

ASA MICROFINANCE BANK (PAKISTAN) LTD
CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED
30 JUNE 2025

ASA MICROFINANCE BANK (PAKISTAN) LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	(Rupees in '000)	
ASSETS			
Cash and balances with treasury banks	6	2,533,233	697,326
Balances with other MFBs / Banks / NBFIs	7	1,850,427	1,853,501
Lendings to financial institutions		-	-
Investments	8	-	-
Advances	9	26,585,637	24,820,480
Property and equipment	10	403,143	416,973
Right-of-use assets	11	330,855	353,312
Intangible assets	12	271,301	290,825
Deferred tax assets	13	1,208,740	1,421,632
Other assets	14	1,251,229	972,059
		34,434,565	30,826,108
LIABILITIES			
Bills payable		-	-
Borrowings	15	18,056,369	13,394,370
Deposits and other accounts		-	-
Lease liabilities	16	297,679	318,806
Subordinated debt		-	-
Deferred grants	17	345,346	127,741
Deferred tax liabilities		-	-
Other liabilities	18	5,980,799	6,744,246
		24,680,193	20,585,162
NET ASSETS		9,754,372	10,240,946
REPRESENTED BY			
Share capital		1,500,000	1,500,000
Reserves		1,364,301	954,749
Surplus/ (Deficit) on revaluation of assets		-	-
Unappropriated profit		6,890,071	7,786,197
		9,754,372	10,240,946

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

Nazeer
Ahmed Nazeer Minhaj
 President and
 Chief Executive Officer

M. Shoaib Shamim
M. Shoaib Shamim
 Chief Financial
 Officer

Rob Keijzers
Rob Keijzers
 Chairman

M. Kamran Shehzad
M. Kamran Shehzad
 Director

Mischa John Assink
Mischa John Assink
 Director

ASA MICROFINANCE BANK (PAKISTAN) LTD
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 JUNE 2025

Note	Quarter Ended		Period Ended		
	April - June	April - June	January - June	January - June	
	2025	2024	2025	2024	
(Rupees in '000)					
Mark-up / Return / Interest earned	21	3,429,855	2,954,742	6,787,993	5,688,097
Mark-up / Return / Interest expensed	22	(584,132)	(578,407)	(1,228,951)	(1,078,080)
Net mark-up / Interest Income		2,865,723	2,376,335	5,559,042	4,610,017
NON MARK-UP / INTEREST INCOME					
Fee and commission income		-	-	-	-
Dividend Income		-	-	-	-
Foreign exchange (loss) / Income		(11,195)	53,972	(17,957)	(27,939)
Income / (Loss) from derivatives		-	-	-	-
Gain / (Loss) on securities		-	-	-	-
Net gain / (loss) on derecognition of financial assets		-	-	-	-
Other income	23	3,999	6,295	18,088	6,591
Total non-markup / Interest Income		(7,196)	60,267	131	(21,348)
Total Income		2,858,527	2,436,602	5,559,173	4,588,669
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	24	(1,453,431)	(962,844)	(2,605,727)	(1,951,077)
Workers welfare fund		-	-	-	-
Other charges		-	-	-	-
Total non-markup / Interest expenses		(1,453,431)	(962,844)	(2,605,727)	(1,951,077)
Profit before expected credit loss allowance		1,405,096	1,473,758	2,953,446	2,637,592
Expected credit loss allowance and write offs - net	25	(39,007)	205,080	(92,131)	101,327
PROFIT BEFORE TAXATION		1,366,089	1,678,838	2,861,315	2,738,919
Taxation	26	(558,512)	(889,132)	(1,168,973)	(1,301,120)
PROFIT AFTER TAXATION		807,577	789,706	1,692,342	1,437,799
Rupees					
Basic and diluted earnings per share	27	538.38	526.47	1,128.23	958.53

The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.

Naazef
Ahmed Naazef Minhaj
President and
Chief Executive Officer

M. Shoaib Shamim
Chief Financial
Officer

Rob Keijzers
Chairman

M. Kamran Shehzad
Director

Mischa John Assink
Director

ASA MICROFINANCE BANK (PAKISTAN) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2025

Note	Quarter Ended		Period Ended	
	April - June 2025	April - June 2024	January - June 2025	January - June 2024
(Rupees in '000)				
Profit after taxation for the period	807,577	789,706	1,692,342	1,437,799
Other comprehensive income:				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in hedge accounting reserve	(63,529)	(642,225)	116,531	(83,169)
Related tax impact	24,776	250,468	(45,447)	32,436
Net movement in hedge accounting reserve	(38,753)	(391,757)	71,084	(50,733)
Total comprehensive income	768,824	397,949	1,763,426	1,387,066

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Noazep
Ahmed Naezer Minhaj
 President and
 Chief Executive Officer

M. Shoaib Shamim
M. Shoaib Shamim
 Chief Financial
 Officer

Rob Kellars
Rob Kellars
 Chairman


M. Kamran Shehzad
M. Kamran Shehzad
 Director


Mische John Assink
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 Director

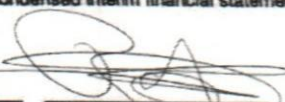
ASA MICROFINANCE BANK (PAKISTAN) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2025


	Reserves						
	Share capital	Share premium	Statutory reserve	Hedge accounting reserve	Depositors' protection fund	Unappropriated profit	Total
	(Rupees in '000)						
Opening Balance as at January 1, 2024	1,600,000	1	494,572	(77,182)	-	8,379,543	10,296,933
Profit after taxation (June 30, 2024)	-	-	-	-	-	1,437,799	1,437,799
Other comprehensive income - net of tax	-	-	-	(83,169)	-	-	(83,169)
Transfer to statutory reserve	-	-	287,277	-	-	(287,277)	-
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)
Opening Balance as at July 01, 2024	1,600,000	1	781,849	(160,351)	-	7,529,065	9,650,564
Profit after taxation (December 31, 2024)	-	-	-	-	-	1,775,837	1,775,837
Other comprehensive income - net of tax	-	-	-	(22,202)	-	(161,253)	(183,455)
Transfer to statutory reserve	-	-	355,450	-	-	(355,450)	-
Transfer to depositors' protection fund	-	-	-	-	-	-	-
Interim dividend @ 33.40% for the quarter ended June 30, 2024	-	-	-	-	-	(501,000)	(501,000)
Interim dividend @ 33.40% for the quarter ended Sep 30, 2024	-	-	-	-	-	(501,000)	(501,000)
Opening Balance as at January 1, 2025	1,600,000	1	1,137,299	(182,551)	-	7,788,197	10,240,946
Profit after taxation (June 30, 2025)	-	-	-	-	-	1,892,342	1,892,342
Other comprehensive income - net of tax	-	-	-	71,084	-	-	71,084
Transfer to statutory reserve	-	-	338,468	-	-	(338,468)	-
Transfer to depositors' protection fund	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity							
Final dividend @ 100% for the year ended December 31, 2024	-	-	-	-	-	(1,500,000)	(1,500,000)
Interim dividend @ 33.40% for the quarter ended March 31, 2025	-	-	-	-	-	(750,000)	(750,000)
Closing balance as at June 30, 2025	1,600,000	1	1,475,767	(111,467)	-	6,890,071	9,754,372

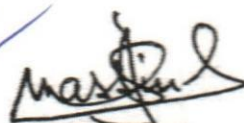
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Ahmed Naeem Minhal
 President and
 Chief Executive Officer


M. Shoaib Shamim
 Chief Financial
 Officer


Rob Keljers
 Chairman



M. Kamran Shehzad
 Director



Mischa John Assink
 Director


ASA MICROFINANCE BANK (PAKISTAN) LTD
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2025


	Note	(Un-audited) June 30, 2025	(Un-audited) June 30, 2024
Rupees in '000			
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		2,861,240	2,737,507
Adjustments:			
Depreciation		114,309	70,069
Depreciation on right-of-use assets	11	77,751	61,075
Amortization	24	30,491	10,113
Mark-up / Return / Interest expense on lease liability against right-of-use assets	16	29,592	19,528
Amortization of hedge points	22	285,410	281,421
Provision against non-performing loans and advances - net	25	152,155	(119,288)
Other provisions / write-offs	14.1	-	1,653
Bad debts written off directly	25	24,921	23,457
Charge for defined benefit plan	24	140,248	95,290
		854,877	443,318
(Increase) / Decrease in operating assets			
Advances (excluding expected credit loss allowance)	9	(1,942,233)	(1,724,291)
Other assets	14	(279,169)	495,802
		(2,221,402)	(1,228,489)
Increase / (Decrease) in operating liabilities			
Borrowings	15	4,775,235	4,436,395
Other liabilities (excluding dividend payable, payable to defined benefit plan, current tax provision and unrealized loss on foreign exchange forward contracts)	18	(498,950)	(443,860)
		4,276,285	3,992,535
Income tax paid		(2,181,308)	(638,739)
Benefits paid		(39,401)	(12,540)
Net cash flows generated from / (used in) operating activities		3,550,291	5,293,592
CASH FLOW FROM INVESTING ACTIVITIES			
Investments in operating fixed assets		(111,445)	(158,316)
Sale proceeds from disposal of operating fixed assets		-	-
Investment in treasury bills		-	(332,534)
Net cash flows used in investing activities		(111,445)	(490,850)
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of lease liability against right-of-use assets	16	(106,012)	(65,835)
Dividend paid		(1,500,000)	(500,752)
Net cash flows used in financing activities		(1,606,012)	(566,587)
Net increase in cash and cash equivalents		1,832,833	4,236,155
Cash and cash equivalents at beginning of the period		2,550,827	1,198,872
Cash and cash equivalents at end of the period	29	4,383,660	5,435,027


The annexed notes 1 to 34 form an integral part of these condensed interim financial statements.


Naazir
Ahmed Naazir Minhaj
President and
Chief Executive Officer


M. Shoaib Shamim
Chief Financial
Officer


Rob Keijzers
Chairman


M. Kamran Shehzad
Director


Mischa John Assink
Director

ASA MICROFINANCE BANK (PAKISTAN) LTD
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 30 JUNE 2025

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, 2025, ASA MFB has 405 (2024: 380) business locations comprising of 100 (2024: 82) Hub Branches and 305 (2024: 298) 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% (2024: 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)

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

The SBP has deferred the applicability of IAS 40, 'Investment Property' for Banking Companies in Pakistan through BSD Circular Letter 10 dated 26 August 2002 till further instructions. Accordingly, the requirements of this standard has 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 a format prescribed by the SBP vide BPRD Circular No. 3 dated February 9, 2023 and IAS 34, Interim Financial Reporting. They do not include all the information and disclosures required in the preparation of audited financial statements, and should be read in conjunction with the audited financial statements of the Bank for the year ended December 31, 2024. 

2.3 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current year

There are certain amendments to existing accounting and reporting standards that have become applicable to the Bank for accounting periods beginning on or after January 1, 2025. These are either considered to not be relevant or do not have any significant impact and accordingly have not been detailed in these financial statements.

2.4 Standards, interpretations of and amendments to published approved accounting standards that are not yet effective.

There are various amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective.

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification and Measurement of Financial Instruments - Amendments to IFRS 9	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 7 – Financial Instruments: Disclosures	January 01, 2026
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual periods)
IFRS 1 - First time adoption of International Financial Reporting Standards	January 01, 2004
IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027

The above standards and amendments are not expected to have any significant impact on Bank's financial statements for future periods, except for IFRS 18.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1. IFRS 18 introduces new requirements for presentation of various items within the statement of profit or loss, including specified totals and subtotals. Narrow-scope amendments have been made to IAS 7, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. Earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Bank is currently working to identify all impacts the amendments will have on the financial statements of future period and notes thereto.

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, 2024.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of the condensed interim financial statements is the same as that applied in the preparation of the audited financial statements for the year ended December 31, 2024, except for a change in the criteria for classification of non-performing loans pursuant to the revised Prudential Regulations for Microfinance Banks issued by the State Bank of Pakistan on May 16, 2025 effective immediately. The table below summarizes the changes in the criteria:

Category	Criteria (Overdue days)			
	General Loans		Microenterprise Loans	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
OAEM	-	-	-	90-179
Substandard	90-179	60 - 89	180-365	180-365
Doubtful	-	90-179	366-547	366-547
Loss	>180	>180	>547	>547

The change has been applied prospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Had this change not been made, the profit after tax for the half year ended 30 June 2025 would have been lower by Rs. 21,780,450.

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, 2024.

		(Un-audited) June 30, 2025	(Audited) December 31, 2024
	Note	-----Rupees in '000-----	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand - Local currency		25,251	685
With State Bank of Pakistan in Local currency current account		2,503,046	690,235
With National Bank of Pakistan in Local currency current account		3,305	1,739
Local currency deposit account	6.1	1,632	4,666
		4,937	6,405
Less: Expected credit loss allowance		-	-
Total		2,533,233	697,326
6.1 This carries markup at 8.85% per annum (2024: 5%).			
7 BALANCES WITH OTHER MFBs / BANKs / NBFIs			
In Pakistan			
- In current accounts	7.1	14,437	5,781
- In deposit accounts		1,567,990	1,721,719
- In term deposits	7.2	268,000	126,000
Less: Expected credit loss allowance		-	-
		1,850,427	1,853,501
7.1 This carry mark-up ranging from 9.50% to 11.50% per annum (2024: 13.50% to 19%)			
7.2 These carry mark-up ranging from 8.75% to 13.5% per annum (2024: 13.25% to 13.50% per annum) and are given as collateral against borrowings from Pak Oman Investment, Allied Bank Limited and JS Bank Limited have maturity period of 3 months			

9 ADVANCES

Performing				Non Performing		Total	
Stage 1		Stage 2		Stage 3			
(Un-audited) June 30, 2025	(Audited) December 31, 2024	(Un-audited) June 30, 2025	(Audited) December 31, 2024	(Un-audited) June 30, 2025	(Audited) December 31, 2024	(Un-audited) June 30, 2025	(Audited) December 31, 2024

Rupees in '000

Loan Type

Micro Credits

Unsecured

Advances - gross

26,679,446	24,945,450	63,205	25,508	71,678	103,660	26,814,329	25,074,618
26,679,446	24,945,450	63,205	25,508	71,678	103,660	26,814,329	25,074,618

Credit loss allowance against advances

- Stage 1

- Stage 2

- Stage 3

9.1.2.1

166,567	167,816	-	-	-	-	166,567	167,816
-	-	288	98	-	-	288	98
-	-	-	-	61,837	86,224	61,837	86,224
166,567	167,816	288	98	61,837	86,224	228,693	254,138
26,512,879	24,777,634	62,917	25,410	9,841	17,436	26,585,637	24,820,480

credit loss allowance

9.1 Advances - Particulars of expected credit loss allowance

9.1.1 Advances - Exposure

(Un-audited) June 30, 2025			
Stage 1	Stage 2	Stage 3	Total

Rupees in '000

(Audited) December 31, 2024			
Stage 1	Stage 2	Stage 3	Total

Rupees in '000

Gross carrying amount

24,945,450 25,508 103,660 25,074,619

19,413,583 12,370 46,738 19,472,691

New advances

19,653,783 20,264 2,929 19,676,977

24,996,066 24,820 145,227 25,166,112

Advances derecognised or repaid

(17,795,890) (8,519) (4,152) (17,808,560)

(19,349,112) (4,768) (9,247) (19,363,127)

Transfer to stage 1

1,546 (306) (1,241) -

- - - -

Transfer to stage 2

(42,489) 42,506 (17) (0)

(13) 13 - -

Transfer to stage 3

(57,157) (14,651) 71,808 -

(37,110) (6,573) 43,683 -

1,759,794 39,295 69,329 1,868,417

5,609,831 13,492 179,662 5,802,985

Amounts written off / charged off

9.1.4

(25,798) (1,598) (101,310) (128,707)

(77,964) (354) (122,739) (201,058)

Closing balance

26,679,446 63,205 71,678 26,814,329

24,945,450 25,508 103,660 25,074,619

9.1.2 Advances - Expected credit loss allowance

Stage 1	Stage 2	Stage 3	Total
---------	---------	---------	-------

Rupees in '000

Stage 1	Stage 2	Stage 3	Total
---------	---------	---------	-------

Rupees in '000

Opening balance

167,816 98 86,224 254,138

193,914 46 32,562 226,521

New advances

83,963 87 2,344 86,393

168,010 95 131,073 299,178

Advances derecognised or repaid

(84,750) (14) (142) (84,907)

(95,556) (18) 1,346 (94,228)

Transfer to Stage 1

1,154 (1) (1,153) -

- - - -

Transfer to Stage 2

(163) 176 (14) -

- - - -

Transfer to Stage 3

(219) (56) 275 -

(142) (25) 167 -

(15) 191 1,310 1,486

72,312 52 132,586 204,950

Reversal of General Provision

- - - -

(98,403) - - (98,403)

Impact of Transfers on ECL

(1,147) 6 77,996 76,854

- - 43,447 43,447

Amounts written off/charged Off

9.1.4

(1,163) 197 79,306 78,340

(26,091) 52 176,033 149,994

(86) (7) (103,692) (103,785)

(6) (122,371) (122,377)

166,567 288 61,837 228,693

167,816 98 86,224 254,138

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
Internal / External rating / stage classification

Outstanding gross exposure

Performing - Stage 1

<30 Days

Under Performing

General Loans

Other assets especially mentioned
30-89 (2024: 30-59)

SME Loans

Other assets especially mentioned
30-179 (2024: 30-59)

Non- Performing

Substandard

Doubtful

Loss

Total

Corresponding expected credit loss allowance

Stage 1

Stage 2

Stage 3

(Un-audited) June 30, 2025			
Stage 1	Stage 2	Stage 3	Total
Rupees in '000			
26,679,446	-	-	26,679,446
-	60,729	-	60,729
-	2,475	-	2,475
-	-	50,529	50,529
-	-	3,095	3,095
-	-	18,054	18,054
-	-	71,678	71,678
26,679,446	63,205	71,678	26,814,329
166,567	-	-	166,567
-	288	-	288
-	-	61,837	61,837
166,567	288	61,837	228,693

(Audited) December 31, 2024			
Stage 1	Stage 2	Stage 3	Total
Rupees in '000			
24,945,450	-	-	24,945,450
-	24,898	-	24,898
-	610	-	610
-	-	20,593	20,593
-	-	66,589	66,589
-	-	16,478	16,478
-	-	103,660	103,660
24,945,450	25,508	103,660	25,074,619
167,816	-	-	167,816
-	98	-	98
-	-	86,224	86,224
167,816	98	86,224	254,138

9.1.4 Particulars of write offs / charge offs:

Against expected credit loss allowance
Directly charged to profit and loss account

(Un-audited) (Audited)
June 30, 2025 December 31, 2024
Rupees in '000

9.1.2	103,785	122,377
25	24,921	78,680
	128,707	201,058

10 PROPERTY AND EQUIPMENT

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
Note	Rupees in '000	
Property and equipment	403,143	416,973

10.1 Additions to property and equipment

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

Property and equipment

Leasehold land

Furniture and fixture

Electrical office and computer equipment

Office equipment

Total

17,551	19,343
3,395	8,580
24,002	41,076
55,532	114,896
<u>100,479</u>	<u>183,896</u>

10.2 Disposal of property and equipment

No property and equipment were disposed off during the period.

11 RIGHT-OF-USE ASSETS

- Buildings

At January 01

Cost

Accumulated Depreciation

Net carrying amount at January 01

Additions during the year

Depreciation Charge for the year

Net Carrying amount

477,381	353,581
(124,070)	(128,565)
<u>353,311</u>	<u>225,016</u>
55,294	252,365
(77,751)	(124,070)
<u>330,855</u>	<u>353,312</u>

12 INTANGIBLE ASSETS

Computer software

Capital work-in-progress

250,590	277,056
20,711	13,769
<u>271,301</u>	<u>290,825</u>

12.1 Additions to intangible assets

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

Directly purchased

Capital work-in-progress

Total

4,025	196,082
6,941	13,769
<u>10,966</u>	<u>209,851</u>

13 DEFERRED TAX ASSETS

Deductible temporary differences on

- Expected credit loss allowance against loans and advances

- Exchange difference on foreign currency borrowings

- Disallowed markup expense on foreign currency borrowings

- Unrealised loss on foreign exchange forward contracts

- Lease liabilities

- Remeasurement gain on defined benefit obligation

Taxable temporary differences on

- Property and equipment

90,166	99,881
22,966	287,562
582,718	338,871
25,759	239,617
129,251	141,836
454,250	414,920
<u>1,305,109</u>	<u>1,522,685</u>
(96,369)	(101,052)
<u>(96,369)</u>	<u>(101,053)</u>
<u>1,208,740</u>	<u>1,421,632</u>

14 OTHER ASSETS

Income / Mark-up accrued

Advances, deposits, and other prepayments

Loan to employees

Security deposits

Others

Less: Expected credit loss allowance held against other assets

651,015	604,844
403,908	245,875
116,989	93,108
5,037	5,037
76,782	25,161
(2,502)	(1,966)
<u>1,251,229</u>	<u>972,059</u>

14.1 Expected credit loss allowance held against mark-up / return / Interest accrued

Opening balance

Charge for the period / year

Amount written off

Closing balance

1,966	3,484
536	3,356
-	(4,873)
<u>2,502</u>	<u>1,966</u>

14.2 Particulars of write offs / charge offs held against mark-up / return / interest accrued:

Against expected credit loss allowance

Directly charged to profit and loss account

14.1
25

-	4,873
1,367	6,454
<u>1,367</u>	<u>11,327</u>

		(Un-audited) June 30, 2025	(Audited) December 31, 2024			
		-----Rupees in '000-----				
15	BORROWINGS					
	Secured					
	Borrowings from State Bank of Pakistan					
	Women Inclusive Finance Program (WIFP)	2,386,890	2,376,380			
	Women Inclusive Finance Sector Development Project (WIF SDP)	1,838,967	-			
	Financial Inclusion and Infrastructure Project through ACFID	1,390,294	99,879			
		5,616,151	2,476,259			
	Borrowings from Other Banks / Financial Institutions	12,440,218	10,918,111			
	Total secured	18,056,369	13,394,370			
15.1	Particular of borrowings with respect to domestic/foreign					
	In Pakistan	14,090,653	7,271,333			
	Outside Pakistan	3,965,715	6,123,037			
	Total	18,056,369	13,394,370			
15.2	Details of Borrowings in Pakistan	Loan Amount (Rupees in '000)	Agreement Date	Maturity	Repayment frequency	Coupon rate
	Women Inclusive Finance Program (WIFP)	2,500,000	25-Jun-24	30-Jun-29	Bullet	6M K-1%
	Financial Inclusion and Infrastructure Project through ACFID	53,000	1-Mar-24	25-Mar-27	Bullet	6M K-1%
	Financial Inclusion and Infrastructure Project through ACFID	51,000	1-Mar-24	25-Mar-27	Bullet	6M K-1%
	Financial Inclusion and Infrastructure Project through ACFID	157,000	6-May-25	14-May-28	Bullet	6M K-1%
	Financial Inclusion and Infrastructure Project through ACFID	110,757	25-Apr-25	20-May-28	Bullet	6M K-1%
	Financial Inclusion and Infrastructure Project through ACFID	809,739	12-May-25	14-May-28	Bullet	6M K-1%
	Financial Inclusion and Infrastructure Project through ACFID	280,000	26-Feb-25	27-Mar-28	Bullet	6M K-1%
	Women Inclusive Finance Sector Development Project (WIF SDP)	2,000,000	22-May-25	30-Jun-30	Bullet	6M K-1%
	Pak Oman Investment Company Limited	240,000	9-Jan-25	19-Jan-28	Quarterly	3M K+1.75%
	Allied Bank Limited	37,500	9-May-22	18-Nov-25	Quarterly	3M K+2.25%
	Allied Bank Limited	500,000	27-Mar-25	6-Apr-28	Quarterly	3M K+1.75%
	Pakistan Microfinance Investment Company Limited	187,500	16-Mar-22	1-Oct-25	Quarterly	6M K+3.05%
	Pakistan Microfinance Investment Company Limited	3,187,000	21-Mar-23	30-Sep-28	Semi-Annual	6M K+2.95%
	Pakistan Microfinance Investment Company Limited	2,100,000	24-Apr-23	30-Sep-28	Quarterly	6M K+2.95%
	Habib Metropolitan Bank Limited	1,000,000	13-Dec-24	27-Dec-27	Quarterly	3M K+2.5%
	Pak Kuwait Investment Company (Pvt.) Limited	1,000,000	23-Apr-25	18-May-28	Quarterly	3M K+2.5%
	JS Bank Limited	400,000	28-Nov-24	20-Mar-28	Quarterly	3M K+2%
15.3	Details of Borrowings outside Pakistan	Loan Amount (FCY)	Agreement Date	Maturity	Repayment frequency	Coupon rate
	Japan Asian Women Empowerment	5,000,000	4-Mar-24	7-Jun-27	Semi-Annual	6M SOFR+5.0%
	Microfinance Initiative for Asia Debt Fund SA	5,000,000	4-Mar-24	7-Jun-27	Semi-Annual	6M SOFR+5.0%
	EMF Microfinance Fund, AGmvK	2,500,000	29-Nov-23	14-May-27	Semi-Annual	6M SOFR+5.0%
					(Un-audited) June 30, 2025	(Audited) December 31, 2024
					-----Rupees in '000-----	
16	LEASE LIABILITIES			Note		
	At beginning of period / year				318,805	189,752
	Additions during the period / year				55,294	252,365
	Interest expense				29,592	49,557
	Payment				(106,012)	(172,868)
	Closing balance				297,679	318,806
17	DEFERRED GRANT					
	Opening balance				127,741	-
	Grant Received during the year			17.1	231,492	136,169
	Grant recognised as income during the year				(13,887)	(8,428)
	Closing balance			17.1.1	345,346	127,741
17.1	Details of the grant recognized during the year is as follows:					
	State Bank of Pakistan					
	Women Inclusive Finance Sector Developing Project (WIF SDP)			17.1.2	161,208	131,791
	Financial Inclusion and Infrastructure Project (ACFID)			17.1.3	70,284	4,378
					231,492	136,169
17.1.1	The grants represent the difference between the consideration received and the initial fair value of below market rate borrowings received from the State Bank of Pakistan (the SBP).					
17.1.2	Under this scheme, the Bank must disburse loans exclusively to women borrowers within three months from the date of receiving funds from the SBP. The borrowing will be payable to the SBP on its original maturity if the terms of the scheme are fulfilled, otherwise the un-disbursed amount must be repaid to the SBP immediately.					
17.1.3	Under this scheme, the Bank must disburse loans exclusively to borrowers located in Rain/Flood impacted areas within three months from the date of receiving funds from the SBP. The borrowing will be payable to the SBP on its original maturity if the terms of the scheme are fulfilled, otherwise the un-disbursed amount must be repaid to the SBP immediately.					

	(Un-audited) June 30, 2025	(Audited) December 31, 2024
18 OTHER LIABILITIES	-----Rupees in '000-----	
Dividends payable	3,753,000	3,003,000
Payable to defined benefit plan	1,164,744	1,063,897
Accrued expenses	544,360	268,558
Mark-up / Return / Interest payable	409,160	561,677
Current taxation	42,170	1,222,027
Unrealized loss on foreign exchange forward contracts	66,047	614,399
Others	1,318	10,688
	<u>5,980,799</u>	<u>6,744,246</u>
19 DEPOSITORS' PROTECTION FUND		
In accordance with the requirements of the Microfinance Institutions Ordinance, 2001 and the Prudential Regulations, the Bank is required to transfer an amount equivalent to 5% of profit after tax to the Depositors' Protection Fund, plus the return earned on such funds. Such fund shall be invested in government securities or deposited with State Bank in a remuneration account. However, no amount has been allocated to this reserve since the Bank does not have the license to take on deposits.		
	(Un-audited) June 30, 2025	(Audited) December 31, 2024
20 CONTINGENCIES AND COMMITMENTS	-----Rupees in '000-----	
Commitments in respect of:		
- Foreign exchange forward contracts - purchase	<u>4,167,175</u>	<u>6,827,290</u>
21 MARK-UP / RETURN / INTEREST EARNED	(Un-audited) June 30, 2025	June 30, 2024
Loans and advances	6,693,745	5,481,514
Balances with other MFBs / banks / NBFIs	94,248	179,291
Investments	-	27,292
	<u>6,787,993</u>	<u>5,688,097</u>
22 MARK-UP / RETURN / INTEREST EXPENSED		
Borrowings	911,570	775,750
Amortization of hedge points	285,410	281,421
Lease liabilities	29,592	19,528
Bank charges	2,378	1,381
	<u>1,228,951</u>	<u>1,078,080</u>
23 OTHER INCOME		
Passbook sale	123	50
Notice pay from outgoing staff	783	259
Grant income	13,887	76
Other income from Cash in transit & Fidelity insurance	3,157	-
Others	138	5,418
	<u>18,088</u>	<u>5,803</u>



		(Un-audited)	
		June 30, 2025	June 30, 2024
		-----Rupees in '000-----	
24	OPERATING EXPENSES		
	Total compensation expense	1,916,495	1,411,647
	Directors' fees and allowances	4,600	1,300
	Rent, taxes, insurance, electricity, etc.	50,586	49,276
	Legal and professional charges	18,972	1,559
	IT Consultancy Charges	156,021	110,386
	Communications	46,374	35,434
	Repairs and maintenance	27,976	17,898
	Stationery and printing	24,120	30,088
	Training & development	8,166	6,491
	Travelling & conveyance	35,951	27,315
	Advertisement and publicity	4,467	3,442
	Donations	6,913	813
	Subscription, license and renewals fees	20,207	3,009
	Auditors' remuneration	11,320	10,033
	Depreciation	192,059	137,978
	Amortization	30,491	10,113
	Insurance	26,754	23,289
	Others	24,254	71,005
		<u>2,605,727</u>	<u>1,951,077</u>
25	EXPECTED CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		
	Charge/(Reversal) of expected credit loss		
	allowance against loans & advances	9.1.2 78,340	(119,288)
	Expected credit loss allowance against other assets	14.1 536	1,653
	Bad debts written off directly	9.1.4 & 14.2 26,288	23,457
	Recovery of written off / charged off bad debts	(13,034)	(7,149)
		<u>92,131</u>	<u>(101,327)</u>
26	TAXATION		
	Current	1,212,612	963,598
	Prior periods	27,933	(2,273)
	Deferred	(71,572)	339,795
		<u>1,168,973</u>	<u>1,301,120</u>
26.1	During the period, the Bank received a notice from the Federal Board of Revenue demanding additional payment of Super Tax for Tax Year 2023 amounting to Rs. 271,080,626, at 10% instead of the 4% which the Bank has already discharged in prior years. The matter is pending adjudication before the Islamabad High Court. The Bank has not made any provision in this respect as the management is of the view that matter will be settled in Bank's favour based on the opinion of the tax advisor.		
27	BASIC EARNINGS PER SHARE		
	Profit for the period	1,692,342	1,437,799
	Weighted average number of ordinary shares	1,500,000	1,500,000
	Basic earnings per share	<u>1,128.23</u>	<u>958.53</u>
28	MOVEMENT IN HEDGE ACCOUNTING RESERVE		
	Amortization of forward points of forward contracts	285,410	281,421
	Changes in fair value of forward contracts	(64,513)	(432,026)
	Recycling of exchange (losses) / gains on foreign currency borrowings	(104,367)	67,437
	Total amounts recognised in OCI during the period	<u>116,531</u>	<u>(83,169)</u>
29	CASH AND CASH EQUIVALENTS		
	Cash and balances with treasury banks	2,533,233	697,326
	Balances with other MFBs / Banks / NBFIs	1,850,427	1,853,501
		<u>4,383,660</u>	<u>2,550,827</u>

30 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, 2025			Audited December 31, 2024		
Parent	Directors	Key management personnel	Parent	Directors	Key management personnel

(Rupees in '000)

Other liabilities**Dividend payable**

Opening balance	3,003,000	-	-	1,486,187	-	-
Dividend declared	2,250,000	-	-	3,003,000	-	-
Paid during the year	(1,500,000)	-	-	(1,486,187)	-	-
Closing balance	3,753,000	-	-	3,003,000	-	-

Un-audited June 30, 2025			Un-audited June 30, 2024		
Parent	Directors	Key management personnel	Parent	Directors	Key management personnel

(Rupees in '000)

Expense

Salaries and other allowances	-	-	100,930	-	-	66,116
Management fee expense	-	-	-	17,068	-	-
Directors' meeting fees	-	4,600	-	-	1,300	-

(Un-audited) June 30, 2025 (Audited) December 31, 2024

(Rupees in '000)

31 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**Minimum Capital Requirement (MCR):**

Paid-up capital	9,754,372	10,240,947
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	8,281,402	8,532,934
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	8,281,402	8,532,934
Eligible Tier 2 Capital	166,855	167,914
Total Eligible Capital (Tier 1 + Tier 2)	8,448,257	8,700,848

Risk Weighted Assets (RWAs):

Credit risk	29,941,238	28,385,897
Operational risk	1,515,825	1,517,376
Total	31,457,063	29,903,273

Common Equity Tier 1 Capital Adequacy Ratio

Tier 1 Capital Adequacy Ratio	26.33%	28.54%
Total Capital Adequacy Ratio	26.86%	29.10%

32 NON - ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors has proposed an interim dividend for the half year ended 30 June, 2025 of Rs. 500 per share (30 June, 2024: Rs. 334 per share), amounting to Rs. 750,000,000 (30 June 2024: Rs. 501,000,000) at their meeting held on August 27, 2025. This is in addition to Rs. 500 per share already declared during the period bringing the total dividend for the six months to Rs.1000 per share (30 June 2024: Rs. 668 per share). These condensed interim financial statements for the six months ended 30 June, 2025 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

33 GENERAL

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

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

34 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 AUGUST 27, 2025

Nazir
Ahmed Nazir Minhal
President and
Chief Executive Officer

M. Shoaib Shamim
M. Shoaib Shamim
Chief Financial
Officer

Rob Keijzers
Rob Keijzers
Chairman

M. Kamran Shehzad
M. Kamran Shehzad
Director

Mische John Assink
Mische John Assink
Director