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

ASSETS	Note	(Un-audited) March 31 2024 Rupees	(Audited) December 31 2023 in '000
Cash and balances with treasury banks Balances with other MFBs / Banks / NBFIs Advances Property and equipment	6 7 8 9	27,124 2,187,820 19,858,356 482,531	18,837 1,180,035 19,321,847 427,151
Right-of-use assets Intangible assets Deferred tax assets Other assets	10 11 12 13	209,259 271,109 1,231,325 733,095 25,000,620	225,016 126,160 1,231,325 707,193 23,237,564
LIABILITIES Borrowings Lease liabilities Other liabilities	14 15 16	8,482,697 188,276 6,013,813 14,684,786	8,025,344 189,751 4,725,534 12,940,629
REPRESENTED BY Share capital / head office capital account - net Reserves Unappropriated / Unremitted profit	- - -	1,500,000 652,459 8,163,375 10,315,834	1,500,000 494,573 8,302,361 10,296,935
CONTINGENCIES AND COMMITMENTS The annexed notes 1 to 27 form an integral part of these condensed interim final	17 ncial statement	s.	

Chairperson

Director

Director

President and Chief Executive Officer

ASA MICROFINANCE BANK (PAKISTAN) LTD PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED 31 MARCH 2024

		Quarter Ended			
	Note	March 31' 2024	March 31' 2023		
		Rupees	s in 1000		
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		
NON MARK-UP / INTEREST INCOME					
Other income	20	(52,876)	(65,348)		
Total non-markup / interest Income	'	(52,876)	(65,348)		
Total income		2,370,507	1,569,555		
NON MARK-UP / INTEREST EXPENSES					
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 Other income / expense items (to be specified)	22	(107,551) -	(70,005) -		
PROFIT / (LOSS) BEFORE TAXATION		1,286,891	897,168		
Taxation	23	(497,464)	(296,169)		
PROFIT / (LOSS) AFTER TAXATION	,	789,427	600,999		
		Rup	ees		
Basic earnings / (loss) per share	24	2,105.14	1,602.66		
The construction of the OT forms on interest and of the construction					
The annexed notes 1 to 27 form an integral part of these conde	ensed interim financia	ai statements.			
President and Chief Executive Officer Chairpers	son Direc	tor Di	rector		

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

	Quarter Ended		
	March 31' 2024	March 31' 2023	
	(Rupee	s in '000)	
Profit / (Loss) after taxation for the period	789,427	600,999	
Other comprehensive income			
Items that will not be reclassified to profit and loss account in subsequent periods: Movement in hedge accounting reserve - net of tax	341,026	17,986	
Total comprehensive income	341,026 1,130,454	17,986 618,985	
The annexed notes 1 to 27 form an integral part of these condensed interim financial statement	S.		
President and Chief Executive Officer Chairperson Direct	or Dire	ctor	

ASA MICROFINANCE BANK (PAKISTAN) LTD STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31 MARCH 2024

				Res	serve		
				Surplus/(deficit) on		
	Share capital / head office capital account	Share Premium	Statutory reserve	Investments	Property and equipment / Non Banking Assets	Unappropriated/ Unremitted profit/ (loss)	Total
				Rupees i	n '000		
Opening Balance as at January 1, 2023 Profit / (Loss) after taxation (March 31 2023)	1,500,000	. 1	-	-	-	7,769,551 601	9,269,552 601
Other comprehensive income - net of tax	-	-	-	-	-	18	18
Transfer to statutory reserve Transfer to depositors' protection fund	-	-	-		-	-	-
Transfer from surplus on revaluation of							
assets to unappropriated profit - net of tax Other appropriations (to be specified)	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity Dividend (separate line for each dividend)	-			_	-	-	_
Issue of share capital	_	_	_	_	_	_	_
Discount on issue of shares written off against share premium account.	-	-	-	-	-	-	-
Opening Balance as at April 01, 2023	1,500,000					7,770,170	9,270,171
Profit / (loss) after taxation (December 31, 2023)	-	_	_	_	_	2,472,262	2,472,262
Other comprehensive income - net of tax	-	-	-	-	-	(444,998)	(444,998)
Transfer to statutory reserve	-	-	494,573	-	-	(494,573)	-
Transfer to depositors' protection fund Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-	-
Other appropriations (to be specified)	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity							
Final dividend @ 66.7% for the year ended 31 December 2022	-	-	-	-	-	(1,000,500)	(1,000,500)
Issue of share capital	-	-	-	-	-	-	-
Discount on issue of shares written off against share premium account.	_	_	_	_	_	_	_
Opening Balance as at January 1, 2024	1,500,000	1	494,573			8,302,361	10,296,935
Profit / (loss) after taxation for the quarter Mar 2024	-	_	_		_	789,427	789,427
Other comprehensive income - net of tax	-	-	-		-	341,026	341,026
Transfer to statutory reserve	-	-	157,885	-	-	(157,885)	-
Transfer to depositors' protection fund Transfer from surplus on revaluation of	-	-	-	-	-	-	-
assets to unappropriated profit - net of tax	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	388,446	388,446
Transactions with owners, recorded directly in equity							
Final dividend @ 66.7% for the year ended 31 December 2023	-	-	-	-	-	(1,500,000)	(1,500,000)
Issue of share capital	-	-	-	-	-	-	-
Discount on issue of shares written off against share premium account.	-	-	-	-	-	-	-
Closing balance as at March 31, 2024	1,500,000	1	652,458			8,163,375	10,315,834

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 CASH FLOW STATEMENT FOR THE QUARTER ENDED 31 MARCH 2024

(Un-audited)

(Audited)

	March 31	December 31
Note	2024	2023
	Rupees	in '000
	•	
CASH FLOW FROM OPERATING ACTIVITIES		
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)
Net cash flows (used in) / generated from operating activities	1,268,551	(252,363)
The cash hows (asea in) / generated from operating activities	1,200,001	(202,000)
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in operating fixed assets	(233,275)	(578,579)
Sale proceeds from disposal of operating fixed assets	- 1	431
Net cash flows used in investing activities	(233,275)	(578,149)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(19,203)	(178,603)
Net cash flows (used in) / generated from financing activities	(19,203)	(178,603)
	4 040 0=0	(4.000.445)
Net (decrease) / increase in cash and cash equivalents	1,016,072	(1,009,115)
Cash and cash equivalents at beginning of the year	1,198,872	2,207,987
Cash and cash equivalents at end of the year	2,214,944	1,198,872

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 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,

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

16,657

18,837

18,134

27,124

CASH AND BALANCES WITH TREASURY BANKS

In hand - Local currency

With National Bank of Pakistan in Local currency current account

Local currency deposit account (to be specified)

Less: Credit loss allowance

Total

8,990 2,180 8,990 2,180

Audited December

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

1,987,820 980,035 200,000 200,000

2.187.820 1,180,035

BALANCES WITH OTHER MFBs / BANKs / NBFIs

In current account

In deposit account

In term deposits

Less: Credit loss allowance

ADVANCES Loan Type

allowance

ADTAILOEG									
Loan Type		Perfo	rming		Non Performing		Total		
	S	age 1	S	Stage 2		Stage 3			
	Un-audited March 31, 2024	Audited December 31, 2023							
		·	I.	Rupees in '000		l			
Micro Credits									
Secured	-	-	-	-	-	-	-	-	
Unsecured	20,022,022	19,413,583	21,305	23,379	19,923	35,729	20,063,250	19,472,691	
Islamic financing	-	-	-	-	-	-	-	-	
Others	80,435	75,677	-	-	-	-	80,435	75,677	
Advances - gross	20,102,458	19,489,260	21,305	23,379	19,923	35,729	20,143,685	19,548,368	
Credit loss allowance against adv	/ances								
- Stage 1	270,809	193,914	-		-		270,809	193,914	
- Stage 2	-	-	1,916	2,798	-	-	1,916	2,798	
- Stage 3	-	-	-	-	12,606	29,810	12,606	29,810	
	270 000	102.014	4.046	2.700	40.000	20.040	205 220	220 524	

PROPERTY AND EQUIPMENT

Advances - net of credit loss

Property and equipment

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

		Un-a	udited March 31, 20	024	Aud	lited December 31	, 2023
10	RIGHT-OF-USE ASSETS	Buidlings	Others (to be specified)	Total	Buidlings	Others (to be specified)	Total
	At January 4, 2004		Rupees'000			Rupees'000	
	At January 1, 2024 Cost	390,747		390.747	196,374		196,374
	Accumulated Depreciation	(165,731)		(165,731)	(37,167)	-	(37,167)
	Net Carrying amount at January 1, 2024	225,016	-	225,016	159,208	-	159,208
	Additions during the year	12,034	-	12,034	194,373	-	194,373
	Deletions during the year	(07.704)	-	- (27,791)	(400 505)	-	(128,565)
	Depreciation Charge for the year Net Carrying amount at March 31, 2024	(27,791) 209,259		209,259	(128,565) 225,016	-	225,016
11	INTANGIBLE ASSETS					Un-audited March 31, 2024 Rupe	Audited December 31, 2023 es in '000
	Computer software					147,723	2,773
	Capital work-in-progress					123,387	123,387
						271,109	126,160
12	DEFERRED TAX ASSETS					Un-audited March 31, 2024 Rupe	Audited December 31, 2023 es in '000
	Deductible temporary differences on						
	- Advances					89,702	89,702
	- Exchange difference on foreign currency borrowings					734,080	734,080
	 Disallowed markup expense on foreign currency borro Unrealised loss on foreign exchange forward contracts 					17,902 128,789	17,902 128,789
	- Lease liability	•				85,627	85,627
	- Remeasurement gain on defined benefit obligation					248,231	248,231
	Taxable temporary differences on					1,304,331	1,304,331
	- Operating fixed assets					(69,031)	(69,031)
	- Unamortized processing fee					(3,975) (73,005)	(3,975) (73,005)
						1,231,325	1,231,325
13	OTHER ASSETS					Un-audited March 31, 2024 Rupe	Audited December 31, 2023 es in '000
	Mark-up / return / interest accrued					520,244	355,560
	Security deposits					5,362	5,187
	Prepayments					271,476	213,990
	Advance tax - net Others.					(63,987)	28 135,913
	Less: Credit loss allowance held against other assets					(63,967)	(3,484)
	Other assets - net of credit loss allowance					-	-
	Surplus on revaluation of non-banking assets acquired Other assets - Total	in				733,095	707,193
	Other assets - Total					733,093	707,193
13.1	Credit loss allowance held against other assets					Un-audited March 31, 2024 Rupe	Audited December 31, 2023 es in '000
	Advances, deposits, advance rent & other prepayments	;					(3,484)
13.1.1	Movement in credit loss allowance held against other	er assets					(0,404)
	Opening balance Charge for the period / year					3,484 1,389	1,321 11,686
	Reversals Amount written off Closing balance					(4,873)	(9,524) 3,484
							<u> </u>

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

		March 31' 2024	March 31' 2023
		Rupees	s in '000
18	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	2,906,760	2,084,104
	Balances with other MFBs / banks / NBFIs	16,219	131,205
		2,922,979	2,215,309
19	MARK-UP / RETURN / INTEREST EXPENSED		
	Borrowings	000 500	000.000
	Amortization of hedge points	363,593 127,001	393,229 176,304
	Processing fee	2,335	4,691
	Bank charges	5,694	4,991
	Lease liabilities	973	1,192
		499,595	580,406
		March 31' 2024	March 31' 2023
20	OTHER INCOME	Rupee	s in '000
20		(04.044)	(70.404)
	Exchange loss - net Bad debts recovered	(81,911)	(73,494)
		3,797 20,587	4,865
	Miscellaneous income Others (Other Income)	20,587 4,651	3,280
	Care Care morney	(52,876)	(65,348)
21	OPERATING EXPENSES	March 31' 2024 Rupees	March 31' 2023 s 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 11,603	1,408 15,807
	Travelling & conveyance Advertisement and publicity	2,140	15,807
	Donations	12	
	Auditors' remuneration	1,910	2,953
	Depreciation	66,481	32,996
	Others (Other Charges)	-	157
	Others (Operating Expenses)	206,678	66,453
		976,065	602,382
		March 31' 2024	March 31' 2023
			s in '000
22	CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		,
	Credit loss allowance against loans & advances	94,980	52,820
	Bad debts written off directly	12,571	17,185
		107,551	70,005
23	TAXATION		
	Current	497,464	296,169
		497,464	296,169
24	BASIC EARNINGS/ (LOSS) PER SHARE		
	Profit for the period	789,427	600,999
	Weighted average number of ordinary shares	1,500,000	1,500,000
	Basic earnings per share	2,105.14	1,602.66

25 RELATED PARTY TRANSACTIONS

26

27

Details of transacitons with related parties during the

	U	n-audited March 31	, 2024		Audited December 3	1, 2023
	Parent	Directors	Key management personnel	Parent	Directors	Key management personnel
			(Ru	pees in '000)		
Other liabilities Management fee payable Dividend payable	30,542 2,750,876	-	-	17,900 1,486,187	-	-
		March 31' 2024	l .		March 31' 202	3
	Parent	Directors	Key management personnel	Parent	Directors	Key management personnel
			(Ru	pees in '000)	.	-
Income						
moonic						
Expense Salaries and other allowances Management fee expense	- 16,758	-	29,909	- 17,352	-	26,559
Directors' meeting fees	-	500	-	-	-	-
					Un-audited March 31, 2024	Audited December 31, 2023
					•	es in '000
CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDIT	Y REQUIREMENTS					
Minimum Capital Requirement (MCR):						
Paid-up capital (net of losses)					10,315,841	10,296,935
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					- 0.000,100	- 0.000.450
Total Eligible Tier 1 Capital Eligible Tier 2 Capital					8,809,186 202,838	8,939,450 122,165
Total Eligible Capital (Tier 1 + Tier 2)					9,012,024	9,061,615
Risk Weighted Assets (RWAs):					24.400.000	22.420.002
Credit risk Operational risk					24,189,000 1,126,000	22,136,982 1,125,502
Total					25,315,000	23,262,484
Common Equity Tier 1 Capital Adequacy Ratio					34.80%	38.43%
Tier 1 Capital Adequacy Ratio					34.80%	38.43%
Total Capital Adequacy Ratio					35.60%	38.95%
DATE OF AUTHORISATION FOR ISSUE	30-Apr-24					
GENERAL						
The figures in the financial statements rounded off to the	nearest thousand.					
President and Cl	nief Executive Officer	Chairperso	n Dire	ector Di	rector	