutory reserve	Depositor Protection Fund	Accumulated losses	Total
	Rupees					
<b>Balance as at December 31, 2019 - (audited)</b>	1,290,163,100	-	2,989,141	747,285	(768,620,389)	525,279,137
Issuure of share capital	50,000,000	-	-	-	-	50,000,000
Comprehensive income for the period						
Loss for the period	-	-	-	-	(34,324,215)	(34,324,215)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(34,324,215)	(34,324,215)
<b>Balance as at March 31, 2020 - (Un-audited)</b>	1,340,163,100	-	2,989,141	747,285	(802,944,604)	540,954,922
Issuure of share capital	235,000,000	-	-	-	-	235,000,000
Comprehensive income / (loss) for the period						
Loss for the period	-	-	-	-	(223,229,994)	(223,229,994)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(223,229,994)	(223,229,994)
<b>Balance as at December 31, 2020 - (audited)</b>	1,575,163,100	-	2,989,141	747,285	(1,026,174,598)	552,724,928
Issuance of shares (Note 17.2.2)	150,000,000	-	-	-	-	150,000,000
Comprehensive loss for the period						
Loss for the period	-	-	-	-	(53,780,600)	(53,780,600)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(53,780,600)	(53,780,600)
<b>Balance as at March 31, 2021 - (un-audited)</b>	<u>1,725,163,100</u>	<u>-</u>	<u>2,989,141</u>	<u>747,285</u>	<u>(1,079,955,198)</u>	<u>648,944,328</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
**Chief Executive Officer**

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**Chairman**

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**Director**

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**Director**

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021**

**1 STATUS AND NATURE OF BUSINESS**

**1.1** Advans Pakistan Microfinance Bank Limited (the Bank) was incorporated as a public limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) on April 17, 2012 and was granted license by the State Bank of Pakistan on June 28, 2012 to operate as a microfinance bank in the province of Sindh. The Securities and Exchange Commission of Pakistan and the State Bank of Pakistan granted permissions to the Bank for the commencement of business with effect from November 21, 2012 and January 04, 2013 respectively. The Bank's principal business is to provide microfinance banking and related services to the poor and under served segment of the society as envisaged under the Microfinance Institutions Ordinance, 2001. The registered office of the Bank is situated at Ground Floor, Bahria Complex 1, Lalazar Area, Moulvi Tamizzuddin Khan Road, Karachi. The Bank operates through branches spread within the province of Sindh.

The Bank is a subsidiary of Advans S.A. Sicar (incorporated in Luxembourg) which holds 99.99% (December 31, 2020: 99.99%) share capital of the Bank.

**1.2** The Bank's capital (free of losses) amounted to Rs 648.94 million as at March 31, 2021 (December 31, 2020: Rs 552.725 million) which is above the minimum capital requirements as at March 31, 2021.

**2 STATEMENT OF COMPLIANCE**

**2.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Microfinance Institutions Ordinance, 2001, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IAS 34 or IFAS, the requirements of the Microfinance Institutions Ordinance, 2001, the Companies Act, 2017 and the said directives, shall prevail.

**2.2** These condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, and should be read in conjunction with the annual financial statements of the Bank for the year ended December 31, 2020.

**2.3** The SBP vide BPRD Circular No. 04 dated October 23, 2019 has notified the effective date of IFRS 9, 'Financial Instruments' as January 01, 2021. In compliance with the said Circular, the Company has adopted IFRS 9, 'Financial Instruments' which has replaced IAS 39, 'Financial Instruments: Recognition and Measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'expected credit losses' (ECL) approach rather than 'incurred credit losses' approach, as previously given under IAS 39. The change in accounting policy and adjustments to the amounts recognised in the financial

**2.4 Standards, interpretations and amendments to accounting and reporting standards that are effective in the current period**

There are certain new and amended standards and interpretations that are mandatory for the Bank's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or will not have any significant impact on the Bank's operations and are therefore not detailed in these condensed interim financial statements.

**3 BASIS OF MEASUREMENT****3.1 Accounting convention**

These condensed interim financial statements have been prepared under the historical cost convention.

**3.2 Functional and presentation currency**

These condensed interim financial statements have been presented in Pakistani Rupees, which is the Bank's functional and presentation currency.

**4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these condensed interim financial statements are same as those applied in the preparation of financial statements of the Bank for the year ended December 31, 2020.

**5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The basis and the methods used for critical accounting estimates and judgments adopted in these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Bank for the year ended December 31, 2020.

**6 FINANCIAL RISK MANAGEMENT**

The Bank's Financial Risk Management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended December 31, 2020.

**6.1 Operational Risk Management**

The Bank is closely monitoring the situation and has invoked required actions to ensure safety and security of Bank staff and an uninterrupted service to our customers. The senior management of the Bank is continuously monitoring the situation and is taking timely decisions to resolve any concerns. The Bank has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Bank has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber attacks.

**6.2 Credit Risk Management**

The Risk Management function of the Bank is regularly conducting assessments of the credit portfolio to identify borrowers most likely to get affected due to changes in the business and economic environment. The Bank has further strengthened its credit review procedures in the light of COVID-19. The Bank is continuously reviewing the portfolio, to identify accounts susceptible to higher risk, resulting from the COVID-19 outbreak.

7	CASH AND BALANCES WITH STATE BANK OF PAKISTAN AND NATIONAL BANK OF PAKISTAN	Note	Un-audited	Audited
			March 31, 2021	December 31, 2020
			-----Rupees-----	
	Cash in hand		58,827,665	62,238,487
	Balance with State Bank of Pakistan (SBP)	7.1	63,155,067	52,889,393
	Balance with National Bank of Pakistan (NBP)		-	-
			<u>121,982,732</u>	<u>115,127,880</u>

7.1 This represents current account maintained with SBP to meet the requirement of maintaining a minimum balance equivalent to 5% of the Bank's time and demand liabilities in accordance with the Prudential Regulations for Microfinance Banks.

8	BALANCES WITH OTHER BANKS AND MICROFINANCE BANKS	Note	Un-audited	Audited
			March 31, 2021	December 31, 2020
			-----Rupees-----	
	In Pakistan:			
	- Current accounts		11,211,536	556,271
	- PLS deposit accounts	8.1	<u>176,546,820</u>	<u>430,172,227</u>
			<u>187,758,356</u>	<u>430,728,498</u>

8.1 These include deposits with commercial banks carrying mark-up rates ranging from 5.5% to 6.55% (December 31, 2020: 5.5% to 11.2%) per annum.

9	INVESTMENTS - NET OF PROVISIONS		Un-audited	Audited
			March 31, 2021	December 31, 2020
			-----Rupees-----	
	Held-for-trading securities			
	Federal Government Securities			
	Market Treasury Bills		<u>299,537,616</u>	<u>199,364,055</u>

#### 10 ADVANCES - NET OF PROVISIONS

	Note	March 31, 2021 (un-audited)		December 31, 2020 (audited)	
		Number of loans outstanding	Amount outstanding	Number of loans outstanding	Amount outstanding
		Rupees		Rupees	
Micro credit	10.1	9,146	1,412,867,843	8,564	1,074,441,467
Less: Provision held					
- Specific	10.2 & 10.3	795	<u>32,602,687</u>	755	<u>38,987,407</u>
- General	10.3	-	<u>109,069,126</u>	-	<u>79,810,691</u>
			<u>(141,671,813)</u>		<u>(118,798,098)</u>
			<u>1,271,196,030</u>		<u>955,643,369</u>

10.1 All advances are secured by personal guarantees except certain advances which are secured against gold provided by the borrowers.

#### 10.2 Particulars of non-performing advances

Advances include Rs 84,033,216 (December 31, 2020: Rs 89,722,530) which have been placed under non-performing status as detailed below.

Category of classification	March 31, 2021 (un-audited)			December, 2020 (audited)		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	-----Rupees-----			-----Rupees-----		
OAEM	14,384,862	-	-	29,443,223	-	-
Substandard	17,889,268	4,472,315	4,472,315	13,317,456	3,329,364	3,329,364
Doubtful	47,257,427	23,628,712	23,628,712	22,607,616	11,303,808	11,303,808
Loss	4,501,659	4,501,659	4,501,659	24,354,235	24,354,235	24,354,235
	<u>84,033,216</u>	<u>32,602,687</u>	<u>32,602,687</u>	<u>89,722,530</u>	<u>38,987,407</u>	<u>38,987,407</u>



### 10.3 Particulars of provision against non-performing advances

The movement of provision against non-performing advances is as follows:

	March 31, 2021 (un-audited)			December, 2020 (audited)		
	Specific	General (Note 10.3.1)	Total	Specific	General (Note 10.3.1)	Total
	-----Rupees-----			-----Rupees-----		
Opening balance	38,987,407	79,810,691	118,798,098	23,342,151	11,535,099	34,877,250
Charge for the period / year						
- On non-performing advances	60,664,268	57,157,388	117,821,656	143,540,078	74,510,367	218,050,445
Reversals	(26,153,527)	(27,898,953)	(54,052,480)	(7,016,099)	(6,234,775)	(13,250,874)
	34,510,741	29,258,435	63,769,176	136,523,979	68,275,592	204,799,571
Amount written off	(40,895,461)	-	(40,895,461)	(120,878,723)	-	(120,878,723)
Closing balance	<u>32,602,687</u>	<u>109,069,126</u>	<u>141,671,813</u>	<u>38,987,407</u>	<u>79,810,691</u>	<u>118,798,098</u>

**10.3.1** This represents general provision equivalent to 1% of the outstanding advances (other than gold loans) - net of specific provisions held in accordance with the requirements of the Prudential Regulations for Microfinance Banks. General provision also includes expected credit loss impact of Rs 53.17 million and Rs.43.49 million (2020: 70.49 million) that has been applied for restructuring / rescheduling excluding gold loans to these financial statements.

	Note	Un-audited March 31, 2021	Audited December 31, 2020
		-----Rupees-----	
<b>10.4 Particulars of Write Offs:</b>			
Against Provisions		40,895,461	120,878,723
Directly charged to Profit and Loss account		-	-
		<u>40,895,461</u>	<u>120,878,723</u>

### 11 OPERATING FIXED ASSETS

	Note	Un-audited March 31, 2021	Audited December 31, 2020
Capital work-in-progress	11.1	9,272,927	5,996,197
Property and equipment	11.1	143,305,079	150,261,491
Intangible assets	11.1	3,244,528	3,281,923
		<u>155,822,535</u>	<u>159,539,611</u>

	Note	Un-audited March 31, 2021	Audited December 31, 2020
		-----Rupees-----	
<b>11.1 Movement</b>			
Carrying value at the beginning of the period		85,829,997	93,336,821
Right-of-Use asset at the beginning of the period		73,709,614	86,993,777
Add: Additions during the period	11.1.1	8,984,951	29,105,261
Less: Disposal during the period		-	525,929
Less: Transfers from CWIP to tangible assets		-	-
Less: Depreciation / Amortisation for the period		12,702,027	49,370,319
Carrying value at the end of the period		<u>155,822,535</u>	<u>159,539,611</u>

	Un-audited March 31, 2021	Audited December 31, 2020
	-----Rupees-----	
<b>11.1.1 Additions during the period</b>		
Furniture and Fixtures	342,000	855,233
Computer Equipment	2,765,374	8,729,997
Leasehold Improvements	1,147,186	207,487
Office & Other Equipment	1,029,911	2,847,070
Vehicles	-	59,974
Intangibles	423,750	2,026,978
Right-of-Use asset	-	9,378,522
Capital work-in-progress	3,276,730	5,000,000
	<u>8,984,951</u>	<u>29,105,261</u>

	Note	Un-audited March 31, 2021	Audited December 2020
-----Rupees-----			
<b>12 OTHER ASSETS</b>			
Prepayments for			
- rent		9,410,361	9,699,476
- insurance		5,231,002	1,287,026
- others		12,397,137	4,643,411
Mark-up / return / interest accrued		54,406,257	43,438,741
Receivable from a related party	12.1	167,460	-
Advances to staff		4,428,821	4,713,181
Security deposits		3,209,977	3,054,780
Accrued income on PLS savings account		314,120	270,139
Others		290,592	519,032
		<u>89,855,727</u>	<u>67,625,786</u>

12.1 This represents amount receivable from Advans International, a related party, for reimbursement of expenses.

	March 31, 2021 (Un-audited)		December 31, 2020 (audited)	
	Number of accounts	Rupees	Number of accounts	Rupees
<b>13 DEPOSITS AND OTHER ACCOUNTS</b>				
Fixed Deposits	531	772,935,218	522	756,243,582
Saving deposits	1,179	316,412,145	1,191	250,688,005
Current deposits	31,154	34,512,693	32,105	48,250,988
	<u>32,864</u>	<u>1,123,860,055</u>	<u>33,818</u>	<u>1,055,182,575</u>

**13.1 Particulars of deposits by ownership**

Individual depositors	32,661	1,090,367,201	33,625	1,032,043,512
Institutional depositors				
- Corporation / firms etc.	203	33,492,854	193	23,139,063
- Banks and financial institutions	-	-	-	-
	<u>32,864</u>	<u>1,123,860,055</u>	<u>33,818</u>	<u>1,055,182,575</u>

	Note	Un-audited March 31, 2021	Audited December 2020
-----Rupees-----			
<b>14 BORROWINGS</b>			
Borrowings from Banks / Financial Institutions in Pakistan	14.1 & 14.2	<u>225,000,000</u>	<u>225,000,000</u>
<b>14.1 Details of borrowings from financial institutions</b>			
<b>Secured</b>			
Borrowing from Non-Banking Finance Company (NBFC)	14.2	<u>225,000,000</u>	<u>225,000,000</u>

14.2 During the year 2018, the Bank entered into an agreement with the Pakistan Microfinance Investment Company (PMIC) - NBFC for a term finance facility of Rs. 300 million. The Bank was entitled to obtain this facility during the period from July 1, 2018 till June 30, 2019 as per the agreement. The Bank has availed full facility in four tranches, two of Rs. 50 million each in the year 2018 and two further tranches of Rs. 100 million each in the year 2019. The facility carries mark-up at the rate of average six months KIBOR plus 4 percent (to be set at the start of each quarter). The facility is secured by way of hypothecation of fixed assets of the Bank and demand promissory notes and was initially repayable by September 2020. During the year 2020, an amendment agreement was executed and the bank is required to make payment in three instalments of Rs. 75 million each on March 31, 2021, June 30, 2021 and September 30, 2021.

	Note	Un-audited March 31, 2021	Audited December 2020
<b>15 OTHER LIABILITIES</b>		-----Rupees-----	
Mark-up / return / interest payable		39,511,189	31,335,482
Accrued expenses		52,279,675	37,690,103
Payable to related parties	15.1	12,562,193	2,796,208
Withholding tax payable		2,662,687	1,736,208
Provident fund payable		850,064	-
Payable to Employee Old Age Benefit Institution (EOBI)		320,548	154,492
Current taxation (provisions less payments)		924,500	605,781
Lease liability against right-of-use assets		74,332,496	75,898,160
Others		400	400
		183,443,751	150,216,834

15.1 This includes amounts of Rs 2,789,881 (December 31, 2020: Rs 2,789,881) and Rs 6,327 (December 31, 2020: Rs 6,327) payable to Advans S.A. Sicar - holding company and FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) - Netherlands respectively. Technical assistance fee payable to Advans International related to MIS software & licence is Rs 9,765,987/-

## 16 SHARE CAPITAL

### 16.1 Authorised capital

Un-audited March 31, 2021	Audited December 31, 2020		Un-audited March 31, 2021	Audited December 31, 2020
Number of shares			-----Rupees-----	
200,000,000	200,000,000	Ordinary shares of Rs 10 each	2,000,000,000	2,000,000,000

### 16.2 Issued, subscribed and paid-up share capital

Un-audited March 31, 2020	Audited December 31, 2020		Un-audited March 31, 2021	Audited December 31, 2020
Number of shares				
172,516,310	157,516,310	Ordinary shares of Rs 10 each fully paid in cash	1,725,163,100	1,575,163,100

	Note	Un-audited March 31, 2021	Audited December 31, 2020
<b>16.2.1 Share capital has been subscribed by the following:</b>		Number of shares	
Advans S.A. Sicar - Luxembourg	16.3	172,516,308	157,516,308
Claude Falgon - Chairman Advans Pakistan Microfinance Bank Limited		1	1
Steven Duchatelle - Director Advans Pakistan Microfinance Bank Limited	16.3	1	1
		172,516,310	157,516,310

### 16.2.2 Movement in issued, subscribed and paid-up share capital

	March 31, 2021 (un-audited)			December 31, 2020 (audited)			March 31, 2021 (un-audited)	December 31, 2020 (audited)
	Issued for cash	Issued as bonus shares	Total	Issued for cash	Issued as bonus shares	Total		
	----- Number of shares -----						----- Rupees -----	
Opening	157,516,310	-	157,516,310	129,016,310	-	129,016,310	1,575,163,100	1,290,163,100
Shares issued during the period	15,000,000	-	15,000,000	28,500,000	-	28,500,000	150,000,000	285,000,000
	172,516,310	-	172,516,310	157,516,310	-	157,516,310	1,725,163,100	1,575,163,100

- 16.3 This represent shares owned by the holding company and have been deposited in blocked account with the Central Depository Company of Pakistan Limited in terms of BPRD Circular No. 9 of 2009 and under SBP License No. MFI-012 dated June 28, 2012.

	Un-audited March 31, 2021	Audited December 31, 2020
	-----Rupees-----	
<b>17 DEFERRED GRANT</b>		
Opening balance	714,669	714,669
Grant received during the period / year from:		
State Bank of Pakistan	-	-
Grant income recognised during the period / year	-	-
	<u>714,669</u>	<u>714,669</u>

	Un-audited March 31, 2021	Audited December 31, 2020
	-----Rupees-----	
<b>18 MEMORANDUM / OFF BALANCE SHEET ITEMS</b>		
Bills For Collection	-	-
Acceptances, Endorsements And Other Obligations Contingent Liabilities	-	-
Commitments for fixed capital expenditure	-	-
	<u>-</u>	<u>-</u>

- 18.1 There were no contingencies as at March 31, 2021 and December 31, 2020.

	Note	Un-audited Three Months ended March 31	
		2021	2020
		-----Rupees-----	
<b>19 MARK-UP / RETURN / INTEREST EARNED</b>			
Interest / mark-up on:			
Advances		130,586,690	122,749,280
Government Securities - Market Treasury bills		6,048,559	1,517,540
Banks and financial institutions			
- Deposit accounts		<u>2,979,694</u>	<u>5,521,864</u>
		<u>139,614,944</u>	<u>129,788,684</u>

**20 OTHER INCOME**

Grant income	17	-	-
Recoveries against write-offs		4,940,290	1,665,102
Recoveries from Credit Guarantee Scheme		959,874	-
Gain on sale of Fixed Assets			1,370
Others		<u>15,840</u>	<u>2,834</u>
		<u>5,916,004</u>	<u>1,669,306</u>

**21 RELATED PARTY TRANSACTIONS**

Related parties of the Bank comprise of the holding company, associates, group companies, directors, key management personnel and their close family members. Transactions with related parties are carried out as per agreed terms.

Transactions with related parties which have not been disclosed elsewhere in these condensed interim financial statements are disclosed below:

	Un-audited Three Months ended March 31	
	2021	2020
	-----Rupees-----	
Remuneration of key management personnel (including directors)	29,170,019	31,732,863
Technical support services availed from Advans International	9,765,987	-

	Note	Un-audited March 31, 2021	Audited December 2020
		-----Rupees-----	
<b>22 CASH AND CASH EQUIVALENTS</b>			
Cash and balances with State Bank of Pakistan and National Bank of Pakistan	7	121,982,732	115,127,880
Balances with other banks and microfinance banks in current and deposit accounts	8	187,758,356	430,728,498
Market Treasury Bills	9	299,537,616	199,364,055
		<u>609,278,704</u>	<u>745,220,433</u>

## 23 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer / settle a liability in an orderly transaction between market participants at the measurement date.

### Fair value estimation:

The Bank discloses the financial instruments measured in the balance sheet at fair value in accordance with the following fair value hierarchy that reflects the significance of inputs in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

There were no transfers between levels 1 and 2 during the period.

As at March 31, 2021, the bank does not hold any financial instruments carried at fair value which require classification in the above mentioned levels. However, the carrying values of all financial assets and liabilities reflected in the condensed interim financial statements approximate their fair values as the items are short term in nature.

## 24 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison and better presentation. There have been no significant reclassification in these condensed interim financial statements.

## 25 GENERAL

Figures have been rounded off to the nearest Rupee.

## 26 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on \_\_\_\_\_ by the Board of Directors of the Bank.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director