

**ASA MICROFINANCE BANK (PAKISTAN) LTD  
CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE QUARTER ENDED  
31 MARCH 2024**

**ASA MICROFINANCE BANK (PAKISTAN) LTD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

		(Un-audited) March 31 2024	(Audited) December 31 2023
	Note	Rupees in '000	
<b>ASSETS</b>			
Cash and balances with treasury banks	6	27,124	18,837
Balances with other MFBs / Banks / NBFIs	7	2,187,820	1,180,035
Advances	8	19,858,356	19,321,847
Property and equipment	9	482,531	427,151
Right-of-use assets	10	209,259	225,016
Intangible assets	11	271,109	126,160
Deferred tax assets	12	1,231,325	1,231,325
Other assets	13	733,095	707,193
		25,000,620	23,237,564
<b>LIABILITIES</b>			
Borrowings	14	8,482,697	8,025,344
Lease liabilities	15	188,276	189,751
Other liabilities	16	6,013,813	4,725,534
		14,684,786	12,940,629
<b>NET ASSETS</b>		10,315,834	10,296,935
<b>REPRESENTED BY</b>			
Share capital / head office capital account - net		1,500,000	1,500,000
Reserves		652,459	494,573
Unappropriated / Unremitted profit		8,163,375	8,302,361
		10,315,834	10,296,935

**CONTINGENCIES AND COMMITMENTS**

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The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

\_\_\_\_\_  
President and Chief Executive Officer

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**ASA MICROFINANCE BANK (PAKISTAN) LTD**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED 31 MARCH 2024**

	Note	Quarter Ended	
		March 31' 2024	March 31' 2023
		Rupees in '000	
Mark-up / Return / Interest earned	18	2,922,979	2,215,309
Mark-up / Return / Interest expensed	19	(499,595)	(580,406)
Net mark-up / interest income		2,423,384	1,634,903
<b>NON MARK-UP / INTEREST INCOME</b>			
Other income	20	(52,876)	(65,348)
Total non-markup / interest Income		(52,876)	(65,348)
Total income		2,370,507	1,569,555
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	21	(976,065)	(602,382)
Total non-markup / interest expenses		(976,065)	(602,382)
Profit / (Loss) before credit loss allowance		-	-
Credit loss allowance and write offs - net	22	(107,551)	(70,005)
Other income / expense items (to be specified)		-	-
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		1,286,891	897,168
Taxation	23	(497,464)	(296,169)
<b>PROFIT / (LOSS) AFTER TAXATION</b>		789,427	600,999
		Rupees	
<b>Basic earnings / (loss) per share</b>	24	2,105.14	1,602.66

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\_\_\_\_\_  
President and Chief Executive Officer

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**ASA MICROFINANCE BANK (PAKISTAN) LTD**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 31 MARCH 2024**

	Quarter Ended	
	March 31' 2024	March 31' 2023
	----- (Rupees in '000) -----	
Profit / (Loss) after taxation for the period	789,427	600,999
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Movement in hedge accounting reserve - net of tax	341,026	17,986
	341,026	17,986
<b>Total comprehensive income</b>	1,130,454	618,985

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Chairperson

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Director

\_\_\_\_\_  
Director



**ASA MICROFINANCE BANK (PAKISTAN) LTD**  
**CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED 31 MARCH 2024**

	<i>Note</i>	<b>(Un-audited)</b> <b>March 31</b> <b>2024</b>	<b>(Audited)</b> <b>December 31</b> <b>2023</b>
		<b>Rupees in '000</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before taxation		1,286,891	4,000,947
Adjustments:			
Depreciation		66,481	118,636
Depreciation on right-of-use assets		27,791	128,565
Amortization		5,155	12,492
Mark-up / Return / Interest expense on lease liability against right-of-use assets		5,694	31,673
Amortization of hedge points		127,001	590,808
Loss/ (Gain) on sale / disposal of property and equipment		-	1,271
Provision against non-performing loans and advances - net		94,980	200,167
Other provisions / write-offs		-	11,686
Bad debts written off directly		12,571	72,772
Charge for defined benefit plan		47,645	400,506
		387,317	1,568,576
(Increase) / Decrease in operating assets			
Advances		(582,746)	(1,638,490)
Other assets (excluding unrealized gain on foreign exchange forward contracts)		(25,901)	1,032,275
		(608,648)	(606,214)
Increase / (Decrease) in operating liabilities			
Borrowings		1,130,727	(4,198,038)
Other liabilities (excluding dividend payable, payable to defined benefit plan, current tax provision and unrealized loss on foreign exchange forward contracts)		(595,772)	278,366
		534,955	(3,919,672)
Income tax paid		(324,326)	(1,274,567)
Benefits paid		(7,639)	(21,433)
<i>Net cash flows (used in) / generated from operating activities</i>		1,268,551	(252,363)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investments in operating fixed assets		(233,275)	(578,579)
Sale proceeds from disposal of operating fixed assets		-	431
<i>Net cash flows used in investing activities</i>		(233,275)	(578,149)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Payment of lease liability against right-of-use assets		(19,203)	(178,603)
<i>Net cash flows (used in) / generated from financing activities</i>		(19,203)	(178,603)
<b>Net (decrease) / increase in cash and cash equivalents</b>		1,016,072	(1,009,115)
Cash and cash equivalents at beginning of the year		1,198,872	2,207,987
<b>Cash and cash equivalents at end of the year</b>		<b>2,214,944</b>	<b>1,198,872</b>

The annexed notes 1 to 27 form an integral part of these condensed interim financial statements.

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President and Chief Executive Officer

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Chairperson

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Director

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Director

**ASA MICROFINANCE BANK (PAKISTAN) LTD**  
**NOTES TO THE ACCOUNTS**  
**FOR THE QUARTER ENDED 31 MARCH 2024**

**1. STATUS AND NATURE OF BUSINESS**

- 1.1** ASA Microfinance Bank (Pakistan) Limited (formerly "ASA Pakistan Limited") [ASA MFB or the Bank] was incorporated in the Islamic Republic of Pakistan on 19 March 2008, as an unlisted public limited company under the Companies Ordinance, 1984 (repealed by the Companies Act 2017). The registered office of ASA MFB is situated at 7th Floor, NICL Building, Abbasi Shaheed Road, Off Shahrah-e-Faisal, Karachi, Pakistan.
- 1.2** On January 03, 2020, the State Bank of Pakistan (SBP) issued NOC for transformation of the company into a Microfinance Bank, and in February 2021, the Securities & Exchange Commission of Pakistan (SECP), issued a Certificate of Incorporation on change of name. Subsequently on May 24, 2022, SBP issued Microfinance banking license to ASA MFB, as stipulated in the Microfinance Institution Ordinance 2001. On November 13, 2023, SBP allowed 'Commencement of Microfinance Banking Business' to ASA MFB, initially for performing non deposit taking lending operations nationwide, after ASA MFB met all conditions and requirements related to commencement of business.
- 1.3** As at March 31, 2024, ASA MFB has 345 (2023: 345) business locations comprising of 72 Hub Branches and 273 Service Centers in operation in all provinces of Pakistan, including the Federal Capital Islamabad, except Azad Jammu & Kashmir and Gilgit Baltistan, serving the low income and underserved segments, particularly women, as envisaged under the MFI Ordinance 2001.
- 1.4** ASA International Holding situated in Mauritius, is the parent/holding company of ASA MFB which holds 99.99% (2023: 99.99%) shares of The Bank.

**2. BASIS OF PRESENTATION**

**2.1 STATEMENT OF COMPLIANCE**

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

- International Financial Reporting Standards (IFRS) 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 (the MFI Ordinance) and the Companies Act, 2017; and
- directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP)

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

- 2.2** The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2023.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the MFB for the year ended December 31, 2023.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The basis for accounting estimates adopted in the preparation of this condensed interim unconsolidated financial information is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2023.

**5. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Bank are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2023.

		Un-audited March 31, 2024	Audited December 31, 2023
		Rupees in '000	
<b>6</b>	<b>CASH AND BALANCES WITH TREASURY BANKS</b>		
	In hand - Local currency	18,134	16,657
	With National Bank of Pakistan in		
	Local currency current account	8,990	2,180
	Local currency deposit account (to be specified)	-	-
		8,990	2,180
	Less: Credit loss allowance	-	-
	<b>Total</b>	<b>27,124</b>	<b>18,837</b>

		Un-audited March 31, 2024	Audited December 31, 2023
		Rupees in '000	
<b>7</b>	<b>BALANCES WITH OTHER MFBs / BANKs / NBFIs</b>		
-	In current account	-	-
-	In deposit account	1,987,820	980,035
-	In term deposits	200,000	200,000
	Less: Credit loss allowance	-	-
		<b>2,187,820</b>	<b>1,180,035</b>

	Performing				Non Performing		Total	
	Stage 1		Stage 2		Stage 3		Un-audited March 31, 2024	Audited December 31, 2023
	Un-audited March 31, 2024	Audited December 31, 2023	Un-audited March 31, 2024	Audited December 31, 2023	Un-audited March 31, 2024	Audited December 31, 2023		
	<b>Rupees in '000</b>							
<b>8</b>	<b>ADVANCES</b>							
	Loan Type							
	Micro Credits							
	Secured	-	-	-	-	-	-	-
	Unsecured	20,022,022	19,413,583	21,305	23,379	19,923	35,729	20,063,250
	Islamic financing	-	-	-	-	-	-	-
	Others	80,435	75,677	-	-	-	-	80,435
	Advances - gross	20,102,458	19,489,260	21,305	23,379	19,923	35,729	20,143,685
	Credit loss allowance against advances							
	- Stage 1	270,809	193,914	-	-	-	-	270,809
	- Stage 2	-	-	1,916	2,798	-	-	1,916
	- Stage 3	-	-	-	-	12,606	29,810	12,606
		270,809	193,914	1,916	2,798	12,606	29,810	285,330
	Advances - net of credit loss allowance	19,831,649	19,295,347	19,389	20,581	7,317	5,919	19,858,356

		Un-audited March 31, 2024	Audited December 31, 2023
		Rupees in '000	
<b>9</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Property and equipment	482,531	427,151
		<b>482,531</b>	<b>427,151</b>





		Un-audited	Audited December
		March 31, 2024	31, 2023
		Rupees in '000	
14	<b>BORROWINGS</b>		
	<i>Secured</i>		
	In Pakistan	3,926,045	3,090,369
	Outside Pakistan	4,556,652	4,934,975
	<b>Total secured</b>	<u>8,482,697</u>	<u>8,025,344</u>
	<b>15 LEASE LIABILITIES</b>		
	At beginning of period / year	189,751	142,308.83
	Additions during the period / year	12,034	194,373
	Interest expense	5,694	31,673.04
	Payment	(19,203)	(178,603)
	Closing balance	<u>188,276</u>	<u>189,751</u>
	<b>16 OTHER LIABILITIES</b>		
	Mark-up / return / interest payable	393,436	250,150
	Accrued expenses	137,762	330,320
	Management fee payable	30,542	17,900
	Dividend payable	2,750,876	1,486,187
	Current taxation (provisions less payments)	2,312,831	1,674,260
	Unrealized loss on foreign exchange forward contracts	37,005	330,227
	Advance Taxation	(323,831)	-
	Payable to defined benefit plan	675,193	636,490
		<u>6,013,813</u>	<u>4,725,534</u>
	<b>17 CONTINGENCIES AND COMMITMENTS</b>		
	-Commitments		
	- Foreign exchange forward contracts - purchase	5,973,548	5,460,854
		<u>5,973,548</u>	<u>5,460,854</u>

	March 31' 2024	March 31' 2023
	Rupees in '000	
<b>18 MARK-UP / RETURN / INTEREST EARNED</b>		
Loans and advances	2,906,760	2,084,104
Balances with other MFBs / banks / NBFIs	16,219	131,205
	<u>2,922,979</u>	<u>2,215,309</u>
<b>19 MARK-UP / RETURN / INTEREST EXPENSED</b>		
Borrowings	363,593	393,229
Amortization of hedge points	127,001	176,304
Processing fee	2,335	4,691
Bank charges	5,694	4,991
Lease liabilities	973	1,192
	<u>499,595</u>	<u>580,406</u>
	March 31' 2024	March 31' 2023
	Rupees in '000	
<b>20 OTHER INCOME</b>		
Exchange loss - net	(81,911)	(73,494)
Bad debts recovered	3,797	4,865
Miscellaneous income	20,587	-
Others (Other Income)	4,651	3,280
	<u>(52,876)</u>	<u>(65,348)</u>
<b>21 OPERATING EXPENSES</b>		
	March 31' 2024	March 31' 2023
	Rupees in '000	
Total compensation expense	613,721	434,695
Directors' fees and allowances	500	-
Rent, taxes, insurance, electricity, etc.	22,944	9,253
Legal and professional charges	591	613
Communications	17,616	17,983
Repairs and maintenance	8,479	4,143
Stationery and printing	21,259	15,891
Training & development	2,131	1,408
Travelling & conveyance	11,603	15,807
Advertisement and publicity	2,140	27
Donations	12	-
Auditors' remuneration	1,910	2,953
Depreciation	66,481	32,996
Others (Other Charges)	-	157
Others (Operating Expenses)	206,678	66,453
	<u>976,065</u>	<u>602,382</u>
	March 31' 2024	March 31' 2023
	Rupees in '000	
<b>22 CREDIT LOSS ALLOWANCE &amp; WRITE OFFS - NET</b>		
Credit loss allowance against loans & advances	94,980	52,820
Bad debts written off directly	12,571	17,185
	<u>107,551</u>	<u>70,005</u>
<b>23 TAXATION</b>		
Current	497,464	296,169
	<u>497,464</u>	<u>296,169</u>
<b>24 BASIC EARNINGS/ (LOSS) PER SHARE</b>		
Profit for the period	789,427	600,999
Weighted average number of ordinary shares	1,500,000	1,500,000
Basic earnings per share	<u>2,105.14</u>	<u>1,602.66</u>

**25 RELATED PARTY TRANSACTIONS**

Details of transactions with related parties during the

Un-audited March 31, 2024			Audited December 31, 2023		
Parent	Directors	Key management personnel	Parent	Directors	Key management personnel

(Rupees in '000)

**Other liabilities**

Management fee payable	30,542		17,900		
Dividend payable	2,750,876	-	1,486,187	-	-

March 31' 2024			March 31' 2023		
Parent	Directors	Key management personnel	Parent	Directors	Key management personnel

(Rupees in '000)

**Income**

**Expense**

Salaries and other allowances	-	-	29,909	-	-	26,559
Management fee expense	16,758	-	-	17,352	-	-
Directors' meeting fees	-	500	-	-	-	-

**Un-audited March 31, 2024      Audited December 31, 2023**  
Rupees in '000

**26 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

**Minimum Capital Requirement (MCR):**

Paid-up capital (net of losses)	<u>10,315,841</u>	<u>10,296,935</u>
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**Capital Adequacy Ratio (CAR):**

Eligible Common Equity Tier 1 (CET 1) Capital	8,809,186	8,939,450
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	8,809,186	8,939,450
Eligible Tier 2 Capital	202,838	122,165
Total Eligible Capital (Tier 1 + Tier 2)	<u>9,012,024</u>	<u>9,061,615</u>

**Risk Weighted Assets (RWAs):**

Credit risk	24,189,000	22,136,982
Operational risk	1,126,000	1,125,502
<b>Total</b>	<u><b>25,315,000</b></u>	<u><b>23,262,484</b></u>

Common Equity Tier 1 Capital Adequacy Ratio	<u>34.80%</u>	<u>38.43%</u>
Tier 1 Capital Adequacy Ratio	<u>34.80%</u>	<u>38.43%</u>
<b>Total Capital Adequacy Ratio</b>	<u><b>35.60%</b></u>	<u><b>38.95%</b></u>

**27 DATE OF AUTHORISATION FOR ISSUE**

30-Apr-24

**GENERAL**

The figures in the financial statements rounded off to the nearest thousand.

\_\_\_\_\_  
President and Chief Executive Officer

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Chairperson

\_\_\_\_\_  
Director

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Director