

ADVANS PAKISTAN MICROFINANCE BANK LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2023

	Un-audited	Audited
	September 30,	December 31,
	2023	2022
Note	-----Rupees-----	
ASSETS		
Cash and balances with State Bank of Pakistan and National Bank of Pakistan	260,616,930	327,210,799
Balances with other banks and microfinance banks	320,528,750	22,819,934
Investments	8 564,453,696	146,494,991
Advances - net of provisions	9 3,484,783,695	3,332,993,835
Operating fixed assets	10 387,758,240	411,248,606
Other assets	11 148,105,633	156,715,596
Deferred tax asset - net	88,507,768	79,061,485
TOTAL ASSETS	5,254,754,712	4,476,545,246
LIABILITIES		
Deposits and other accounts	12 3,888,078,716	3,206,860,162
Borrowings	13 273,639,090	310,232,046
Subordinated debt	-	-
Other liabilities	14 346,572,512	304,997,245
Deferred tax liabilities	-	-
TOTAL LIABILITIES	4,508,290,318	3,822,089,453
NET ASSETS	746,464,394	654,455,793
REPRESENTED BY		
Share capital	15 2,045,663,100	1,725,163,100
Reserves	13,766,170	13,766,170
Depositors' protection fund	4,022,814	4,022,814
Accumulated losses	(1,317,702,359)	(1,089,210,960)
	745,749,725	653,741,124
Surplus / (deficit) on revaluation of assets	-	-
Deferred grant	714,669	714,669
	746,464,394	654,455,793

MEMORANDUM / OFF BALANCE SHEET ITEMS 16

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

CHIEF EXECUTIVE OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

ADVANS PAKISTAN MICROFINANCE BANK LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	<u>Nine Months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
	-----Rupees-----	
(Loss) / profit for the period after taxation	(228,491,399)	30,934,965
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period	<u>(228,491,399)</u>	<u>30,934,965</u>

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

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

CHIEF EXECUTIVE OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

ADVANS PAKISTAN MICROFINANCE BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

	Note	Nine Months ended September 30	
		2023	2022
-----Rupees-----			
Mark-up / return / interest earned	17	1,276,308,761	960,355,303
Mark-up / return / interest expensed	18	(602,160,729)	(290,122,794)
Net mark-up / interest income		<u>674,148,032</u>	<u>670,232,509</u>
Provision against non-performing loans and advances - net	9.3	218,181,399	145,598,090
Provision for diminution in the value of investments		-	-
Bad debts written off directly		240,347	3,854,317
		<u>218,421,746</u>	<u>149,452,407</u>
Net mark-up / return / interest income after provisions		455,726,286	520,780,102
Non mark-up / non interest income			
Fee, commission and brokerage income	19	158,157,403	102,815,766
Other income	20	31,740,549	17,911,686
Total non-mark-up / non-interest income		<u>189,897,952</u>	<u>120,727,452</u>
		645,624,238	641,507,554
Non mark-up / non interest expenses			
Administrative expenses	21	854,406,491	682,408,426
Other provision / write offs		-	-
Other operating expenses / other charges	22	10,836,120	-
Total non mark-up / non interest expenses		<u>865,242,611</u>	<u>682,408,426</u>
Extra ordinary / unusual items		-	-
(Loss) / profit before taxation		<u>(219,618,373)</u>	<u>(40,900,872)</u>
Taxation - current		18,319,309	13,513,388
Taxation - prior		-	-
Taxation - deferred		(9,446,283)	(5,596,516)
		<u>8,873,026</u>	<u>7,916,872</u>
(Loss) / profit after taxation		<u>(228,491,399)</u>	<u>(48,817,744)</u>
Accumulated loss brought forward		<u>(1,089,210,960)</u>	<u>(1,015,760,739)</u>
		<u>(1,317,702,359)</u>	<u>(1,064,578,483)</u>
Appropriations			
Transfer to:			
Statutory reserve		-	-
Capital reserve		-	-
Depositors' protection fund		-	-
Revenue reserve		-	-
Proposed cash dividend		-	-
Accumulated loss carried forward		<u>(1,317,702,359)</u>	<u>(1,064,578,483)</u>
Earnings per share - basic and diluted (Rupee)		<u>(1.117)</u>	<u>(0.283)</u>

The annexed notes from 1 to 26 form an integral part of these 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, 2023

	Share capital	Capital reserve	Statutory reserve	Depositors' protection fund	Accumulated losses	Total
	----- Rupees -----					
Balance as at December 31, 2021 - (Audited)	1,725,163,100	-	13,766,170	3,441,542	(985,760,739)	756,610,073
Comprehensive income for the period						
Profit for the period	-	-	-	-	(48,817,744)	(48,817,744)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	(48,817,744)	(48,817,744)
Dividend					(30,000,000)	(30,000,000)
Balance as at September 30, 2022 - (Un-audited)	1,725,163,100	-	13,766,170	3,441,542	(1,064,578,483)	677,792,329
Comprehensive income for the year						
Loss for the period	-	-	-	-	(24,051,205)	(24,051,205)
Transferred to statutory reserves*			-		-	-
Transferred to depositors' protection fund**				581,272	(581,272)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	581,272	(24,632,477)	(24,051,205)
Balance as at December 31, 2022 - (Audited)	1,725,163,100	-	13,766,170	4,022,814	(1,089,210,960)	653,741,124
Comprehensive income for the year						
Loss for the period	-	-	-	-	(228,491,399)	(228,491,399)
Transferred to statutory reserves*	-	-	-	-	-	-
Transferred to depositors' protection fund**	-	-	-	2,417,574	(2,417,574)	-
Issue of right shares	320,500,000	-	-	-	-	320,500,000
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	320,500,000	-	-	-	(228,491,399)	92,008,601
Balance as at September 30, 2023 - (Un-audited)	2,045,663,100	-	13,766,170	4,022,814	(1,317,702,359)	745,749,725

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

* As per the Regulation 4 of Prudential Regulations for Microfinance Banks, the Bank is required to transfer 20% of its annual profits after taxes till such time the reserve fund equals the paid-up capital of the Bank.

** As per Microfinance Institutions Ordinance 2001, the Bank is required to transfer 5% of its annual profits after taxes and profits earned on the investments of the Fund to Depositors' Protection Fund.

CHIEF EXECUTIVE OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

ADVANS PAKISTAN MICROFINANCE BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

Nine Months ended September 30
2023 **2022**

Note -----Rupees-----

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) / profit before taxation		(219,618,373)	(40,900,872)
Adjustments for non-cash charges and other items			
Depreciation	21	43,391,262	33,452,103
Depreciation on right-of-use asset	21	37,781,495	32,123,710
Amortisation of intangible assets	21	1,253,701	1,054,118
Provision against non-performing advances - net	9.3	218,181,399	145,598,090
Gain on disposal of operating fixed assets		-	594,567
Financial charges on lease liability against right-of-use asset		22,916,782	16,793,248
		323,524,639	229,615,836
		103,906,266	188,714,964
Increase in operating assets			
Advances		(369,971,259)	(733,929,677)
Other assets		10,433,042	(49,488,420)
		(359,538,217)	(783,418,097)
Increase in operating liabilities			
Deposits and other accounts		681,218,554	636,356,453
Borrowings		(36,592,956)	211,374,179
Other liabilities (excluding current taxation)		36,282,556	42,221,581
		680,908,154	889,952,213
		425,276,203	295,249,080
Payment of lease liability against right-of-use asset		-	(50,669,489)
Income tax paid		(20,142,388)	(14,151,627)
Net cash flows generated from operating activities		405,133,815	230,427,964

CASH FLOWS FROM INVESTING ACTIVITIES

Investment in operating fixed assets		(23,131,107)	(135,239,269)
Proceeds from the disposal of operating fixed assets		-	-
Net cash used in investing activities		(23,131,107)	(135,239,269)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of lease liability against right-of-use asset		(53,429,056)	-
Issue of right shares		320,500,000	-
Dividend paid		-	(3,000,000)
Net cash used in financing activities		267,070,944	(3,000,000)
Net increase / (decrease) in cash and cash equivalents during the period		649,073,652	92,188,695
Cash and cash equivalents at the beginning of the period		496,525,724	527,690,933
Cash and cash equivalents at the end of the period	24	1,145,599,376	619,879,628

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

CHIEF EXECUTIVE OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR

ADVANS PAKISTAN MICROFINANCE BANK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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 the 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 Plot No.ST 2/A 3rd Floor Building No.3, Islamic Chamber of Commerce near Ocean Mall, Block 9 KDA Scheme 5, Clifton Karachi, Pakistan. The Bank operates through branches and service centres spread within the province of Sindh.

The credit rating company JCR-VIS assigned the long-term entity rating of the Bank at "BBB" and short term rating at "A-3" on April 28, 2023.

The Bank's capital (free of losses) amounted to Rs 745.75 million as at September 30, 2023 (December 31, 2022: Rs 653.741 million) which is above the minimum capital requirements as at September 30, 2023.

- 1.2 The Bank is a subsidiary of Advans S.A. Sicar (incorporated in Luxembourg) which holds 99.99% (December 31, 2022: 99.99%) share capital of the Bank. On August 04, 2023 Advans S.A. Sicar, the parent company of Advans Pakistan signed Shares Sale Agreement with MNT Halan Pak B.V. for the sale of 100% shares of Advans Pakistan. State Bank of Pakistan provided its approval for the said transaction on October 23, 2023. However, NOC from Competition Commission of Pakistan on the transaction is still awaited. Also there are certain conditions precedent, which needs to be satisfied before the completion of the transaction.

2 BASIS OF PRESENTATION

These financial statements have been prepared in compliance with the format as prescribed under the Banking Surveillance Department (BSD) Circular No.11 dated December 30, 2003 issued by the State Bank of Pakistan.

3 STATEMENT OF COMPLIANCE

- 3.1 These condensed interim financial information have been prepared in accordance with 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;
- 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).

Wherever the provisions of and directives issued under the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, the Prudential Regulations of Microfinance Banks and the directives issued by the SBP and SECP differ with the requirements of IFRS, the provisions of and directives issued under the Microfinance Institution Ordinance, 2001, the Companies Act, 2017, the Prudential Regulations of Microfinance Banks and the directives issued by the SBP and SECP shall prevail.

- 3.2 These condensed interim financial information 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, 2022.

3.3 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. Additionally, as the SBP vide BPRD Circular letter No. 03 of 2022, dated July 05, 2022, has extended the date of implementation of IFRS 9 - "Financial Instruments" till January 01, 2024. Accordingly, the requirements of this standard have not been considered in the preparation of these condensed interim financial statements.

3.4 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 01, 2023 but are considered not to be relevant or do not have any material impact on the Bank's operations and are therefore not detailed in these condensed interim financial statements.

3.5 Standards, interpretations of and amendments to the accounting and reporting standards that are not yet effective

The SBP vide BPRD Circular letter No. 03 of 2022, dated July 05, 2022, extended the date of implementation of IFRS 9 - "Financial Instruments" till January 01, 2024. Accordingly, the requirements of this standard have not been considered in the preparation of these condensed interim financial statements. However, during the transition period, the Company is required to carry out the parallel run reporting for submission of IFRS 9 pro-forma on quarterly and half yearly financial statements for the current period.

There are certain other new amendments that are mandatory for the Bank's accounting periods beginning on or after January 01, 2023, but are considered not to be relevant or will not have any material effect on the Bank's operations and are, therefore, not detailed in these condensed interim financial statements.

4 BASIS OF MEASUREMENT

4.1 Accounting convention

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

4.2 Functional and presentation currency

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

5 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, 2022.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis and methods used for critical accounting estimates and judgements 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, 2022.

7 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed into the annual financial statements for the year ended December 31, 2022.

	Note	Un-audited September 30, 2023	Audited December 31, 2022
		-----Rupees-----	
8	INVESTMENTS		
	Held-to-maturity securities		
	Federal Government Securities		
	Market Treasury Bills	564,453,696	146,494,991

9 ADVANCES - NET OF PROVISIONS

	Note	September 30, 2023 (un-audited)		December 31, 2022 (audited)	
		Number of loans outstanding	Amount outstanding	Number of loans outstanding	Amount outstanding
		Rupees		Rupees	
Micro credit	9.1	18,965	3,597,867,011	19,302	3,479,012,781
Less: Provision held					
- Specific	9.1, 9.2, 9.3 & 9.3	1,376	78,960,454	1,280	114,955,980
- General	9.3	-	34,122,862	-	31,062,966
			(113,083,316)		(146,018,946)
			<u>3,484,783,695</u>		<u>3,332,993,835</u>

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

9.2 Particulars of non-performing advances

Advances include Rs. 188.395 million (December 31, 2022: Rs. 187.273 million) which have been placed under non-performing status as detailed below:

Category of classification	September 30, 2023 (un-audited)			December 31, 2022 (audited)			
	Amount outstanding	Provision required	Provision held (Note 11.3)	Amount outstanding	Provision required	Provision held (Note 11.3)	
		----- Rupees -----			----- Rupees -----		
Other assets especially mentioned	41,924,838	-	-	19,382,002	-	-	
Substandard	30,477,171	7,541,892	7,541,892	27,978,498	6,994,623	6,994,623	
Doubtful	88,890,380	44,445,190	44,445,190	101,855,540	50,927,771	50,927,771	
Loss	27,102,175	26,973,375	26,973,375	38,057,523	38,057,523	57,033,586	
	<u>188,394,564</u>	<u>78,960,457</u>	<u>78,960,457</u>	<u>187,273,563</u>	<u>95,979,917</u>	<u>114,955,980</u>	

9.3 Particulars of provision against non-performing advances

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

	September 30, 2023 (un-audited)			December 31, 2022 (audited)		
	Specific	General	Total	Specific	General	Total
	9.3.1			9.3.1		
	----- Rupees -----			----- Rupees -----		
Opening balance	114,955,980	31,062,966	146,018,946	31,273,053	32,588,134	63,861,187
Charge for the year						
- On non-performing advances	234,097,569	26,264,197	260,361,766	254,837,891	27,805,344	282,643,235
Reversals	(18,970,561)	(23,209,805)	(42,180,367)	(776,726)	(29,330,512)	(30,107,238)
	215,127,008	3,054,391	218,181,399	254,061,165	(1,525,168)	252,535,997
Amount written off	(251,117,029)	-	(251,117,029)	(170,378,238)	-	(170,378,238)
Closing balance	<u>78,965,959</u>	<u>34,117,357</u>	<u>113,083,316</u>	<u>114,955,980</u>	<u>31,062,966</u>	<u>146,018,946</u>

- 9.3.1 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.

	Un-audited September 30, 2023	Audited December 31, 2022
Note	-----Rupees-----	

9.4 Particulars of write offs:

Against provisions	251,117,029	170,378,238
Directly charged to profit and loss account	240,347	4,275,499
	<u>251,357,376</u>	<u>174,653,737</u>

10 OPERATING FIXED ASSETS

Property and equipment	10.1	384,919,091	407,353,506
Intangible assets	10.2	2,839,149	3,895,100
		<u>387,758,240</u>	<u>411,248,606</u>

10.1 Property and equipment

	2023							Annual rate of depreciation
	COST			DEPRECIATION			Net book value at September 30, 2023	
	At January 01, 2022	Additions / (disposal)	At September 30, 2023	At January 01, 2023	Charge for the year / disposal	At September 30, 2023		
	----- (Rupees) -----							%
Owned Assets								
Leasehold improvements	134,741,026	9,395,843	144,136,869	30,691,927	9,978,253	40,670,180	103,466,689	10
Furniture and fixtures	36,715,987	88,097	36,804,084	20,157,396	3,841,908	23,999,304	12,804,780	20
Office and other equipment	107,283,752	5,442,609	112,726,361	60,010,224	12,222,648	72,232,872	40,493,489	20
Computer equipment	116,023,323	8,006,809	124,030,132	79,177,341	15,473,310	94,650,651	29,379,481	33
Vehicles	31,401,414	-	31,401,414	10,223,595	1,875,143	12,098,738	19,302,676	20
Leased Assets								
Right-of-use asset	291,765,364	28,076,920	319,842,284	110,316,877	30,053,431	140,370,308	179,471,976	13 - 100
	<u>717,930,866</u>	<u>51,010,278</u>	<u>768,941,144</u>	<u>310,577,360</u>	<u>73,444,693</u>	<u>384,022,053</u>	<u>384,919,091</u>	

	2022							Annual rate of depreciation
	COST			DEPRECIATION			Net book value at December 31, 2022	
	At January 01, 2022	Additions / (disposal)	At December 31, 2022	At January 01, 2022	Charge for the year / disposal	At December 31, 2022		
	----- (Rupees) -----							%
Owned Assets								
Leasehold improvements	60,755,532	79,651,357	134,741,026	24,999,570	10,288,361	30,691,927	104,049,099	10
		(5,665,863)			(4,596,004)		-	20
Furniture and fixtures	23,689,654	13,026,333	36,715,987	15,490,790	4,666,606	20,157,396	16,558,591	20
Office and other equipment	71,702,575	35,581,177	107,283,752	45,759,017	14,251,207	60,010,224	47,273,528	33
Computer equipment	86,408,229	29,615,094	116,023,323	62,478,026	16,699,315	79,177,341	36,845,982	20
Vehicles	13,954,414	17,447,000	31,401,414	8,407,993	1,815,602	10,223,595	21,177,819	
Leased Assets								
Right-of-use asset	181,515,948	110,249,416	291,765,364	64,733,249	45,583,628	110,316,877	181,448,487	13 - 100
	<u>438,026,352</u>	<u>262,457,514</u>	<u>717,930,866</u>	<u>221,868,645</u>	<u>86,893,113</u>	<u>310,577,360</u>	<u>407,353,506</u>	
		<u>(5,665,863)</u>			<u>(4,596,004)</u>			

10.2 Intangible assets

	2023						Annual rate of amortisation	
	COST			AMORTISATION				
	At January 01, 2023	Additions	At September 30, 2023	At January 01, 2023	Charge for the year	At September 30, 2023		
	----- (Rupees) -----						%	
Core banking application and other licenses	56,704,385	197,750	56,902,135	54,960,819	348,742	55,309,561	1,592,574	25
Computer software	12,266,963	-	12,266,963	10,115,429	904,959	11,020,388	1,246,575	25
	<u>68,971,348</u>	<u>197,750</u>	<u>69,169,098</u>	<u>65,076,248</u>	<u>1,253,701</u>	<u>66,329,949</u>	<u>2,839,149</u>	

	2022						Annual rate of amortisation	
	COST			AMORTISATION				
	At January 01, 2022	Additions	At December 31, 2022	At January 01, 2022	Charge for the year	At December 31, 2022		
	----- (Rupees) -----						%	
Core banking application and other licenses	56,704,385	-	56,704,385	54,870,542	90,277	54,960,819	1,743,566	25
Computer software	10,044,497	2,222,466	12,266,963	8,724,913	1,390,516	10,115,429	2,151,534	25
	<u>66,748,882</u>	<u>2,222,466</u>	<u>68,971,348</u>	<u>63,595,455</u>	<u>1,480,793</u>	<u>65,076,248</u>	<u>3,895,100</u>	

11	OTHER ASSETS	Note	Un-audited	Audited
			September 30, 2023	December 31, 2022
			-----Rupees-----	
	Mark-up / return / interest accrued		101,939,455	113,683,630
	Prepayments for			
	rent		7,751,875	9,777,162
	insurance		8,272,373	2,527,698
	others		7,337,518	14,372,380
	Receivable from a related party	11.1	-	421,020
	Advances to staff		8,231,763	6,953,685
	Security deposits		6,769,580	6,929,580
	Advance taxation (payments less provisions)		1,941,922	118,843
	Accrued income on PLS savings account		4,147,011	192,100
	Others		1,714,137	1,739,498
			148,105,633	156,715,596

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

12 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2023 (Un-audited)		December 31, 2022 (Audited)	
	Number of accounts	Rupees	Number of accounts	Rupees
Fixed deposits	872	2,691,931,876	666	2,689,157,600
Saving deposits	1,423	1,108,038,144	1,345	410,330,081
Current deposits	60,021	88,108,696	41,529	107,372,481
	62,316	3,888,078,716	43,540	3,206,860,162

13	BORROWINGS	Note	Un-audited	Audited
			September 30, 2023	December 31, 2022
			-----Rupees-----	
	Borrowings from Banks / Financial Institutions in Pakistan	13.1	273,639,090	310,232,046

13.1 Details of borrowings from financial institutions

Secured borrowings from:

Pakistan Microfinance Investment Company (PMIC)	200,000,000	300,000,000
Habib Metropolitan Bank Limited	66,666,665	-
United Bank Limited	6,972,425	10,232,046
	<u>273,639,090</u>	<u>310,232,046</u>

The terms and conditions of borrowings are same as stated in annual financial statements for the year ended December 31, 2022

	Note	Un-audited September 30, 2023	Audited December 31, 2022
-----Rupees-----			
14 OTHER LIABILITIES			
Mark-up / return / interest payable		60,429,430	45,687,752
Accrued expenses		64,276,908	55,012,036
Payable to related parties	14.1	618,208	2,796,208
Withholding tax payable		25,321,910	9,205,361
Provident fund payable		-	1,743,027
Payable to employee old age benefit institution		137,659	57,175
Lease liability against right-of-use assets		195,788,397	190,495,686
		<u>346,572,512</u>	<u>304,997,245</u>

14.1 This represents amounts of Rs. 611,811 (December 31, 2022: Rs. 2,789,881) and Rs. 6,327 (December 31, 2022: Rs. 6,327) payable to Advans S.A. Sicar - Holding Company and FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) - Netherlands respectively.

15 SHARE CAPITAL

15.1 Authorised capital

Un-audited September 30, 2023	Audited December 31, 2022		Un-audited September 30, 2023	Audited December 31, 2022
-----Rupees-----				
		Number of shares		
<u>206,000,000</u>	<u>200,000,000</u>	Ordinary shares of Rs 10 each	<u>2,060,000,000</u>	<u>2,000,000,000</u>

15.2 Issued, subscribed and paid-up share capital

Un-audited September 30, 2023	Audited December 31, 2022		Un-audited September 30, 2023	Audited December 31, 2022
Number of shares			-----Rupees-----	
		Ordinary shares of Rs 10 each		
204,566,310	172,516,310	fully paid in cash	2,045,663,100	1,725,163,100

15.2.1 Share capital has been subscribed by the following:

Advans S.A. Sicar - Luxembourg	204,566,308	172,516,308
Steven Duchatelle - Director Advans Pakistan Microfinance Bank Limited	1	1
Claude Falgon - Chairman Advans Pakistan Microfinance Bank Limited	1	1
	<u>204,566,310</u>	<u>172,516,310</u>

15.2.2 Movement in issued, subscribed and paid-up share capital

	September 30, 2023 (un-audited)			December 31, 2022 (audited)			September 30, 2023 (un- audited)	December 31, 2022 (audited)
	Issued for cash	Issue of right share	Total	Issued for cash	Issue of right share	Total		
	-----Number of shares-----						-----Rupees-----	
Opening	172,516,310	-	172,516,310	172,516,310	-	172,516,310	1,725,163,100	1,725,163,100
Shares issued during the year	-	32,050,000	32,050,000	-	-	-	320,500,000	-
	<u>172,516,310</u>	<u>32,050,000</u>	<u>204,566,310</u>	<u>172,516,310</u>	<u>-</u>	<u>172,516,310</u>	<u>2,045,663,100</u>	<u>1,725,163,100</u>

16 MEMORANDUM / OFF BALANCE SHEET ITEMS

There were no contingencies as at September 30, 2023 (December 31, 2022: Nil)

	Un-audited September 30, 2023	Un-audited September 30, 2022
	-----Rupees-----	

17 MARK-UP / RETURN / INTEREST EARNED

Interest / mark-up on:

Advances	1,217,874,835	925,355,265
Government Securities - Market Treasury bills	41,342,006	17,307,463
Banks and financial institutions		
- Deposit accounts	17,091,920	17,692,575
	<u>1,276,308,761</u>	<u>960,355,303</u>

	Un-audited September 30, 2023	Un-audited September 30, 2022
	-----Rupees-----	
18 MARK-UP / RETURN / INTEREST EXPENSED		
Interest / mark-up on deposits	536,723,005	266,306,440
Interest / mark-up on borrowing	65,437,725	23,816,354
	<u>602,160,729</u>	<u>290,122,794</u>
19 FEE AND COMMISSION INCOME		
Loan processing fee	157,277,346	96,493,775
Other fee and commission	880,057	6,321,991
	<u>158,157,403</u>	<u>102,815,766</u>
20 OTHER INCOME		
Recoveries against write-offs	27,000,187	17,494,820
Recoveries from Credit Guarantee Scheme	4,077,301	404,703
Others	663,060	12,163
	<u>31,740,549</u>	<u>17,911,686</u>
21 ADMINISTRATIVE EXPENSES		
Salaries and other allowances	417,661,577	317,577,499
Staff welfare	8,472,403	5,461,948
Non executive directors' fees, allowances and other expenses	1,199,997	800,000
Training and business development	1,167,785	1,770,367
Rent expenses	18,148,062	15,066,544
Legal and professional charges	5,708,067	5,329,600
Utilities	39,590,482	16,107,764
Communications	23,340,573	14,559,731
Repairs and maintenance - others	30,523,956	20,143,724
Repairs and maintenance - Vehicles	22,755,097	16,949,748
Financial charges on lease liability against right-of-use asset	22,916,782	16,793,248
Fuel for generator	32,127,828	16,785,152
Insurance	12,727,582	14,086,556
Travelling and conveyance	40,716,677	30,095,568
Printing and stationery	10,636,051	7,274,131
Fees and subscription	14,326,262	11,734,798
Technical assistance fee	-	53,407,062
Security charges	28,596,644	18,552,660
Advertisement and publicity	8,870,257	8,454,552
Auditors' remuneration	2,935,836	2,883,318
Depreciation	43,391,262	33,452,103

	Un-audited September 30, 2023	Un-audited September 30, 2022
	-----Rupees-----	
Depreciation of Right-of-use-asset	37,781,495	32,123,710
Amortisation of intangible assets	1,253,701	1,054,118
Bank charges	12,049,324	2,461,706
Office supplies	338,049	109,455
Janitorial charges	9,711,009	8,022,035
Other expenses	7,459,734	11,351,329
	<u>854,406,491</u>	<u>682,408,426</u>

22 OTHER OPERATING EXPENSES

Loss on sale of investments	354,676	-
Penalties imposed by State Bank of Pakistan	10,481,444	-
	<u>10,836,120</u>	<u>-</u>

23 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 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:

Remuneration of key management personnel (including directors)	<u>206,785,816</u>	<u>177,193,498</u>
Technical support services availed from Advans International	<u>-</u>	<u>55,672,360</u>
	Un-audited September 30, 2023	Audited December 31, 2022
	-----Rupees-----	

24 CASH AND CASH EQUIVALENTS

Cash and balances with State Bank of Pakistan and National Bank of Pakistan	260,616,930	247,743,972
Balances with other banks and microfinance banks in current and deposit accounts	320,528,750	173,698,643
Market treasury bills	564,453,696	198,437,013
	<u>1,145,599,376</u>	<u>619,879,628</u>

25 GENERAL

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

26 DATE OF AUTHORISATION

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

CHIEF EXECUTIVE OFFICER

CHAIRMAN

DIRECTOR

DIRECTOR