

**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
	Rupees in '000	
ASSETS		
Cash and balances with treasury banks	27,124	18,837
Balances with other MFBs / Banks / NBFIs	2,187,820	1,180,035
Advances	19,858,356	19,321,847
Property and equipment	482,531	427,151
Right-of-use assets	209,259	225,016
Intangible assets	271,109	126,160
Deferred tax assets	1,231,325	1,231,325
Other assets	733,095	707,193
	25,000,620	23,237,564
LIABILITIES		
Borrowings	8,482,697	8,025,344
Lease liabilities	188,276	189,751
Other liabilities	6,013,813	4,725,534
	14,684,786	12,940,629
NET ASSETS	10,315,834	10,296,935
REPRESENTED BY		
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**

**Chief Financial
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
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	22	(107,551)	(70,005)
Other income / expense items (to be specified)		-	-
PROFIT / (LOSS) BEFORE TAXATION		1,286,891	897,168
Taxation	23	(497,464)	(296,169)
PROFIT / (LOSS) AFTER TAXATION		789,427	600,999
		Rupees	
Basic earnings / (loss) per share	24	2,105.14	1,602.66

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

_____ President and Chief Executive Officer	_____ Chief Financial Officer	_____ Chairperson	_____ Director	_____ Director
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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
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
	341,026	17,986
Total comprehensive income	1,130,454	618,985

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

President and Chief Executive Officer	Chief Financial Officer	Chairperson	Director	Director
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ASA MICROFINANCE BANK (PAKISTAN) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2024

	Share capital / head office capital account	Share Premium	Statutory reserve	Reserve Surplus/(deficit) on revaluation of		Unappropriated/ Unremitted profit/ (loss)	Total
				Investments	Property and equipment / Non Banking Assets		
Opening Balance as at January 1, 2023	1,500,000	1	-	-	-	7,769,551	9,269,552
Profit / (Loss) after taxation (March 31 2023)	-	-	-	-	-	601	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	1	-	-	-	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**

**Chief Financial
Officer**

Chairperson

Director

Director

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

	Note	(Un-audited) March 31 2024	(Audited) December 31 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)
<i>Net cash flows (used in) / generated from operating activities</i>		1,268,551	(252,363)
CASH FLOW FROM INVESTING ACTIVITIES			
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)
CASH FLOW FROM FINANCING ACTIVITIES			
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)
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
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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	
6	CASH AND BALANCES WITH TREASURY BANKS	18,134	16,657
	In hand - Local currency		
	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	-	-
	Total	<u>27,124</u>	<u>18,837</u>

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

		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
Rupees in '000									
8	ADVANCES								
	Loan Type								
	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 advances								
	- 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
		270,809	193,914	1,916	2,798	12,606	29,810	285,330	226,521
	Advances - net of credit loss allowance	<u>19,831,649</u>	<u>19,295,347</u>	<u>19,389</u>	<u>20,581</u>	<u>7,317</u>	<u>5,919</u>	<u>19,858,356</u>	<u>19,321,847</u>

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

		Un-audited March 31, 2024	Audited December 31, 2023
14	BORROWINGS		
	<i>Secured</i>		
	In Pakistan	3,926,045	3,090,369
	Outside Pakistan	4,556,652	4,934,975
	Total secured	<u>8,482,697</u>	<u>8,025,344</u>
		Un-audited March 31, 2024	Audited December 31, 2023
15	LEASE LIABILITIES		
		Rupees in '000	
	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>
		Un-audited March 31, 2024	Audited December 31, 2023
16	OTHER LIABILITIES		
		Rupees in '000	
	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>
		Un-audited March 31, 2024	Audited December 31, 2023
17	CONTINGENCIES AND COMMITMENTS		
		Rupees in '000	
	-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
18 MARK-UP / RETURN / INTEREST EARNED	Rupees in '000	
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>
19 MARK-UP / RETURN / INTEREST EXPENSED		
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	
20 OTHER INCOME		
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>
21 OPERATING EXPENSES	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	
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
	<u>107,551</u>	<u>70,005</u>
23 TAXATION		
Current	497,464	296,169
	<u>497,464</u>	<u>296,169</u>
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	<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)	10,315,841	10,296,935
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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)	9,012,024	9,061,615

Risk Weighted Assets (RWAs):

Credit risk	24,189,000	22,136,982
Operational risk	1,126,000	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%

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**

Chief Financial Officer

Chairperson

Director

Director