

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2022**

	Un-audited March 31, 2022	Audited December 31, 2021
Note	-----Rupees-----	
<b>ASSETS</b>		
Cash and balances with State Bank of Pakistan and National Bank of Pakistan	7 185,001,570	259,926,324
Balances with other banks and microfinance banks	8 161,544,583	267,764,609
Investments	9 273,725,250	-
Advances - net of provisions	10 2,697,357,178	2,430,141,007
Operating fixed assets	11 326,158,648	239,372,574
Other assets	12 145,646,973	108,946,327
Deferred tax asset	13 65,086,908	65,086,908
<b>Total assets</b>	<b>3,854,521,110</b>	<b>3,371,237,749</b>
<b>LIABILITIES</b>		
Deposits and other accounts	14 2,706,849,357	2,272,272,578
Borrowings	15 107,487,667	100,000,000
Subordinated debt	-	-
Other liabilities	16 313,725,169	241,640,429
Deferred tax liabilities	-	-
<b>Total liabilities</b>	<b>3,128,062,193</b>	<b>2,613,913,007</b>
<b>Net assets</b>	<b>726,458,917</b>	<b>757,324,742</b>
<b>REPRESENTED BY</b>		
Share capital	17 1,725,163,100	1,725,163,100
Reserves	13,766,170	13,766,170
Depositors' protection fund	3,441,542	3,441,542
Accumulated losses	(1,016,626,564)	(985,760,739)
	725,744,248	756,610,073
Surplus / (deficit) on revaluation of assets	-	-
Deferred grant	18 714,669	714,669
	<b>726,458,917</b>	<b>757,324,742</b>
<b>MEMORANDUM / OFF BALANCE SHEET ITEMS</b>	19	

The annexed notes from 1 to 27 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, 2022**

	Note	Three months ended March 31	
		2022	2021
-----Rupees-----			
Mark-up / return / interest earned	20	294,431,551	139,614,944
Mark-up / return / interest expensed		(78,159,153)	(38,586,500)
<b>Net mark-up / interest income</b>		<b>216,272,398</b>	<b>101,028,444</b>
Provision against non-performing loans and advances - net	10.3	34,000,744	63,769,176
Provision for diminution in the value of investments		-	-
Bad debts written off directly		-	-
		34,000,744	63,769,176
<b>Net mark-up / return / interest income after provisions</b>		<b>182,271,654</b>	<b>37,259,268</b>
<b>Non mark-up / non interest income</b>			
Fee, commission and brokerage income		35,916,201	26,277,238
Dividend income		-	-
Other income	21	8,505,493	5,916,004
<b>Total non-mark-up / non-interest income</b>		<b>44,421,694</b>	<b>32,193,242</b>
		226,693,348	69,452,510
<b>Non mark-up / non interest expenses</b>			
Administrative expenses		200,163,580	120,655,987
Other provision / write offs		-	-
Other operating expenses / other charges		-	-
<b>Total non mark-up / non interest expenses</b>		<b>200,163,580</b>	<b>120,655,987</b>
Extra ordinary / unusual items		-	-
<b>Profit / loss before taxation</b>		<b>26,529,768</b>	<b>(51,203,477)</b>
Taxation - current		4,228,233	2,577,123
- prior		-	-
- deferred		-	-
		4,228,233	2,577,123
<b>Profit / (loss) after taxation</b>		<b>22,301,535</b>	<b>(53,780,600)</b>
Accumulated loss brought forward		(1,038,928,099)	(1,026,174,598)
		(1,016,626,564)	(1,079,955,198)
<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>(1,016,626,564)</b>	<b>(1,079,955,198)</b>
Profit / (loss) per share - basic and diluted (Rupee)		0.13	(0.34)

The annexed notes from 1 to 27 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 COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2022**

	<u>Three months ended March 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>-----Rupees-----</u>	
Profit / (loss) for the period after taxation	22,301,535	(53,780,600)
Other comprehensive income	-	-
Total comprehensive profit / (loss) for the period	<u>22,301,535</u>	<u>(53,780,600)</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 27 form an integral part of these condensed interim financial statements.

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**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, 2022**

Note	Three months ended March 31	
	2022	2021
-----Rupees-----		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / loss before taxation	26,529,768	(51,203,477)
<b>Adjustments for non-cash charges and other items</b>		
Depreciation	9,067,014	6,491,010
Depreciation on right-of-use asset	7,069,390	5,749,872
Amortisation of intangible assets	335,318	461,145
Provision against non performing advances - net	34,000,744	63,769,176
Loss on disposal of operating fixed assets	-	-
Gain on disposal of operating fixed assets	-	-
Financial charges on lease liability against right-of-use asset	4,698,332	3,278,796
	55,170,798	79,749,999
	81,700,566	28,546,522
<b>(Increase) / decrease in operating assets</b>		
Advances - net of provisions	(354,384,275)	(379,321,837)
Other assets (excluding advance taxation)	(36,700,646)	(22,229,941)
	(391,084,921)	(401,551,778)
<b>Increase / (decrease) in operating liabilities</b>		
Deposits and other accounts	434,576,779	68,677,480
Borrowings	7,487,667	-
Other liabilities (excluding current taxation)	29,805,588	34,473,862
	471,870,034	103,151,342
	162,485,679	(269,853,914)
Payment of lease liability against right-of-use asset	(13,416,058)	8,439,703
Income tax paid	(2,597,945)	(2,258,404)
<b>Net cash used in operating activities</b>	146,471,676	(263,672,615)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in operating fixed assets	(53,891,206)	(22,269,114)
Proceeds from the disposal of operating fixed assets	-	-
<b>Net cash used in investing activities</b>	(53,891,206)	(22,269,114)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds against issue of share capital	-	150,000,000
<b>Net cash generated from financing activities</b>	-	150,000,000
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	92,580,470	(135,941,729)
Cash and cash equivalents at the beginning of the period	527,690,933	745,220,433
<b>Cash and cash equivalents at the end of the period</b>	620,271,403	609,278,704

The annexed notes from 1 to 27 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, 2022**

	Share capital	Capital reserve	Statutory reserve	Capital Reserve	Accumulated losses	Total
----- Rupees -----						
<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	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 loss for the period	-	-	-	-	(53,780,600)	(53,780,600)
<b>Balance as at March 31, 2021 - (un-audited)</b>	1,725,163,100	-	2,989,141	747,285	(1,079,955,198)	648,944,328
Issuance of share capital	-	-	-	-	-	-
Comprehensive loss for the period						
Profit for the period	-	-	-	-	107,665,745	107,665,745
Transferred to statutory reserve	-	10,777,029	-	-	(10,777,029)	-
Transferred to depositors' protection fund	-	-	2,694,257	-	(2,694,257)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	10,777,029	2,694,257	-	94,194,459	107,665,745
<b>Balance as at December 31, 2021 - (audited)</b>	1,725,163,100	10,777,029	5,683,398	747,285	(985,760,739)	756,610,073
Impact of IFRS 9	-	-	-	-	(53,167,350)	(53,167,350)
<b>Balance as at December 31, 2021 - (restated)</b>	1,725,163,100	10,777,029	5,683,398	747,285	(1,038,928,089)	703,442,723
Issuance of share capital	-	-	-	-	-	-
Comprehensive profit for the period						
Profit for the period	-	-	-	-	22,301,535	22,301,535
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	22,301,535	22,301,535
<b>Balance as at March 31, 2021 - (un-audited)</b>	<u>1,725,163,100</u>	<u>10,777,029</u>	<u>5,683,398</u>	<u>747,285</u>	<u>(1,016,626,554)</u>	<u>725,744,258</u>

The annexed notes from 1 to 27 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, 2022**

**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 (SBP) on June 28, 2012 to operate as a microfinance bank in the province of Sindh. The Securities and Exchange Commission of Pakistan (SECP) 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 Islamic Chamber of Commerce, Building no. 3, Third floor, Street 2/A, Clifton block 9, KDA Scheme 5, Karachi. The Bank operates 16 (December 31, 2021: 14) branches within the province of Sindh.

The Bank is a subsidiary of Advans S.A. Sicar (incorporated in Luxembourg) which holds 99.99% (December 31, 2021: 99.99%) share capital of the Bank.

**1.2** The Bank's capital (free of losses) amounted to Rs 725.744 million as at March 31, 2022 (December 31, 2021: Rs 756.610 million) which is above the minimum capital requirements as at March 31, 2022.

**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, 2021.

**2.3** The SBP vide BSD Circular letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7, Financial Instruments: Disclosures has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements.

The SBP vide BSD Circular letter No. 24, dated July 05, 2021 has notified the effective date of IFRS 9, Financial Instrument as January 01, 2022. In compliance with the said circular, the company has adopted IFRS 9, 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 adjustment to the amounts recognised in the financials.

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

There are certain other new standards, amendments and interpretations that are mandatory for the Bank's accounting periods beginning on January 1, 2022 but are considered not to be relevant or do not have any significant impact on the Bank's operations and are therefore not detailed in these condensed interim financial statements.

**2.5 Standards, interpretations of and amendments to the accounting and reporting standard that are not yet effective**

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 1, 2022, but are considered not to be relevant or will not have any significant effect 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, 2021.

**5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

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, 2021.

**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, 2021.

	<b>Note</b>	<b>Un-audited March 31, 2022</b>	<b>Audited December 31, 2021</b>
		-----Rupees-----	
<b>7 CASH AND BALANCES WITH STATE BANK OF PAKISTAN AND NATIONAL BANK OF PAKISTAN</b>			
Cash in hand		84,267,421	68,023,192
Balance with State Bank of Pakistan (SBP)	7.1	100,734,149	191,903,132
Balance with National Bank of Pakistan (NBP)		-	-
		<u>185,001,570</u>	<u>259,926,324</u>
<b>7.1</b>			
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.			
	<b>Note</b>	<b>Un-audited March 31, 2022</b>	<b>Audited December 31, 2021</b>
		-----Rupees-----	
<b>8 BALANCES WITH OTHER BANKS AND MICROFINANCE BANKS</b>			
In Pakistan:			
- Current accounts		154,630,380	9,239,159
- PLS deposit accounts	8.1	<u>6,914,203</u>	<u>258,525,450</u>
		<u>161,544,583</u>	<u>267,764,609</u>

- 8.1 These include deposits with commercial banks carrying mark-up rates ranging from 5.5% to 9.8% (December 31, 2021: 5.5% to 9.8%) per annum.

		Un-audited March 31, 2022	Audited December 31, 2021
		-----Rupees-----	
<b>9</b>	<b>INVESTMENTS</b>		
	<b>Held-to-maturity securities</b>		
	<b>Federal Government Securities</b>		
	Market Treasury Bills	273,725,250	-

**10 ADVANCES - NET OF PROVISIONS**

	Note	March 31, 2022 (un-audited)		December 31, 2021 (audited)	
		Number of loans outstanding	Amount outstanding	Number of loans outstanding	Amount outstanding
		Rupees		Rupees	
Micro credit	10.1	17,026	2,825,025,672	15,163	2,494,002,194
Less: Provision held					
- Specific	10.2 & 10.3	758	36,169,221	592	31,273,053
- General	10.3	-	91,499,273	-	32,588,134
			(127,668,494)		(63,861,187)
			<u>2,697,357,178</u>		<u>2,430,141,007</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 88,618,202 (December 31, 2021: Rs 77,710,689) which have been placed under non-performing status as detailed below.

Category of classification	March 31, 2022 (un-audited)			December 31, 2021 (audited)		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	-----Rupees-----			-----Rupees-----		
Other assets especially mentioned	20,993,698	-	-	16,193,767	-	-
Substandard	15,715,421	3,928,855	3,928,855	12,356,466	3,044,913	3,044,913
Doubtful	39,337,431	19,668,716	19,668,716	39,997,366	19,941,804	19,941,804
Loss	12,571,653	12,571,653	12,571,653	9,163,090	8,286,336	8,286,336
	<u>88,618,202</u>	<u>36,169,224</u>	<u>36,169,224</u>	<u>77,710,689</u>	<u>31,273,053</u>	<u>31,273,053</u>

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

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

	March 31, 2022 (un-audited)			December 31, 2021 (audited)		
	Specific	General (Note 10.3.1)	Total	Specific	General (Note 10.3.1)	Total
	-----Rupees-----			-----Rupees-----		
Opening balance	31,273,053	32,588,134	63,861,187	38,987,407	79,810,691	118,798,098
Opening Impact of IFRS 9	-	62,563,453	62,563,453	-	-	-
Charge for the period / year						
- On non-performing advances	43,291,536	3,185,697	46,477,233	124,399,996	20,604,529	145,004,525
Reversals	(5,638,478)	(6,838,011)	(12,476,489)	(2,937,979)	(67,827,086)	(70,765,065)
	37,653,058	(3,652,314)	34,000,744	121,462,017	(47,222,557)	74,239,460
Amount written off	(32,756,890)	-	(32,756,890)	(129,176,371)	-	(129,176,371)
Closing balance	<u>36,169,221</u>	<u>91,499,273</u>	<u>127,668,494</u>	<u>31,273,053</u>	<u>32,588,134</u>	<u>63,861,187</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 impact of expected credit loss impact of Rs 60.67 million and Rs.6.00 million (2020: 70.49 million) that has been applied for restructuring / rescheduling excluding gold loans to these financial statements.

	Note	Un-audited March 31, 2022	Audited December 31, 2021
-----Rupees-----			
<b>10.4 Particulars of Write Offs:</b>			
Against provisions		32,750,089	129,176,371
Directly charged to profit and loss account		6,801	-
		<u>32,756,890</u>	<u>129,176,371</u>
<b>11 OPERATING FIXED ASSETS</b>			
Capital work-in-progress	11.1	13,480,180	20,061,440
Property and equipment	11.1	309,195,529	216,157,707
Intangible assets	11.1	3,482,939	3,153,427
		<u>326,158,648</u>	<u>239,372,574</u>
	Note	Un-audited March 31, 2022	Audited December 31, 2021
-----Rupees-----			
<b>11.1 Movement</b>			
Carrying value at beginning of the period		239,372,574	180,330,598
Add: Additions during the period	11.1.1	109,839,056	18,596,250
Less: Disposal of fixed assets	11.1.2	-	(525,933)
Less: Transfers from CWIP to tangible assets		(6,581,260)	-
Less: Depreciation / Amortisation for the period		(16,471,722)	(36,847,688)
Carrying value at the end of the period		<u>326,158,648</u>	<u>161,553,227</u>
<b>11.1.1 Additions during the period</b>			
Furniture and fixtures		5,961,721	784,068
Computer equipment		8,522,348	3,822,754
Leasehold improvements		33,481,288	207,487
Office and other equipment		11,777,279	2,527,641
Vehicles		65,000	-
Intangibles		664,830	1,875,778
Right-of-use asset		49,366,590	9,378,522
		<u>109,839,056</u>	<u>18,596,250</u>
<b>11.1.2 Disposal of Fixed Asset</b>			
Generator		-	525,933
	Note	Un-audited March 31, 2022	Audited December 31, 2021
-----Rupees-----			
<b>12 OTHER ASSETS</b>			
Prepayments for			
- rent		5,092,735	8,329,066
- insurance		5,742,408	3,323,056
- others		21,291,131	11,016,966
Mark-up / return / interest accrued		97,169,221	74,581,739
Receivable from a related party	12.1	421,020	-
Advances to staff		4,407,893	3,304,179
Security deposits		8,150,968	7,262,180
Accrued income on PLS savings account		1,596,925	574,631
Others		1,774,672	554,510
		<u>145,646,973</u>	<u>108,946,327</u>

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

**13 DEFERRED TAX ASSET**

Deferred tax comprises of deductible timing differences in respect of the following:

	<b>Un-audited March 31, 2022</b>	<b>Audited December 31, 2021</b>
	-----Rupees-----	
<b>Deductible temporary differences arising in respect of</b>		
- Unabsorbed tax depreciation and amortisation	65,565,778	65,565,778
- Property and equipment	106,876	106,876
	<u>65,672,654</u>	<u>65,672,654</u>
<b>Taxable temporary differences arising due to</b>		
- Intangible assets	(585,746)	(585,746)
	<u>(585,746)</u>	<u>(585,746)</u>
	<u><u>65,086,908</u></u>	<u><u>65,086,908</u></u>

- 13.1** The Bank has unabsorbed tax loss of Rs 713,068,577 [including unabsorbed tax depreciation and amortisation amounting to Rs 226,088,890] as at December 31, 2021. The management has recognised deferred tax asset of Rs 65,565,778 (2020: Rs 55,235,072) on unabsorbed tax depreciation and amortisation. The deferred tax asset has been recorded based on the financial projections of the Bank which have been prepared by the management. The financial projections prepared by the management are based on assumptions which are linked to various variable factors such as growth in enterprise loans, expansion in gold-backed loans, microloans, productivity, growth in loan size, effective interest rate etc. expected to be achieved during the next three years.

<b>March 31, 2022 (Un-audited)</b>		<b>December 31, 2021 (audited)</b>	
<b>Number of accounts</b>	<b>Rupees</b>	<b>Number of accounts</b>	<b>Rupees</b>

**14 DEPOSITS AND OTHER ACCOUNTS**

Fixed deposits	522	1,678,246,890	526	1,319,281,283
Saving deposits	1,288	925,998,703	1,275	861,648,789
Current deposits	44,180	102,603,764	42,204	91,342,506
	<u>45,990</u>	<u>2,706,849,357</u>	<u>44,005</u>	<u>2,272,272,578</u>

**14.1 Particulars of deposits by ownership**

Individual depositors	45,802	2,089,117,208	43,816	1,628,323,075
Institutional depositors				
- Corporation / firms etc.	188	617,732,149	189	643,949,503
- Banks and financial institutions	-	-	-	-
	<u>45,990</u>	<u>2,706,849,357</u>	<u>44,005</u>	<u>2,272,272,578</u>

**15 BORROWINGS**

	<b>Un-audited March 31, 2022</b>	<b>Audited December 31, 2021</b>
	-----Rupees-----	
Borrowings from Banks / Financial Institutions in Pakistan	<u>107,487,667</u>	<u>225,000,000</u>

	Note	Un-audited March 31, 2022	Audited December 31, 2021
-----Rupees-----			
<b>16 OTHER LIABILITIES</b>			
Mark-up / return / interest payable		24,440,519	19,311,658
Accrued expenses		66,133,204	48,905,151
Payable to related parties	16.1	46,940,361	43,638,191
Withholding tax payable		9,193,087	5,553,530
Provident fund payable		99,238	832,372
Payable to Employee Old Age Benefit Institution (EOBI)		82,460	300,508
Current taxation (provisions less payments)		2,593,197	962,909
Lease liability against right-of-use assets		162,784,574	122,135,710
Insurance benefits payable to staff	16.2	1,400,000	-
Others		58,529	400
		<u>313,725,169</u>	<u>241,640,429</u>

**16.1** This represents amounts of Rs 44,144,153 (December 31, 2021: Rs.40,841,983), Rs 2,789,881 (December 31, 2021: Rs 2,789,881) and Rs 6,327 (December 31, 2021: Rs 6,327) payable to Advans International - related party, Advans S.A. Sicar - Holding Company and FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) - Netherlands respectively

**16.2** This represents life insurance benefits received from the insurance company that are payable to the beneficiaries of the employee on receipt of a succession certificate.

## 17 SHARE CAPITAL

### 17.1 Authorised capital

Un-audited March 31, 2022	Audited December 31, 2021		Un-audited March 31, 2022	Audited December 31, 2021
Number of shares			-----Rupees-----	
<u>200,000,000</u>	<u>200,000,000</u>	Ordinary shares of Rs 10 each	<u>2,000,000,000</u>	<u>2,000,000,000</u>

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

Un-audited March 31, 2022	Audited December 31, 2021		Un-audited March 31, 2022	Audited December 31, 2021
Number of shares			-----Rupees-----	
<u>172,516,310</u>	<u>172,516,310</u>	Ordinary shares of Rs 10 each fully paid in cash	<u>1,725,163,100</u>	<u>1,725,163,100</u>

	Note	Un-audited March 31, 2022	Audited December 31, 2021
<b>17.2.1 Share capital has been subscribed by the following:</b>			
Advans S.A. Sicar - Luxembourg	17.3	172,516,308	172,516,308
Steven Duchatelle - Director Advans Pakistan Microfinance Bank Limited		1	1
Claude Falgon - Chairman Advans Pakistan Microfinance Bank Limited		1	1
		<u>172,516,310</u>	<u>172,516,310</u>

**17.2.2 Movement in issued, subscribed and paid-up share capital**

	March 31, 2022 (un-audited)			December 31, 2021 (audited)			March 31, 2022 (un-audited)	December 31, 2021 (audited)
	Issued for cash	Issued as bonus shares	Total	Issued for cash	Issued as bonus shares	Total		
	----- Number of shares -----						----- Rupees -----	
Opening	172,516,310	-	172,516,310	157,516,310	-	157,516,310	1,725,163,100	157,516,310
Shares issued during the period	-	-	-	15,000,000	-	15,000,000	-	15,000,000
	<u>172,516,310</u>	<u>-</u>	<u>172,516,310</u>	<u>172,516,310</u>	<u>-</u>	<u>172,516,310</u>	<u>1,725,163,100</u>	<u>1,725,163,100</u>

**17.3** 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, 2022	Audited December 31, 2021
<b>18 DEFERRED GRANT</b>	-----Rupees-----	
<b>Opening balance</b>	714,669	714,669
<b>Grant received during the period / year from:</b>		
State Bank of Pakistan	-	-
<b>Grant income recognised during the period / year</b>	-	-
	<u>714,669</u>	<u>714,669</u>
<b>19 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>

**19.1** There were no contingencies as at March 31, 2022 and December 31, 2021.

	Un-audited March 31, 2022	Un-audited March 31, 2021
<b>20 MARK-UP / RETURN / INTEREST EARNED</b>	-----Rupees-----	
<b>Interest / mark-up on:</b>		
Advances	283,141,051	130,586,690
Government Securities - Market Treasury bills	4,971,050	6,048,559
Banks and financial institutions		
- Deposit accounts	6,319,450	2,979,694
	<u>294,431,551</u>	<u>139,614,944</u>

	<b>Un-audited March 31, 2022</b>	<b>Un-audited March 31, 2021</b>
	-----Rupees-----	
<b>21 OTHER INCOME</b>		
Recoveries against write-offs	7,011,473	4,940,290
Recoveries from Credit Guarantee Scheme	898,253	959,874
Others	595,767	15,840
	<u>8,505,493</u>	<u>5,916,004</u>

## 22 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:

		<b>Un-audited March 31, 2022</b>	<b>Un-audited March 31, 2021</b>
		-----Rupees-----	
Remuneration of key management personnel (including directors)		36,905,673	32,116,573
Technical support services availed from Advans International		15,274,389	9,765,987
	<b>Note</b>	<b>Un-audited March 31, 2022</b>	<b>Un-audited March 31, 2021</b>
		-----Rupees-----	
<b>23 CASH AND CASH EQUIVALENTS</b>			
Cash and balances with State Bank of Pakistan and National Bank of Pakistan	7	185,001,570	121,982,732
Balances with other banks and microfinance banks in current and deposit accounts	8	161,544,583	187,758,356
Market Treasury Bills	9	<u>273,725,250</u>	<u>299,537,616</u>
		<u>620,271,403</u>	<u>609,278,704</u>

## 24 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, 2022, 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.

**25 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,

**26 GENERAL**

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

**27 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