

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT MARCH 31, 2020**

**ASSETS**

Cash and balances with State Bank of Pakistan and  
National Bank of Pakistan  
Balances with other banks and microfinance banks  
Investments - net of provisions  
Advances - net of provisions  
Operating fixed assets  
Other assets  
Deferred tax asset - net  
**Total assets**

Note	(Un-audited) March 31, 2020	(Audited) December 31, 2019
	-----Rupees-----	
7	128,967,332	85,774,638
8	240,845,586	230,578,693
9	-	98,482,460
10	1,254,516,375	1,234,713,701
11	171,321,102	180,330,598
12	80,473,486	67,016,896
	49,349,164	49,349,164
	<u>1,925,473,045</u>	<u>1,946,246,150</u>

**LIABILITIES**

Deposits and other accounts  
Borrowings  
Other liabilities  
**Total liabilities**  
**Net assets**

13	965,030,944	953,719,167
14	225,000,000	300,000,000
15	193,772,510	166,533,177
	<u>1,383,803,454</u>	<u>1,420,252,344</u>
	<u>541,669,591</u>	<u>525,993,806</u>

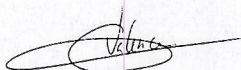
**REPRESENTED BY**

Share capital  
Reserves  
Depositors' protection fund  
Accumulated losses

16	1,340,163,100	1,290,163,100
	2,989,141	2,989,141
	747,285	747,285
	(802,944,604)	(768,620,389)
	<u>540,954,922</u>	<u>525,279,137</u>
17	-	-
	714,669	714,669
	<u>541,669,591</u>	<u>525,993,806</u>

Surplus / (deficit) on revaluation of assets  
Deferred grant

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chairman



Director



Director

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**

Note	Three Months Ended March 31	
	2020	2019
	-----Rupees-----	
Mark-up / return / interest earned	129,788,684	109,955,634
Mark-up / return / interest expensed	(45,089,666)	(20,063,639)
<b>Net mark-up / interest income</b>	<b>84,699,018</b>	<b>89,891,995</b>
Provision against non-performing loans and advances - net	28,118,033	12,354,102
Provision for diminution in the value of investments	-	-
Bad debts written off directly	-	-
	28,118,033	12,354,102
<b>Net mark-up / return / interest income after provisions</b>	<b>56,580,985</b>	<b>77,537,893</b>
<b>Non mark-up / non interest income</b>		
Fee, commission and brokerage income	16,823,636	17,582,450
Dividend income	-	-
Other income	1,669,306	1,984,282
<b>Total non-mark-up / non-interest income</b>	<b>18,492,942</b>	<b>19,566,732</b>
	75,073,927	97,104,625
<b>Non mark-up / non interest expenses</b>		
Administrative expenses	105,734,977	135,411,880
Other provision / write offs	-	-
Other operating expenses / Other charges	1,439,000	-
<b>Total non mark-up / non interest expenses</b>	<b>107,173,977</b>	<b>135,411,880</b>
Extra ordinary / unusual items	-	-
<b>Profit / (loss) before taxation</b>	<b>(32,100,050)</b>	<b>(38,307,255)</b>
Taxation - current	2,224,165	1,605,153
- prior	-	-
- deferred	-	-
	2,224,165	1,605,153
<b>Profit / (loss) after taxation</b>	<b>(34,324,215)</b>	<b>(39,912,408)</b>
Accumulated loss brought forward	(768,620,389)	(779,829,669)
	(802,944,604)	(819,742,077)
<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>(802,944,604)</b>	<b>(819,742,077)</b>
Profit / (loss) per share - basic and diluted (Rupee)	(0.26)	(0.31)

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chairman



Director



Director

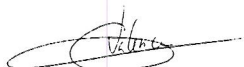


**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**

	<u>Three Months Ended March 31</u>	
	<u>2020</u>	<u>2019</u>
	<u>-----Rupees-----</u>	
Profit / (loss) for the period after taxation	(34,324,215)	(39,912,408)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	<u>(34,324,215)</u>	<u>(39,912,408)</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 25 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chairman



Director



Director

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**

Note	Three Months Ended March 31	
	2020	2019
	-----Rupees-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	(32,100,050)	(38,307,255)
<b>Adjustments for non-cash charges and other items</b>		
Depreciation		
Amortisation of intangible assets	11.1 6,400,841	5,602,635
Depreciation on Right of use asset	11.1 352,863	2,225,204
Financial charges on lease liability against right-of-use asset	11.1.2 5,781,851	-
Payment of lease liability against right-of-use asset	15.2 3,464,912	-
Gain on disposal operating fixed assets	15.2 (5,690,674)	-
Provision against non performing advances - net	19 (1,370)	-
Amortisation of Market Treasury bills	10.3 28,118,033	12,354,102
Grant utilised against expenses	18 (1,517,540)	-
	17 -	(1,034,484)
	36,908,916	19,147,457
	4,808,866	(19,159,798)
<b>(Increase)/ decrease in operating assets</b>		
Advances	(47,920,707)	(176,535,051)
Other assets (excluding advance taxation)	(13,456,590)	(3,331,171)
	(61,377,297)	(179,866,222)
<b>Increase / (decrease) in operating liabilities</b>		
Deposits and other accounts		
Borrowings	11,311,777	126,613,762
Other liabilities (excluding current taxation)	(75,000,000)	100,000,000
	28,409,957	40,867,591
	(35,278,266)	267,481,353
	(91,846,697)	68,455,333
Income tax paid	(2,484,911)	(1,141,925)
<b>Net cash generated from / (used in) operating activities</b>	<b>(94,331,608)</b>	<b>67,313,408</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in held-for-trading treasury bills		
Investment in operating fixed assets	11.1.1 1,479,923	(11,862,354)
Proceeds from disposal of operating fixed assets	(3,448,059)	(2,623,550)
	-	-
<b>Net cash used in investing activities</b>	<b>(1,968,136)</b>	<b>(14,485,904)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Grant received during the year	17 -	600,000
Advance against issue of capital	51,276,871	-
<b>Net cash used in financing activities</b>	<b>51,276,871</b>	<b>600,000</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>(45,022,873)</b>	<b>53,427,504</b>
Cash and cash equivalents at beginning of the period	414,835,791	130,245,480
<b>Cash and cash equivalents at end of the period</b>	<b>369,812,918</b>	<b>183,672,984</b>

The annexed notes from 1 to 25 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, 2020**

	Share capital	Statutory reserve	Depositors' protection fund	Accumulated losses	Total
	Rupees				
Balance as at December 31, 2018 - (audited)	1,290,163,100	-	-	(779,829,667)	510,333,433
Comprehensive income / (loss) for the period					
Loss for the period	-	-	-	(39,912,408)	(39,912,408)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(39,912,408)	(39,912,408)
Balance as at March 31, 2019 - (Un-audited)	1,290,163,100	-	-	(819,742,075)	470,421,025
Comprehensive income / (loss) for the period					
Profit for the period	-	-	-	54,858,112	54,858,112
Transferred to statutory reserve	-	(2,989,141)	-	-	(2,989,141)
Transferred to depositors' protection fund	-	-	(747,285)	-	(747,285)
Other comprehensive income	-	-	-	-	-
Total comprehensive profit for the period	-	-	-	54,858,112	54,858,112
Balance as at December 31, 2019 - (audited)	1,290,163,100	-	-	(764,883,963)	525,279,137
Issuance of share capital	50,000,000	-	-	-	50,000,000
Comprehensive income / (loss) 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)
Balance as at March 31, 2020 - (Un-audited)	<u>1,340,163,100</u>	<u>-</u>	<u>-</u>	<u>(799,208,178)</u>	<u>540,954,922</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chairman



Director



Director

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**

**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 Tamizuddin 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, 2019: 74.99%) share capital of the Bank. During this period all the shares of FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) - Netherlands (32,265,000 shares @ Rs 10/-each) were transferred to Advans S.A. Sicar as a result of mutual share subscription agreement between the two entities.

- 1.2 Subsequent to the last annual report, the COVID – 19 has spread throughout the country and measures to reduce the spread of the COVID-19 include lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. These measures have resulted in an overall economic slowdown and disruptions to various businesses. The Government of Pakistan and State Bank of Pakistan have announced several monetary and fiscal policy measures to mitigate the adverse economic impacts of the COVID 19. SBP vide AC&MFD Circular Letter No.1 of 2020 has instructed the MFBs that upon receiving of the written request MFB can defer repayment of principal or principal and interest both of the loan amount up to one year, however in order to be eligible for this relief the borrowers has to apply before June 30, 2020. This deferment will not affect the credit history of the obligor and accordingly will not be reported in the ECIB as restructuring. APMFBL is now receiving request from the borrowers and conveying the decision to the borrowers within 15 working days after the receipt of the written request.

The entity has determined that these events are non-adjusting subsequent events in accordance with the requirements of IAS 10, accordingly, these financial statements have not been adjusted to reflect the impacts of the COVID 19. Due to overall uncertain situation about the impacts and duration for which the abovementioned measures will continue, the overall impact on the entity's financial position and financial performance cannot be predicted with

- 1.3 The Bank's capital (free of losses) amounted to Rs 540.955 million as at March 31, 2020 which is in compliance with the minimum capital requirements as at March 31, 2020.

**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 Standards (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, 2019.

In accordance with BPRD Circular No. 10 of 2018 dated November 27, 2018, all Banks / Development Finance Institutions / Microfinance Banks (listed or non-listed) are required to prepare quarterly financial statements. The condensed interim financial statements are prepared as per set directives of SBP.

- 2.3 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' (replaced by IFRS 9: 'Financial instruments') and International Accounting Standard (IAS) 40, 'Investment Property'. Further, the Securities and Exchange Commission of Pakistan (SECP) has also deferred the applicability of International Financial Reporting Standard 7, "Financial Instruments: Disclosures" on banking companies vide SRO 411(I) / 2008 till further orders. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments, if any, have been classified and valued in accordance with the requirements prescribed by SBP through various circulars /



### 3 BASIS OF MEASUREMENT

#### 3.1 Accounting convention

These condensed interim financial statements have been prepared under the historical cost convention except for investments held for trading which are measured at fair value.

#### 3.2 Functional and presentation currency

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

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

The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standard, amendments or interpretation:

Standard, Interpretations or Amendments	Effective date (accounting periods beginning on or after)
- IFRS 3: 'Business combinations' (amendments)	January 1, 2020
- IAS 1: 'Presentation of financial statements' (amendments)	January 1, 2020
- IAS 8: 'Accounting policies, change in accounting estimates and errors' (amendments)	January 1, 2020
	<b>Effective date (periods ending on or after)</b>
- IFRS 9 - Financial Instruments: Classification and Measurement	January 1, 2021

\*The SECP through SRO 229(1)/2019 dated February 14, 2019, has notified that IFRS 9: 'Financial instruments' is applicable for accounting period ending on or after September 30, 2019. However, based on the guidance received from the SBP, the requirements of IFRS 9 have not been considered in the preparation of these condensed interim financial statements.

IFRS 9: 'Financial Instruments' 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 an 'Expected Credit Losses' (ECL) approach rather than the 'incurred credit losses' approach. The ECL has impact on all assets of the Bank which are exposed to credit risk. The Bank is in the process of assessing the full impact of this standard.

There are certain other 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.

### 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, 2019.

### 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, 2019.

### 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, 2019.

7	CASH AND BALANCES WITH STATE BANK OF PAKISTAN AND NATIONAL BANK OF PAKISTAN	Note	Un-audited March 31, 2020	Audited December 31, 2019
			-----Rupees-----	
	Cash in hand		36,088,838	56,942,308
	Balance with State Bank of Pakistan (SBP)	7.1	<u>92,878,494</u>	<u>28,832,330</u>
			<u>128,967,332</u>	<u>85,774,638</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 March 31, 2020	Audited December 31, 2019
			-----Rupees-----	
	In Pakistan:			
	- Current accounts		667,382	473,663
	- PLS deposit accounts	8.1	<u>240,178,204</u>	<u>230,105,030</u>
			<u>240,845,586</u>	<u>230,578,693</u>

8.1 These include deposits with commercial banks carrying mark-up rates ranging from 9% to 13% (December 31, 2019: 11% to 12.5%) per annum.

9	INVESTMENTS - NET OF PROVISIONS		Un-audited March 31, 2020	Audited December 31, 2019
			-----Rupees-----	
	Held-to-Maturity securities			
	Federal Government Securities			
	Market Treasury Bills		-	98,482,460

10	ADVANCES - NET OF PROVISIONS	Note	March 31, 2020 (un-audited)		December 31, 2019 (audited)	
			Number of loans outstanding	Amount outstanding	Number of loans outstanding	Amount outstanding
			Rupees		Rupees	
	Micro credit	10.1	11,188	1,296,116,708	11,466	1,269,590,951
	Less: Provision held					
	- Specific	10.2 & 10.3	1,421	30,119,489	1,302	23,342,151
	- General	10.3	-	<u>11,480,844</u>	-	<u>11,535,099</u>
				(41,600,333)		(34,877,250)
				<u>1,254,516,375</u>		<u>1,234,713,701</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 81,408,924 (December 31, 2019: Rs 65,054,252) which have been placed under non-performing status as detailed below.

Category of classification	March 31, 2020 (un-audited)			December 31, 2019 (Audited)		
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held
	-----Rupees-----			-----Rupees-----		
OAEM	25,079,637	-	-	16,351,827	-	-
Substandard	12,055,523	3,013,881	3,013,881	14,335,668	3,583,917	3,583,917
Doubtful	34,336,308	17,168,153	17,168,153	29,217,047	14,608,524	14,608,524
Loss	9,937,457	9,937,455	9,937,455	5,149,710	5,149,710	5,149,710
	<u>81,408,924</u>	<u>30,119,489</u>	<u>30,119,489</u>	<u>65,054,252</u>	<u>23,342,151</u>	<u>23,342,151</u>



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

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

	March 31, 2020 (un-audited)			December 31, 2019 (Audited)		
	Specific	General (Note 10.3.1)	Total	Specific	General (Note 10.3.1)	Total
	Rupees			Rupees		
Opening balance	23,342,151	11,535,099	34,877,250	11,230,523	9,229,052	20,459,575
Charge for the period / year						
- On non-performing advances	30,378,945	233,439	30,612,384	66,648,025	3,494,794	70,142,819
Reversals	(2,206,657)	(287,694)	(2,494,351)	(1,153)	(1,188,747)	(1,189,900)
	28,172,288	(54,255)	28,118,033	66,646,872	2,306,047	68,952,919
Amount written off	(21,394,950)	-	(21,394,950)	(54,535,244)	-	(54,535,244)
Closing balance	30,119,489	11,480,844	41,600,333	23,342,151	11,535,099	34,877,250

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.

	Note	Un-audited March 31, 2020	Audited December 31, 2019
		-----Rupees-----	
<b>10.4 Particulars of Write Offs:</b>			
Against Provisions		21,394,950	54,535,244
Directly charged to Profit and Loss account		-	-
		<u>21,394,950</u>	<u>54,535,244</u>
<b>11 OPERATING FIXED ASSETS</b>			
Capital work-in-progress	11.1	996,197	996,197
Property and equipment	11.1	86,606,867	89,559,650
Right-of-use asset	11.1	81,289,926	86,993,777
Intangible assets	11.1	2,428,111	2,780,974
		<u>171,321,102</u>	<u>180,330,598</u>
<b>11.1 Movement</b>			
Carrying value at the beginning of the period / year		93,336,821	97,994,443
Add: Additions during the period / year	11.1.1	3,448,059	35,084,945
Less: Transfers from CWIP to tangible assets		-	(11,994,251)
Less: Disposals/ deletion during the period / year at carrying value		-	-
		96,784,880	121,085,137
Right of Use Assets	11.1.2	81,211,926	86,993,777
Less: Depreciation/ Amortisation for the period / year		(6,753,704)	(27,748,316)
Carrying value at the end of the period / year		<u>171,243,102</u>	<u>180,330,598</u>
<b>11.1.1 Additions during the period / year</b>			
Furniture and Fixtures		270,658	3,844,996
Computer Equipment		2,487,643	10,019,363
Leasehold Improvements		207,487	9,414,543
Office & Other Equipment		482,271	10,684,903
Vehicles		-	119,500
Intangibles		-	1,001,640
Capital work-in-progress		-	-
		<u>3,448,059</u>	<u>35,084,945</u>
<b>11.1.2 Right-of-Use asset</b>			
Opening Right-of-use assets		86,993,777	104,871,228
Additions during the period		-	3,396,922
Depreciation charged during the period		(5,781,851)	(21,274,373)
Net book value at the end		<u>81,211,926</u>	<u>86,993,777</u>

	Note	Un-audited March 31, 2020	Audited December 31, 2019
<b>12 OTHER ASSETS</b>			
Prepayments for			
- rent		11,556,271	16,489,729
- insurance		1,896,814	3,210,844
- others		13,904,589	1,680,404
Mark-up / return / interest accrued		41,925,215	34,252,214
Receivable from a related party	12.1	291,500	2,298,804
Advances to staff		5,439,281	3,338,355
Security deposits		3,254,780	3,254,780
Accrued income on PLS savings account		1,851,201	1,804,934
Others		353,835	686,832
		<u>80,473,486</u>	<u>67,016,896</u>

12.1 This represents amount receivable from Advans International.

	March 31, 2020 (Un-audited)		December 31, 2019 (Audited)	
	Number of accounts	Rupees	Number of accounts	Rupees
<b>13 DEPOSITS AND OTHER ACCOUNTS</b>				
Fixed Deposits	608	740,732,802	573	689,276,202
Saving deposits	1,174	183,184,749	1,168	185,936,839
Current deposits	31,051	41,113,393	29,739	78,506,026
	<u>32,833</u>	<u>965,030,944</u>	<u>31,480</u>	<u>953,719,167</u>

	Note	(Un-audited) March 31, 2020	(Audited) December 31, 2019
<b>14 BORROWINGS</b>			
Borrowings from Banks / Financial Institutions in Pakistan	14.1 & 14.2	<u>225,000,000</u>	<u>300,000,000</u>

**14.1 Details of borrowings from financial institutions**

**Secured**

Borrowing from Non-Banking Finance Company (NBFC)	14.2	<u>225,000,000</u>	<u>300,000,000</u>
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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 for a period of one year. 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. The Bank has currently availed total amount of Rs 300 million in various tranches. One tranche has been paid amounting to Rs. 75 million in current quarter.

Further, due to the prevailing situation, APMFBL has requested PMICL through the letter dated April 02 referring to Circular No. 9 of 2020 dated March 31, 2020 from Securities and Exchange Commission of Pakistan (SECP) to defer the principal repayment of the outstanding financing amount for one year, however response from PMICL is awaited.

	Note	(Un-audited) March 31, 2020	(Audited) December 31, 2019
<b>15 OTHER LIABILITIES</b>			
Mark-up / return / interest payable		40,925,507	37,292,525
Accrued expenses		51,191,443	23,667,100
Payable to related parties	15.1	1,870,025	2,675,353
Withholding tax payable		15,284,234	15,063,311
Provident fund payable		-	907,897
Payable to Employee Old Age Benefit Institution (EOBI)		380,220	397,402
Current taxation (provisions less payments)		977,138	1,237,884
Lease liability against right-of-use assets	15.2	83,143,543	85,291,305
Others		400	400
		<u>193,772,510</u>	<u>166,533,177</u>

15.1 This include amounts of Rs 1,863,698 (December 31, 2019: Rs 2,669,026) and Rs 6,327 (December 31, 2019: Rs 6,327) payable to Advans S.A. Sicar - holding company and FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) - Netherlands respectively.

		(Un-audited) March 31, 2020	(Audited) December 31, 2019
		-----Rupees-----	
15.2 LEASE LIABILITY			
Opening Lease liability			
Additions		85,291,305	104,871,228
Finance cost		78,000	3,396,922
Lease payment		3,464,912	13,318,069
		<u>(5,690,674)</u>	<u>(36,294,914)</u>
		<u>83,143,543</u>	<u>85,291,305</u>

## 16 SHARE CAPITAL

## 16.1 Authorised capital

2020	2019		(Un-audited) March 31, 2020	(Audited) December 31, 2019
Number of shares			-----Rupees-----	
<u>150,000,000</u>	<u>150,000,000</u>	Ordinary shares of Rs 10 each	<u>1,500,000,000</u>	<u>1,500,000,000</u>

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

2019	2018			
Number of shares				
<u>134,016,310</u>	<u>129,016,310</u>	Ordinary shares of Rs 10 each fully paid in cash	<u>1,340,163,100</u>	<u>1,290,163,100</u>

Note

## 16.2.1 Share capital has been subscribed by the following:

Advans S.A. Sicar - Luxembourg	16.3	134,016,308	96,751,309
FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) - Netherlands		-	32,265,000
Claude Falgon - Chairman Advans Pakistan Microfinance Bank Limited		1	1
Steven Duchatelle - Director Advans Pakistan Microfinance Bank Limited		1	-
		<u>134,016,310</u>	<u>129,016,310</u>

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

	March 31, 2020 (un-audited)			December 31, 2019 (Audited)				
	Issued for cash	Issued as bonus shares	Total	Issued for cash	Issued as bonus shares	Total	2020	2019
	-----Number of shares-----						-----Rupees-----	
Opening balance	129,016,310	-	129,016,310	129,016,310	-	129,016,310	1,290,163,100	1,290,163,100
Shares issued during the year	5,000,000	-	5,000,000	-	-	-	50,000,000	-
Closing balance	<u>134,016,310</u>	<u>-</u>	<u>134,016,310</u>	<u>129,016,310</u>	<u>-</u>	<u>129,016,310</u>	<u>1,340,163,100</u>	<u>1,290,163,100</u>

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.


## 17 DEFERRED GRANT


	(Un-audited) March 31, 2020	(Audited) December 31, 2019
	-----Rupees-----	
Opening balance	714,669	1,149,153
Grant received during the period from: State Bank of Pakistan	-	600,000
Grant income recognised during the period State Bank of Pakistan - ISF	-	(1,034,484)
	<u>714,669</u>	<u>714,669</u>




		(Un-audited)	
		Three Months Ended March 31	
		2020	2019
		Rupees	
18	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	Interest / mark-up on:		
	Advances		
	Government Securities - Market Treasury bills	18.1 122,749,280	109,621,501
	Banks and financial institutions	1,517,540	-
	- Term deposits	-	-
	- Deposit accounts	-	-
		5,521,864	334,133
		<u>129,788,684</u>	<u>109,955,634</u>
18.1	Income for the period has been reduced by Rs 13,660,230 based on enforcement action by SBP against SBP inspection that was carried in 2019 for the period from January 2014 till December 31, 2018 related to reimbursement to loan clients. APMFBL has however requested SBP to condone this enforcement action and waiting for the reply from the Regulator.		
19	<b>OTHER INCOME</b>		
	Grant income	-	1,034,484
	Recoveries against write-offs	1,665,102	874,145
	Recoveries from Credit Guarantee Scheme	-	(3,000)
	Gain on sale of Fixed Assets	1,370	6,960
	Others	2,834	71,693
		<u>1,669,306</u>	<u>1,984,282</u>
20	<b>OTHER OPERATING EXPENSES / OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	20.1 1,439,000	-
		<u>1,439,000</u>	<u>-</u>
20.1	This was related to enforcement action on the SBP inspection that was carried in 2019 for the period from January 2014		
21	<b>RELATED PARTY TRANSACTIONS</b>		
	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	
		2020	2019
		Rupees	
	Remuneration of key management personnel (including directors)	31,732,863	33,363,945
	Technical support services availed from Advans International	-	-
22	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balances with State Bank of Pakistan and National Bank of Pakistan	7 128,967,332	85,774,638
	Balances with other banks and microfinance banks in current and deposit accounts	8 240,845,586	230,578,693
	Market treasury bills	-	98,482,460
		<u>369,812,918</u>	<u>414,835,791</u>
23	<b>CORRESPONDING FIGURES</b>		
	Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of better presentation and comparison. No significant reclassifications have been made during the current period.		
24	<b>GENERAL</b>		
	Figures have been rounded off to the nearest Rupee unless otherwise specified.		
25	<b>DATE OF AUTHORISATION</b>		
	These condensed interim financial statements were authorised for issue on _____ by the Board of Directors of the Bank.		

  
Chief Executive Officer

  
Chairman

  
Director

  
Director