

ASA MICROFINANCE BANK (PAKISTAN) LTD
CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
30 JUNE 2024

ASA MICROFINANCE BANK (PAKISTAN) LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
	Note	----- (Rupees in '000) -----	
ASSETS			
Cash and balances with treasury banks	6	834,665	18,837
Balances with other MFBs / Banks / NBFIs	7	4,600,362	1,180,035
Lendings to financial institutions		-	-
Investments	8	332,534	-
Advances	9	21,141,967	19,321,846
Property and equipment	10	448,650	427,151
Right-of-use assets	11	222,340	225,016
Intangible assets	12	182,793	126,160
Deferred tax assets	13	715,279	1,231,325
Other assets	14	634,617	707,194
		29,113,208	23,237,563
LIABILITIES			
Bills payable		-	-
Borrowings	15	12,817,131	8,025,344
Deposits and other accounts		-	-
Lease liabilities	16	201,843	189,752
Subordinated debt		-	-
Deferred grants		-	-
Deferred tax liabilities		-	-
Other liabilities	17	6,412,646	4,725,534
		19,431,620	12,940,630
NET ASSETS		9,681,588	10,296,933
REPRESENTED BY			
Share capital		1,500,000	1,500,000
Reserves		781,850	494,572
Surplus/ (Deficit) on revaluation of assets		-	-
Unappropriated profit		7,399,738	8,302,361
		9,681,588	10,296,933

CONTINGENCIES AND COMMITMENTS

18

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Saeed Uddin Khan
President and
Chief Executive Officer

Shoaib Shamim
Chief Financial
Officer

Karin Anne Maria Kersten
Chairperson

M Kamran Shehzad
Director

Mischa John Assink
Director

ASA MICROFINANCE BANK (PAKISTAN) LTD
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 2024

		Quarter Ended		Period Ended	
Note		April - June 2024	April - June 2023	January - June 2024	January - June 2023
----- (Rupees in '000) -----					
Mark-up / Return / Interest earned	19	2,954,742	2,197,615	5,688,097	4,412,924
Mark-up / Return / Interest expensed	20	(578,407)	(591,035)	(1,076,623)	(1,171,442)
Net mark-up / interest income		2,376,335	1,606,580	4,611,474	3,241,482
NON MARK-UP / INTEREST INCOME					
Fee and commission income		-	-	-	-
Dividend income		-	-	-	-
Foreign exchange (loss) / Income		53,972	(12,592)	(27,939)	(60,901)
Income / (Loss) from derivatives		-	-	-	-
Gain / (Loss) on securities		-	-	-	-
Net gain / (loss) on derecognition of financial assets		-	-	-	-
Other income	21	6,295	3,889	6,591	7,169
Total non-markup / interest Income		60,267	(8,703)	(21,348)	(53,732)
Total income		2,436,602	1,597,877	4,590,126	3,187,750
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	22	(962,844)	(728,389)	(1,953,946)	(1,330,771)
Workers welfare fund		-	-	-	-
Other charges		-	-	-	-
Total non-markup / interest expenses		(962,844)	(728,389)	(1,953,946)	(1,330,771)
Profit before expected credit loss allowance		1,473,758	869,488	2,636,180	1,856,979
Expected credit loss allowance and write offs - net	23	205,080	6,783	101,327	(58,357)
Other income / expense		-	-	-	-
PROFIT BEFORE TAXATION		1,678,838	876,271	2,737,507	1,798,622
Taxation	24	(889,132)	(578,977)	(1,301,120)	(875,146)
PROFIT AFTER TAXATION		789,706	297,294	1,436,387	923,476
----- Rupees -----					
Basic and diluted earnings per share	25	3,158.82	1,189.18	5,745.55	3,693.90

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Saeed Uddin Khan
President and
Chief Executive Officer

Shoaib Shamim
Chief Financial
Officer

Karin Anne Maria Kersten
Chairperson

M Kamran Shehzad
Director

Mischa John Assink
Director

ASA MICROFINANCE BANK (PAKISTAN) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2024

	<u>Quarter Ended</u>		<u>Period Ended</u>	
	<u>April - June</u>	<u>April - June</u>	<u>January - June</u>	<u>January - June</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<hr style="border-top: 1px dashed black;"/> (Rupees in '000) <hr style="border-top: 1px dashed black;"/>			
Profit after taxation for the period	789,706	297,294	1,436,387	923,476
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in hedge accounting reserve - net of tax	(391,757)	(428,744)	(50,733)	(399,260)
Total comprehensive income	397,949	(131,450)	1,385,654	524,216

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Saeed Uddin Khan
President and
Chief Executive Officer

Shoaib Shamim
Chief Financial
Officer

Karin Anne Maria Kersten
Chairperson

M Kamran Shehzad
Director

Mischa John Assink
Director

ASA MICROFINANCE BANK (PAKISTAN) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024

	Share capital	Share premium	Statutory reserve	Hedge accounting reserve	Depositors' protection fund	Unappropriated profit	Total
	----- (Rupees in '000) -----						
Opening Balance as at January 1, 2023	1,500,000	1	-	373,639	-	7,395,913	9,269,552
Profit after taxation (June 30, 2023)	-	-	-	-	-	923,476	923,476
Other comprehensive income - net of tax	-	-	-	(399,260)	-	-	(399,260)
Transactions with owners, recorded directly in equity							
Final dividend @ 66.7% for the year ended 31 December 2022	-	-	-	-	-	(1,000,500)	(1,000,500)
Opening Balance as at July 01, 2023	1,500,000	1	-	(25,621)	-	7,318,888	8,793,268
Profit after taxation (December 31, 2023)	-	-	-	-	-	1,549,387	1,549,387
Other comprehensive income - net of tax	-	-	-	(51,561)	-	5,839	(45,721)
Transfer to statutory reserve	-	-	494,572	-	-	(494,572)	-
Transfer to depositors' protection fund	-	-	-	-	-	-	-
Opening Balance as at January 1, 2024	1,500,000	1	494,572	(77,182)	-	8,379,543	10,296,933
Profit after taxation for the quarter Jun 2024	-	-	-	-	-	1,436,387	1,436,387
Other comprehensive income - net of tax	-	-	-	(50,733)	-	-	(50,733)
Transfer to statutory reserve	-	-	287,277	-	-	(287,277)	-
Transfer to depositors' protection fund	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity							
Final dividend @ 100% for the year ended December 31, 2023	-	-	-	-	-	(1,500,000)	(1,500,000)
Interim dividend @ 33.40% for the quarter ended March 31, 2024	-	-	-	-	-	(501,000)	(501,000)
Closing balance as at June 30, 2024	1,500,000	1	781,849	(127,915)	-	7,527,652	9,681,587

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Saeed Uddin Khan
President and
Chief Executive Officer

Shoaib Shamim
Chief Financial
Officer

Karin Anne Maria Kersten
Chairperson

M Kamran Shehzad
Director

Mischa John Assink
Director

ASA MICROFINANCE BANK (PAKISTAN) LTD
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 June 2024

Note	(Un-audited) June 30, 2024	(Un-audited) June 30, 2023
	-----Rupees in '000-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,737,507	876,271
Adjustments:		
Depreciation	70,069	22,714
Depreciation on right-of-use assets	61,075	22,477
Amortization	10,113	955
Mark-up / Return / Interest expense on lease liability against right-of-use assets	19,528	5,891
Amortization of hedge points	281,421	149,867
Loss/ (gain) on sale / disposal of property and equipment	-	(58)
Provision against non-performing loans and advances - net	(119,288)	17,793
Other provisions / write-offs	1,653	-
Bad debts written off directly	23,457	17,660
Charge for defined benefit plan	95,290	19,642
	443,318	256,941
(Increase) / Decrease in operating assets		
Advances	(1,724,291)	(866,998)
Other assets (excluding unrealized gain on foreign exchange forward contracts)	495,802	60,529
	(1,228,489)	(806,469)
Increase / (Decrease) in operating liabilities		
Borrowings	4,436,395	(2,013,750)
Other liabilities (excluding dividend payable, payable to defined benefit plan, current tax provision and unrealized loss on foreign exchange forward contracts)	(443,860)	1,021,381
	3,992,535	(992,369)
Income tax paid	(638,739)	-
Benefits paid	(12,540)	(2,423)
<i>Net cash flows generated from / (used in) operating activities</i>	<u>5,293,592</u>	<u>(668,049)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Investments in operating fixed assets	(158,316)	(209,394)
Sale proceeds from disposal of operating fixed assets	-	172
Investment in treasury bills	(332,534)	-
<i>Net cash flows used in investing activities</i>	<u>(490,850)</u>	<u>(209,222)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability against right-of-use assets	(65,835)	(28,686)
Dividend paid	(500,752)	-
<i>Net cash flows used in financing activities</i>	<u>(566,587)</u>	<u>(28,686)</u>
Net increase / (decrease) in cash and cash equivalents	4,236,155	(905,957)
Cash and cash equivalents at beginning of the year	<u>1,198,872</u>	<u>1,230,426</u>
Cash and cash equivalents at end of the year	<u>5,435,027</u>	<u>324,469</u>

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Saeed Uddin Khan
President and
Chief Executive Officer

Shoaib Shamim
Chief Financial
Officer

Karin Anne Maria Kersten
Chairperson

M Kamran Shehzad
Director

Mischa John Assink
Director

ASA MICROFINANCE BANK (PAKISTAN) LTD
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2024

1. STATUS AND NATURE OF BUSINESS

- 1.1** ASA Microfinance Bank (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, 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 June 30, 2024, ASA MFB has 345 (2023: 345) business locations comprising of 72 (2023: 72) Hub Branches and 273 (2023: 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

These condensed interim financial statements have been prepared in compliance with the format for preparation of the Interim financial statements of Microfinance Banks issued by the SBP, vide its BPRD Circular No. 3 dated February 9, 2023.

2.1 STATEMENT OF COMPLIANCE

These condensed interim 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 interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by 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.

The SBP through its BPRD Circular No. 3 of 2022 had extended the effective date of IFRS 9 implementation for MFBs to accounting periods beginning on or after January 1, 2024. The Bank, however, had already adopted IFRS 9 under the previous regime on the effective date set out for companies by the SECP.

The SBP has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated 26 August 2002 till further instructions. SECP has deferred the applicability of IFRS 7 'Financial Instruments: Disclosures' through its notification S.R.O 411 (I) / 2008 dated 28 April 2008. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

- 2.2** The disclosures made in these condensed interim financial statements have been limited based on International Accounting Standard 34 - "Interim Financial Reporting". Accordingly, these condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements for the year ended December 31, 2023. Comparative Statement of financial position is stated from the audited annual financial statements as of 31 December 2023, whereas comparative condensed interim profit and loss account, condensed interim other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from unaudited condensed interim financial statements for the three months period ended 31 March 2023 and half year ended 30 June 2023.

3 MATERIAL ACCOUNTING POLICIES

The material 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 audited 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 audited financial statements for the year ended December 31, 2023.

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
Note		-----Rupees in '000-----	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand - Local currency		39,169	16,657
With State Bank of Pakistan in Local currency current account		789,603	-
With National Bank of Pakistan in Local currency current account		1,619	852
Local currency deposit account	6.1	4,274	1,327
		5,893	2,180
Less: Expected credit loss allowance		-	-
Total		834,665	18,837

6.1 This represents deposits carrying markup ranging between 5% to 5.5% per annum (31 Decemeber 2023: 4% to 4.5%).

		(Un-audited) June 30, 2024	(Audited) December 31, 2023
		-----Rupees in '000-----	
7 BALANCES WITH OTHER MFBs / BANKs / NBFIs			
In Pakistan			
- In deposit account	7.1	4,429,022	980,035
- In term deposits	7.2	171,340	200,000
Less: Expected credit loss allowance		-	-
		4,600,362	1,180,035

7.1 This represents deposits with various financial institutions carrying markup ranging between 17.25% to 20.75% per annum (31 Decemeber 2023: 14.5% to 20.5%)

7.2 These carry mark-up ranging from 19% to 20.6% per annum (2023: 16% to 21% per annum) and are given as collateral against borrowings from United Bank Limited, Pak Oman Investment and Allied Bank Limited, and have maturities within 3 to 6 months.

8 INVESTMENTS

8.1 Investments by type:

	(Un-audited) June 30, 2024				(Audited) December 31, 2023			
	Fair Value / Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value	Fair Value / Amortised cost	Credit Loss Allowance	Surplus / (Deficit)	Carrying Value
Classified as Amortised Cost								
Market Treasury Bills	332,534	-	-	332,534	-	-	-	-

- 8.2 This carries mark-up at 21.57% per annum, having maturity up to 3 months.
- 8.3 The market value of securities classified as amortized cost as at June 30, 2024 amounted to Rs. 332.929/- million (December 31, 2023: Rs. 0/- million).
- 8.4 Expected credit loss on Government Securities has not been estimated due to exemption available under IFRS 9 instructions issued by SBP through Circular No. 3 of 2022 dated July 05, 2022.

9 ADVANCES

(Un-audited) June 30, 2024				
Performing		Non Performing	Total	
Stage 1	Stage 2	Stage 3		
Note ----- (Rupees in '000) -----				
Loan Type				
Unsecured				
Micro Credits	20,995,052	70,658	84,786	21,150,496
Others	80,897	-	-	80,897
Advances - gross	21,075,949	70,658	84,786	21,231,393
Expected Credit loss allowance against advances				
- Stage 1	10,393	-	-	10,393
- Stage 2	-	35	-	35
- Stage 3	-	-	78,998	78,998
	10,393	35	78,998	89,426
Advances - net of provisions	21,065,556	70,623	5,788	21,141,967

(Audited) December 31, 2023			
Note		Number of loans	(Rupees in '000)
Loan Type			
Unsecured			
Micro credit		615,536	19,472,691
Others		1,191	75,677
Advances - gross		616,727	19,548,368
Less: Provision held			
- Specific	9.1.2.1	2,252	(23,684)
- General			(202,838)
			(226,522)
Advances - net of provisions			19,321,846

9.1 Advances - Particulars of expected credit loss allowance

(Un-audited) June 30, 2024				
Stage 1		Stage 2	Stage 3	Total
Note ----- Rupees in '000 -----				
Gross carrying amount	19,413,583	12,370	46,738	19,472,691
New advances	15,927,235	42,415	23,809	15,993,459
Advances repaid	(14,235,575)	(12,883)	(43,477)	(14,291,936)
Transfer to stage 1	25	-	(25)	-
Transfer to stage 2	(36,286)	36,286	-	-
Transfer to stage 3	(57,456)	(1,035)	58,490	-
	1,597,943	64,783	38,797	1,701,523
Amounts written off / charged off	(16,474)	(6,494)	(749)	(23,717)
Closing balance	20,995,052	70,659	84,786	21,150,497

(Audited) December 31, 2023			
Amount outstanding	Provision required	Provision held	
----- Rupees in '000 -----			
Other Assets Especially Mentioned (OAEM)	12,370	-	-
Substandard	11,009	2,752	2,752
Doubtful	29,594	14,797	14,797
Loss	6,134	6,134	6,134
	59,107	23,683	23,683

9.1.2 Advances - Expected Credit loss allowance

(Un-audited) June 30, 2024				
	Stage 1	Stage 2	Stage 3	Total
Note	-----Rupees in '000-----			
Opening balance	193,914	46	32,562	226,522
New advances				
Advances repaid	7,964	21	20,714	28,699
Transfer to Stage 1	(7,223)	(46)	(11,297)	(18,566)
Transfer to Stage 2	20	-	(20)	-
Transfer to Stage 3	(18)	18	-	-
	(29)	(1)	30	-
	714	(8)	9,427	10,133
Reversal of General Provision	(184,207)	-	-	(184,207)
Impact of transfers on ECL	(20)	-	54,806	54,786
	(183,513)	(8)	64,233	(119,288)
Amounts written off/charged Off	9.1.4 (8)	(3)	(17,796)	(17,808)
Closing balance	10,393	35	78,999	89,426

(Audited) December 31, 2023			
	Specific	General	Total
	-----Rupees in '000-----		
Opening balance	33,380	81,776	115,156
Charge for the year	79,106	121,062	200,168
Amount written off	9.1.4 (88,802)	-	(88,802)
Closing balance	23,684	202,838	226,522

9.1.2.1 This includes higher of expected credit loss allowance under IFRS 9 and specific provision for non-performing loans required under Prudential Regulations for Microfinance Banks.

9.1.3 Advances - Expected credit loss allowance details

(Un-audited) June 30, 2024			
	Stage 1	Stage 2	Stage 3
	-----Rupees in '000-----		
Internal / External rating / stage classification			
Outstanding gross exposure			
Performing - Stage 1			
<30 Days	21,075,949	-	-
Under Performing			
Other assets especially mentioned	-	-	-
30-59	-	70,658	-
Non- Performing			
Substandard	-	-	28,943
Doubtful	-	-	46,844
Loss	-	-	8,999
	-	-	84,786
Total	21,075,949	70,658	84,786
Corresponding expected credit loss allowance			
Stage 1	10,393	-	-
Stage 2	-	35	-
Stage 3	-	-	78,998
	10,393	35	78,998

9.1.4 Particulars of write offs / charge offs:

	June 30, 2024	December 31, 2023
	-----Rupees in '000-----	
Against expected credit loss allowance	9.1.2 17,808	88,802
Directly charged to profit and loss account	23,457	72,772
	41,265	161,574

10 PROPERTY AND EQUIPMENT

Property and equipment	448,650	427,151
------------------------	----------------	---------

10.1 Additions to property and equipment

The following additions have been made to property and equipment during the period:

	(Un-audited) June 30, 2024	(Audited) December 31, 2023
	-----Rupees in '000-----	
Property and equipment		
Leasehold land	19,229	155,290
Furniture and fixture	10,591	13,623
Electrical office and computer equipment	63,094	184,848
Office equipment	4,572	101,461
Total	97,486	455,222

10.2 Disposal of property and equipment

The net book value of property and equipment disposed off during the period is as follows:

Leasehold land	-	10,835
Furniture and fixture	-	47
Electrical office and computer equipment	-	701
Office equipment	-	1
Total	-	11,584

11 RIGHT-OF-USE ASSETS

- Buildings		
At January 01		
Cost	390,747	196,374
Accumulated Depreciation	(165,731)	(37,167)
Net carrying amount at January 01	225,016	159,207
Additions during the year	58,399	194,373
Depreciation Charge for the year	(61,075)	(128,565)
Net Carrying amount	222,340	225,016

12 INTANGIBLE ASSETS

Computer software	162,766	2,773
Capital work-in-progress	20,027	123,387
Total	182,793	126,160

12.1 Additions to intangible assets

The following additions have been made to intangible assets during the period:

Directly purchased	46,755	-
Capital work-in-progress	20,027	123,387
Total	66,782	123,387

13 DEFERRED TAX ASSETS

Deductible temporary differences on		
- Expected credit loss allowance against loans and advances	34,979	89,702
- Exchange difference on foreign currency borrowings	303,491	734,080
- Disallowed markup expense on foreign currency borrowings	-	17,902
- Unrealised loss on foreign exchange forward contracts	91,140	128,789
- Lease liabilities	78,719	85,627
- Remeasurement gain on defined benefit obligation	280,520	248,231
	788,849	1,304,331
Taxable temporary differences on		
- Property and equipment	(67,237)	(69,031)
- Unamortized processing fee	(6,333)	(3,975)
	(73,570)	(73,006)
	715,279	1,231,325

		(Un-audited) June 30, 2024	(Audited) December 31, 2023			
		-----Rupees in '000-----				
14	OTHER ASSETS					
	Mark-up / return / interest accrued	343,132	355,560			
	Security deposits	5,362	5,187			
	Prepayments	267,237	213,990			
	Advance tax - net	5,410	28			
	Others.	13,740	135,913			
	Less: Expected credit loss allowance held against other assets	(264)	(3,484)			
		634,617	707,194			
14.1	Expected credit loss allowance held against mark-up / return / interest accrued					
	Opening balance	3,484	1,321			
	Charge for the period / year	1,653	11,686			
	Amount written off	(4,873)	(9,523)			
	Closing balance	264	3,484			
15	BORROWINGS					
	Secured					
	Borrowings from State Bank of Pakistan	2,500,000	-			
	Women Inclusive Finance Program (WIFP)	53,000	-			
	Financial Inclusion and Infrastructure Project through ACFID	2,553,000	-			
		10,264,131	8,025,344			
	Borrowings from Other Banks / Financial Institutions	12,817,131	8,025,344			
	Total secured	12,817,131	8,025,344			
15.1	Particular of borrowings with respect to domestic/foreign					
	In Pakistan	6,214,721	3,090,369			
	Outside Pakistan	6,602,410	4,934,975			
	Total	12,817,131	8,025,344			
15.2	Details of Borrowings in Pakistan					
		Loan Amount (Rupees in '000)	Agreement Date	Maturity	Repayment frequency	Coupon rate
	State Bank of Pakistan (WIFP)	2,500,000,000	25-Jun-2024	30-Jun-2029	Bullet	6M KIBOR-1%
	State Bank of Pakistan (FIIP)	104,000,000	01-Mar-2024	25-Mar-2027	Bullet	6M KIBOR-1.0%
	Pak Oman Investment Company Limited	300,000,000	21-Oct-2021	27-Jan-2025	Quarterly	6M KIBOR+2%
	United Bank Limited	11,885,450	23-Feb-2022	18-Mar-2025	Quarterly	6M KIBOR+2%
	United Bank Limited	400,000,000	02-Mar-2022	18-Mar-2025	Quarterly	6M KIBOR+2%
	Pakistan Microfinance Investment Company Limited	1,500,000,000	16-Mar-2022	01-Oct-2025	Quarterly	6M KIBOR+3.05%
	Pakistan Microfinance Investment Company Limited	3,187,000,000	21-Mar-2023	30-Sep-2028	Semi-Annually	3M KIBOR+2.95%
	Allied Bank Limited	150,000,000	09-May-2022	18-Nov-2025	Quarterly	6M KIBOR+2.25%
15.3	Details of Borrowings outside Pakistan					
		Loan Amount (USD / EUR)	Agreement Date	Maturity	Repayment frequency	Coupon rate
	Microfinance Enhancement Facility SA, SICAV-SIF	5,000,000	01-Nov-2021	26-Apr-2025	Bullet	6M LIBOR+5.85%
	EMF Microfinance Fund, AGmvK	3,000,000	24-Aug-2021	30-Aug-2024	Semi-Annually	6M LIBOR+5.85%
	Dual Return Fund	2,500,000	01-Nov-2021	26-Apr-2025	Bullet	6M LIBOR+5.85%
	GLS Alternative Investments	2,500,000	01-Mar-2022	25-Mar-2025	Semi-Annually	5%
	GLS Alternative Investments	2,000,000	01-Dec-2021	17-Dec-2024	Semi-Annually	6M LIBOR+5%
	Japan Asian Women Empowerment	5,000,000	04-Mar-2024	07-Jun-2027	Semi-Annually	6M SOFR + 5.0%
	Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV-SIF	5,000,000	04-Mar-2024	07-Jun-2027	Semi-Annually	6M SOFR + 5.0%
	EMF Microfinance Fund, AGmvK	4,000,000	29-Nov-2023	14-May-2027	Semi-Annually	6M SOFR + 5.0%
16	LEASE LIABILITIES					
	At beginning of period / year				189,752	142,309
	Additions during the period / year				58,399	194,373
	Interest expense				19,528	31,673
	Payment				(65,835)	(178,603)
	Closing balance				201,843	189,752
17	OTHER LIABILITIES					
	Mark-up / return / interest payable				299,691	250,150
	Accrued expenses				262,423	330,320
	Management fee payable				-	17,900
	Dividend payable				3,001,500	1,486,187
	Current taxation (provisions less payments)				1,788,168	1,674,260
	Unrealized loss on foreign exchange forward contracts				233,691	330,227
	Defined benefit obligation				719,241	636,490
	Others				107,932	-
					6,412,646	4,725,534
18	CONTINGENCIES AND COMMITMENTS					
	Commitments in respect of:					
	- Foreign exchange forward contracts - purchase				7,333,698	5,460,854

		(Un-audited)	
Note		June 30, 2024	June 30, 2023
		-----Rupees in '000-----	
19	MARK-UP / RETURN / INTEREST EARNED		
	Loans and advances	5,481,514	4,222,587
	Balances with other MFBs / banks / NBFIs	179,291	190,337
	Investments	27,292	-
		<u>5,688,097</u>	<u>4,412,924</u>
20	MARK-UP / RETURN / INTEREST EXPENSED		
	Borrowings	770,745	823,758
	Amortization of hedge points	281,421	326,171
	Lease liabilities	19,528	10,882
	Processing fee	4,929	8,543
		<u>1,076,623</u>	<u>1,169,354</u>
21	OTHER INCOME	<u>6,591</u>	<u>7,169</u>
22	OPERATING EXPENSES		
	Total compensation expense	1,290,994	941,878
	Charge for defined benefit plan	95,290	39,284
	Contribution to Superannuation fund/ EOBI	25,363	19,873
	Directors' fees and allowances	1,300	1,000
	Rent, taxes, insurance, electricity, etc.	49,276	24,456
	Legal and professional charges	1,559	1,806
	IT Consultancy Charges	110,386	-
	Communications	35,434	36,030
	Repairs and maintenance	17,898	10,074
	Stationery and printing	30,088	20,808
	Training & development	6,491	3,483
	Bank Charges	1,381	2,087
	Travelling & conveyance	27,315	31,992
	Advertisement and publicity	3,442	69
	Donations	813	800
	Subscription, license and renewals fees	3,009	7,840
	Auditors' remuneration	3,000	2,000
	Depreciation	137,978	77,376
	Amortization	10,113	1,765
	Insurance	23,289	14,419
	Others	79,528	95,818
		<u>1,953,946</u>	<u>1,332,858</u>
23	EXPECTED CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		
	Charge/(Reversal) of expected credit loss allowance against loans & advances	9.1.2 (119,288)	24,929
	Expected credit loss allowance against other assets	14.1 1,653	10,098
	Bad debts written off directly	9.1.4 23,457	34,845
	Recovery of written off / charged off bad debts	(7,149)	(11,515)
		<u>(101,327)</u>	<u>58,357</u>
24	TAXATION		
	Current	963,598	869,072
	Prior periods	(2,273)	271,536
	Deferred	339,795	(265,416)
		<u>1,301,120</u>	<u>875,192</u>
25	BASIC EARNINGS PER SHARE		
	Profit for the period	<u>1,436,387</u>	<u>923,476</u>
	Weighted average number of ordinary shares	<u>1,500,000</u>	<u>1,500,000</u>
	Basic earnings per share	<u>5,745.55</u>	<u>3,693.90</u>

26 RELATED PARTY TRANSACTIONS

Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

Un-audited June 30, 2024			Audited December 31, 2023		
Parent	Directors	Key management personnel	Parent	Directors	Key management personnel

----- (Rupees in '000) -----

Other liabilities

Management fee payable

Opening balance	5,041	-	-	15,065	-	-
Expense during the year	17,068	-	-	80,912	-	-
Paid during the year	(22,136)	-	-	(98,069)	-	-
FCY (Gain)/Loss	27	-	-	19,993	-	-
Closing balance	-	-	-	17,900	-	-

Dividend payable

Opening balance	1,486,187	-	-	500,752	-	-
Dividend declared	2,001,000	-	-	1,000,500	-	-
Paid during the year	(500,752)	-	-	-	-	-
Adjustment	15,065	-	-	(15,065)	-	-
Closing balance	3,001,500	-	-	1,486,187	-	-

Un-audited June 30, 2024			Un-audited June 30, 2023		
Parent	Directors	Key management personnel	Parent	Directors	Key management personnel

----- (Rupees in '000) -----

Expense

Salaries and other allowances	-	-	66,116	-	-	48,243
Management fee expense	17,068	-	-	67,699	-	-
Directors' meeting fees	-	1,300	-	1,000	-	-

(Un-audited) (Audited)
June 30, December 31,
2024 2023
-----Rupees in '000-----

27 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital	9,681,591	10,296,935
-----------------	-----------	------------

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	8,783,519	8,939,450
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	8,783,519	8,939,450
Eligible Tier 2 Capital	(78,026)	122,165
Total Eligible Capital (Tier 1 + Tier 2)	8,705,493	9,061,615

Risk Weighted Assets (RWAs):

Credit risk	24,697,498	22,136,982
Operational risk	1,125,502	1,125,502
Total	25,823,000	23,262,484

Common Equity Tier 1 Capital Adequacy Ratio

Common Equity Tier 1 Capital Adequacy Ratio	33.71%	38.95%
Tier 1 Capital Adequacy Ratio	33.71%	38.95%
Total Capital Adequacy Ratio	33.71%	38.95%

28 NON - ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors have proposed a dividend for the half year ended 30 June 2024 of Rs. 334/- (2023: Rs. 1,000/-) per share, amounting to Rs. 501,000,000/- (2023: Rs. 1,500,000,000/-) at their meeting held on 27 August 2024.

29 GENERAL

29.1 Comparative information has been reclassified or re arranged in these condensed interim financial statements for the purpose of better presentation.

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

30 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Bank in their meeting held on 27 August 2024.

Saeed Uddin Khan
President and
Chief Executive Officer

Shoaib Shamim
Chief Financial
Officer

Karin Anne Maria Kersten
Chairperson

M Kamran Shehzad
Director

Mischa John Assink
Director