

**ADVANS PAKISTAN MICROFINANCE BANK LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2021**

	Un-audited September 30, 2021	Audited December 31, 2020
Note	-----Rupees-----	
<b>ASSETS</b>		
Cash and balances with State Bank of Pakistan and National Bank of Pakistan	7 202,081,782	115,127,880
Balances with other banks and microfinance banks	8 409,276,944	430,728,498
Investments	9 49,805,429	199,364,055
Advances - net of provisions	10 2,043,817,379	955,643,369
Operating fixed assets	11 177,432,211	159,539,611
Other assets	12 89,694,466	67,625,786
Deferred tax asset	13 60,020,961	55,809,807
<b>Total assets</b>	<b>3,032,129,172</b>	<b>1,983,839,006</b>
<b>LIABILITIES</b>		
Deposits and other accounts	14 2,028,875,825	1,055,182,575
Borrowings	15 75,000,000	225,000,000
Subordinated debt	-	-
Other liabilities	16 203,490,630	150,216,834
Deferred tax liabilities	-	-
<b>Total liabilities</b>	<b>2,307,366,455</b>	<b>1,430,399,409</b>
<b>Net assets</b>	<b>724,762,717</b>	<b>553,439,597</b>
<b>REPRESENTED BY</b>		
Share capital	17 1,725,163,100	1,575,163,100
Reserves	2,989,141	2,989,141
Depositors' protection fund	747,285	747,285
Accumulated losses	(1,004,851,478)	(1,026,174,598)
	724,048,048	552,724,928
Surplus / (deficit) on revaluation of assets	-	-
Deferred grant	18 714,669	714,669
	<b>724,762,717</b>	<b>553,439,597</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 NINE MONTHS ENDED SEPTEMBER 30, 2021**

	Note	Nine months ended September 30	
		2021	2020
-----Rupees-----			
Mark-up / return / interest earned	20	517,775,406	349,790,909
Mark-up / return / interest expensed		(124,895,528)	(124,715,778)
<b>Net mark-up / interest income</b>		<b>392,879,878</b>	<b>225,075,131</b>
Provision against non-performing loans and advances - net	10.3	53,493,178	66,502,608
Provision for diminution in the value of investments		-	-
Bad debts written off directly		-	-
		53,493,178	66,502,608
<b>Net mark-up / return / interest income after provisions</b>		<b>339,386,700</b>	<b>158,572,523</b>
<b>Non mark-up / non interest income</b>			
Fee, commission and brokerage income		78,788,952	26,583,587
Dividend income		-	-
Other income	21	20,471,843	6,519,783
<b>Total non-mark-up / non-interest income</b>		<b>99,260,795</b>	<b>33,103,370</b>
		438,647,495	191,675,893
<b>Non mark-up / non interest expenses</b>			
Administrative expenses		413,824,986	286,032,848
Other provision / write offs		-	-
Other operating expenses / other charges		-	1,416,109
<b>Total non mark-up / non interest expenses</b>		<b>413,824,986</b>	<b>287,448,957</b>
Extra ordinary / unusual items		-	-
<b>Profit / loss before taxation</b>		<b>24,822,509</b>	<b>(95,773,064)</b>
Taxation - current		7,710,543	5,743,339
- prior		-	-
- deferred		(4,211,154)	(9,084,235)
		3,499,389	(3,340,896)
<b>Profit / (loss) after taxation</b>		<b>21,323,120</b>	<b>(92,432,168)</b>
Accumulated loss brought forward		(1,026,174,598)	(768,620,389)
		(1,004,851,478)	(861,052,557)
<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>(1,004,851,478)</b>	<b>(861,052,557)</b>
Profit / (loss) per share - basic and diluted (Rupee)		0.127	(0.691)

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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

	<u>Nine months ended September 30</u>	
	2021	2020
	-----Rupees-----	
Profit / (loss) for the period after taxation	21,323,120	(92,432,168)
Other comprehensive income	-	-
Total comprehensive profit / (loss) for the period	<u>21,323,120</u>	<u>(92,432,168)</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.

\_\_\_\_\_  
**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 NINE MONTHS ENDED SEPTEMBER 30, 2021**

Note	Nine months ended September 30	
	2021	2020
-----Rupees-----		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / loss before taxation	24,822,509	(95,773,064)
<b>Adjustments for non-cash charges and other items</b>		
Depreciation	20,527,241	18,837,207
Depreciation on right-of-use asset	18,477,805	16,912,813
Amortisation of intangible assets	1,304,706	1,097,668
Provision against non performing advances - net	53,493,178	66,502,608
Loss on disposal of operating fixed assets	-	375,933
Gain on disposal of operating fixed assets	(568,938)	-
Financial charges on lease liability against right-of-use asset	9,282,588	9,836,385
	102,516,580	113,562,614
	127,339,089	17,789,550
<b>(Increase) / decrease in operating assets</b>		
Advances - net of provisions	(1,141,667,188)	155,031,090
Other assets (excluding advance taxation)	(22,068,680)	(50,938,708)
	(1,163,735,868)	104,092,382
<b>Increase / (decrease) in operating liabilities</b>		
Deposits and other accounts	973,693,250	118,364,406
Borrowings	(150,000,000)	(75,000,000)
Other liabilities (excluding current taxation)	36,665,286	(5,201,976)
	860,358,536	38,162,430
	(176,038,243)	160,044,362
Payment of lease liability against right-of-use asset	(16,751,403)	(22,550,532)
Income tax paid	(8,218,542)	(7,572,736)
<b>Net cash used in operating activities</b>	<b>(201,008,188)</b>	<b>129,921,094</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment in operating fixed assets	(34,331,090)	(9,217,728)
Proceeds from the disposal of operating fixed assets	1,283,000	150,000
<b>Net cash used in investing activities</b>	<b>(33,048,090)</b>	<b>(9,067,728)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds against issue of share capital	150,000,000	285,000,000
<b>Net cash generated from financing activities</b>	<b>150,000,000</b>	<b>285,000,000</b>
<b>Net (decrease) / increase in cash and cash equivalents during the period</b>	<b>(84,056,278)</b>	<b>405,853,366</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>661,164,155</b>	<b>820,689,157</b>

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 NINE MONTHS ENDED SEPTEMBER 30, 2021**

	Share capital	Capital reserve	Statutory reserve	Capital Reserve	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
Issuance of shares	285,000,000	-	-	-	-	285,000,000
Comprehensive loss for the period						
Loss for the period	-	-	-	-	(92,432,168)	(92,432,168)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(92,432,168)	(92,432,168)
<b>Balance as at September 30, 2020 - (un-audited)</b>	1,575,163,100	-	2,989,141	747,285	(861,052,557)	717,846,969
Issuance of share capital	-	-	-	-	-	-
Comprehensive loss for the period						
Loss for the period	-	-	-	-	(165,122,041)	(165,122,041)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	(165,122,041)	(165,122,041)
<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 share capital	150,000,000	-	-	-	-	150,000,000
Comprehensive profit for the period						
Profit for the period	-	-	-	-	21,323,120	21,323,120
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	21,323,120	21,323,120
<b>Balance as at September 30, 2021 - (un-audited)</b>	1,725,163,100	-	2,989,141	747,285	(1,004,851,478)	724,048,048

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 NINE MONTHS ENDED SEPTEMBER 30, 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 (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 Ground Floor, Bahria Complex 1, Lalazar Area, Moulvi Tamizzuddin Khan Road, Karachi. The Bank operates 14 (December 31, 2020: 13) 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, 2020: 99.99%) share capital of the Bank.

1.2 The Bank's capital (free of losses) amounted to Rs 724.048 million as at September 30, 2021 (December 31, 2020: Rs 552.725 million) which is above the minimum capital requirements as at September 30, 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 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.

**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, 2021 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

The SBP vide BPRD Circular Letter no. 24 dated July 5, 2021 has deferred the implementation of IFRS 9 for banks to accounting periods beginning on or after January 1, 2022. Meanwhile, the banks are required to submit IFRS 9 compatible pro forma financial statements for the year ending December 31, 2021 and perform parallel run of IFRS 9 on quarterly basis. Further, the SBP will provide a timeline by December 2021 for absorption of "Expected Credit Loss" (ECL), for Capital Adequacy Ratio (CAR) purposes, after assessment / evaluation of pro-forma financial statements.

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, 2020.

## 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, 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.

7	Note	Un-audited September 30, 2021	Audited December 31, 2020
-----Rupees-----			
<b>CASH AND BALANCES WITH STATE BANK OF PAKISTAN AND NATIONAL BANK OF PAKISTAN</b>			
Cash in hand		76,192,131	62,238,487
Balance with State Bank of Pakistan (SBP)	7.1	125,889,651	52,889,393
Balance with National Bank of Pakistan (NBP)		-	-
		<u>202,081,782</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	Note	Un-audited September 30, 2021	Audited December 31, 2020
-----Rupees-----			
<b>BALANCES WITH OTHER BANKS AND MICROFINANCE BANKS</b>			
In Pakistan:			
- Current accounts		5,334,667	556,271
- PLS deposit accounts	8.1	403,942,277	430,172,227
		<u>409,276,944</u>	<u>430,728,498</u>

- 8.1 These include deposits with commercial banks carrying mark-up rates ranging from 5.5% to 6.75% (December 31, 2020: 5.5% to 11.2%) per annum.

	Un-audited September 30, 2021	Audited December 31, 2020
	-----Rupees-----	
<b>9 INVESTMENTS</b>		
<b>Held-to-maturity securities</b>		
<b>Federal Government Securities</b>		
Market Treasury Bills	<u>49,805,429</u>	<u>199,364,055</u>

- 9.1 The Market Treasury Bills will mature latest by October 21, 2021 and carries effective yield ranging from 7.2199% to 7.3492% (December 31, 2020: 7.1595% to 7.1726%)

**10 ADVANCES - NET OF PROVISIONS**

	Note	September 30, 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	12,833	2,110,480,844	8,564	1,074,441,467
Less: Provision held					
- Specific	10.2 & 10.3	890	31,430,668	755	38,987,407
- General	10.3	-	35,232,797	-	79,810,691
			(66,663,465)		(118,798,098)
			<u>2,043,817,379</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 81,176,095 (December 31, 2020: Rs 89,722,530) which have been placed under non-performing status as detailed below.

Category of classification	September 30, 2021 (un-audited)			December 31, 2020 (audited)			
	Amount outstanding	Provision required	Provision held	Amount outstanding	Provision required	Provision held	
		-----Rupees-----			-----Rupees-----		
Other assets especially mentioned	20,284,203	-	-	29,443,223	-	-	
Substandard	17,061,636	4,265,409	4,265,409	13,317,456	3,329,364	3,329,364	
Doubtful	33,329,994	16,664,997	16,664,997	22,607,616	11,303,808	11,303,808	
Loss	10,500,262	10,500,262	10,500,262	24,354,235	24,354,235	24,354,235	
	<u>81,176,095</u>	<u>31,430,668</u>	<u>31,430,668</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:

	September 30, 2021 (un-audited)			December 31, 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	101,020,957	16,101,061	117,122,018	137,328,585	78,870,434	216,199,019	
Reversals	(2,949,885)	(60,678,955)	(63,628,840)	(804,606)	(10,594,842)	(11,399,448)	
	98,071,072	(44,577,894)	53,493,178	136,523,979	68,275,592	204,799,571	
Amount written off	(105,627,811)	-	(105,627,811)	(120,878,723)	-	(120,878,723)	
Closing balance	<u>31,430,668</u>	<u>35,232,797</u>	<u>66,663,465</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 an additional provision of upto 15% on the portfolio that has applied for restructuring / rescheduling excluding gold loan amounting to Rs 16.382 million (December 31, 2020: Rs 70.49 million).

	Note	Un-audited September 30, 2021	Audited December 31, 2020
-----Rupees-----			
<b>10.4 Particulars of Write Offs:</b>			
Against provisions		105,627,811	120,878,723
Directly charged to profit and loss account		-	-
		<u>105,627,811</u>	<u>120,878,723</u>
<b>11 OPERATING FIXED ASSETS</b>			
Capital work-in-progress	11.1	-	5,996,197
Property and equipment	11.1	173,879,204	150,261,491
Intangible assets	11.1	3,553,007	3,281,923
		<u>177,432,211</u>	<u>159,539,611</u>
	Note	Un-audited September 30, 2021	Un-audited September 30, 2020
-----Rupees-----			
<b>11.1 Movement</b>			
Carrying value at beginning of the period		159,539,611	180,330,598
Add: Additions during the period	11.1.1	64,912,611	18,596,250
Less: Disposal of fixed assets	11.1.2	(714,062)	(525,933)
Less: Transfers from CWIP to tangible assets		(5,996,197)	-
Less: Depreciation / Amortisation for the period		(40,309,752)	(36,847,688)
Carrying value at the end of the period		<u>177,432,211</u>	<u>161,553,227</u>
<b>11.1.1 Additions during the period</b>			
Furniture and fixtures		2,876,911	784,068
Computer equipment		11,504,929	3,822,754
Leasehold improvements		13,131,598	207,487
Office and other equipment		11,238,059	2,527,641
Intangibles		1,575,790	1,875,778
Right-of-use asset		24,585,324	9,378,522
		<u>64,912,611</u>	<u>18,596,250</u>
<b>11.1.2 Disposal of Fixed Asset</b>			
Generator		-	525,933
Vehicle - net book value		714,062	-
		<u>714,062</u>	<u>525,933</u>
	Note	Un-audited September 30, 2021	Audited December 31, 2020
-----Rupees-----			
<b>12 OTHER ASSETS</b>			
Prepayments for			
- rent		398,307	9,699,476
- insurance		6,587,464	1,287,026
- others		6,876,877	4,643,411
Mark-up / return / interest accrued		65,046,272	43,438,741
Receivable from a related party	12.1	960,374	-
Advances to staff		5,593,583	4,713,181
Security deposits		3,404,780	3,054,780
Accrued income on PLS savings account		654,795	270,139
Others		172,014	519,032
		<u>89,694,466</u>	<u>67,625,786</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:

	Un-audited September 30, 2021	Audited December 31, 2020
	-----Rupees-----	
<b>Deductible temporary differences arising in respect of</b>		
- Unabsorbed tax depreciation and amortisation	57,731,567	55,235,072
- Property and equipment	2,239,940	700,256
- Intangible assets	49,454	-
	60,020,961	55,935,328
<b>Taxable temporary differences arising due to</b>		
- Intangible assets	-	(125,521)
	-	(125,521)
	<u>60,020,961</u>	<u>55,809,807</u>

- 13.1** The Bank has unabsorbed tax loss of Rs 722,535,210 (December 31, 2020: Rs 767,961,125) [including unabsorbed tax depreciation and amortisation amounting to Rs 199,074,369 (December 31, 2020: Rs 190,465,767)] as at September 30, 2021. The management has recognised deferred tax asset of Rs 57,731,567 (December 31, 2020: Rs 55,235,072) on unabsorbed tax depreciation and amortisation losses. 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.

September 30, 2021 (Un-audited)		December 31, 2020 (audited)	
Number of accounts	Rupees	Number of accounts	Rupees

**14 DEPOSITS AND OTHER ACCOUNTS**

Fixed deposits	505	1,125,829,280	522	756,243,582
Saving deposits	1,236	820,368,475	1,191	250,688,005
Current deposits	38,710	82,678,070	32,105	48,250,988
	<u>40,451</u>	<u>2,028,875,825</u>	<u>33,818</u>	<u>1,055,182,575</u>

**14.1 Particulars of deposits by ownership**

Individual depositors	40,264	1,411,143,676	33,625	1,032,043,512
Institutional depositors				
- Corporation / firms etc.	187	617,732,149	193	23,139,063
- Banks and financial institutions	-	-	-	-
	<u>40,451</u>	<u>2,028,875,825</u>	<u>33,818</u>	<u>1,055,182,575</u>

	Note	Un-audited September 30, 2021	Audited December 31, 2020
		-----Rupees-----	
<b>15 BORROWINGS</b>			
Borrowings from Banks / Financial Institutions in Pakistan	15.1 & 15.2	<u>75,000,000</u>	<u>225,000,000</u>
<b>15.1 Details of borrowings from financial institutions</b>			
<b>Secured</b>			
Borrowing from Non-Banking Finance Company (NBFC)	15.2	<u>75,000,000</u>	<u>225,000,000</u>

- 15.2** 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 repayable by September 2020. First tranche of Rs 75 million was paid by the Bank on January 8, 2020. During the year ended December 31, 2020, an amendment agreement was executed and the Bank was required to make payment in three instalments of Rs 75 million each on March 31, 2021, June 30, 2021 and September 30, 2021. During the period, the Bank has made payment relating to March 31, 2021, June 30, 2021 and payment related to September 30, 2021 was made on October 5, 2021.

	Note	Un-audited September 30, 2021	Audited December 31, 2020
-----Rupees-----			
<b>16 OTHER LIABILITIES</b>			
Mark-up / return / interest payable		21,121,239	31,335,482
Accrued expenses		42,459,018	37,690,103
Payable to related parties	16.1	31,813,752	2,796,208
Withholding tax payable		8,455,898	1,736,208
Provident fund payable		1,060,012	-
Payable to Employee Old Age Benefit Institution (EOBI)		246,840	154,492
Current taxation (provisions less payments)		97,782	605,781
Lease liability against right-of-use assets		93,014,669	75,898,160
Insurance benefits payable to staff	16.2	5,221,020	-
Others		400	400
		<u>203,490,630</u>	<u>150,216,834</u>

- 16.1** This represents amounts of Rs. 29,017,544 (December 31, 2020: Rs. Nil), Rs 2,789,881 (December 31, 2020: Rs 2,789,881) and Rs 6,327 (December 31, 2020: 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 September 30, 2021	Audited December 31, 2020		Un-audited September 30, 2021	Audited December 31, 2020
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 September 30, 2021	Audited December 31, 2020		Un-audited September 30, 2021	Audited December 31, 2020
Number of shares			-----Rupees-----	
<u>172,516,310</u>	<u>157,516,310</u>	Ordinary shares of Rs 10 each fully paid in cash	<u>1,725,163,100</u>	<u>1,575,163,100</u>

	Note	Un-audited September 30, 2021	Audited December 31, 2020
<b>17.2.1 Share capital has been subscribed by the following:</b>			
Advans S.A. Sicar - Luxembourg	17.3	172,516,308	157,516,308
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>157,516,310</u>

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

	September 30, 2021 (un-audited)			December 31, 2020 (audited)			September 30, 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
	<u>172,516,310</u>	<u>-</u>	<u>172,516,310</u>	<u>157,516,310</u>	<u>-</u>	<u>157,516,310</u>	<u>1,725,163,100</u>	<u>1,575,163,100</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 September 30, 2021	Audited December 31, 2020
<b>18 DEFERRED GRANT</b>	-----Rupees-----	
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>
<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 September 30, 2021 and December 31, 2020.

	Un-audited September 30, 2021	Un-audited September 30, 2020
<b>20 MARK-UP / RETURN / INTEREST EARNED</b>	-----Rupees-----	
Interest / mark-up on:		
Advances	498,830,978	254,920,353
Government Securities - Market Treasury bills	8,793,472	4,283,521
Banks and financial institutions - Deposit accounts	10,150,956	8,314,898
	<u>517,775,406</u>	<u>267,518,772</u>



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 September 30, 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.

**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