

Date

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Applicable Criteria

- Methodology | Correlation Between Long-term & Short-term Rating Scales | Apr-25
- Methodology | Rating Modifiers | Apr-25
- Methodology | Microfinance Institution Rating | Oct-25

Related Research

- Sector Study | Microfinance | Oct-25

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PACRA Maintains Entity Rating of ASA Microfinance Bank (Pakistan) Limited

Rating Type	Entity	
	Current (29-Apr-26)	Previous (29-Apr-25)
Action	Maintain	Maintain
Long Term	A-	A-
Short Term	A2	A2
Outlook	Stable	Stable
Rating Watch	-	-

ASA Microfinance Bank (Pakistan) Limited ('ASA-MFB' or the 'Company') is a public unlisted company and is owned by ASA International (ASAI) Holding with an ownership stake of ~99.99%. ASA International is associated with ASA Group PLC which is listed in London Stock Exchange, and stands as one of the world's leading international microfinance institutions operating in 13 countries across Asia and Africa. ASA-MFB is regulated under the Microfinance Institutions Ordinance, 2001, and received SBP's approval for initiating microfinance lending operations on November 13, 2023. Since then, the Bank has made notable strides towards operational readiness, including the upgrade of its Core Banking System. In a recent development, management has indicated that the Bank is at an advanced stage of obtaining approval from State Bank of Pakistan (SBP) to commence deposit mobilization. Furthermore, SBP has granted in-principle approval to ASA-MFB for offering Islamic microfinance products and services, subject to compliance with prescribed conditions. The Bank is currently in process of fulfilling the requisite requirements, with Islamic deposit mobilization expected to commence upon obtaining a full-scope license from SBP. Under the appointment of the new CEO; Mr. Ahmed Naazer Minhaj, the institution has undertaken key changes across senior management to strengthen its leadership framework. Notably, new appointments have been made in critical functions, including Chief Human Resources Officer, Head of Corporate Affairs, Chief Internal Auditor, Head of Administration, and Head of Islamic Management Division (IMD). These changes are expected to support enhanced governance, operational efficiency, and strategic execution going forward. The Bank benefits from a well-structured governance framework, supported by an experienced management team. Operational execution is further strengthened by ongoing enhancements in backend systems, loan appraisal and monitoring mechanisms. ASA-MFB's customer-centric, relationship-driven microfinance model continues to support sustainable growth while maintaining sound asset quality. The Bank reported advances-net of ~PKR 32.8bln as of Dec'25 (Dec'24: ~PKR 24.8bln), translating into a YoY growth of ~32.25%, and securing a ~3.7% market share in gross loan portfolio among microfinance banks and institutions, with 740,696 number of borrowers at the end-Dec'25. On the financial front, topline revenue increased to ~PKR 15.115bln in CY25 (CY24: ~PKR 12.499bln), with PAT rising to ~PKR 3.8bln in CY25 (CY24: ~PKR 3.2bln), underlining operational efficiency and cost controls. The Bank's equity base stood at PKR ~10.269bln, while its Capital Adequacy Ratio (CAR) remained strong at ~22.09%, well above the regulatory requirement. The Bank's financial performance is supported by a well-diversified loan portfolio, a strong capital base, and ongoing technological enhancements. These factors collectively position the institution to scale its operations in a prudent manner while laying a solid foundation for the planned introduction of deposit products in the near term.

The assigned rating is contingent upon Company's capacity to effectively mitigate emerging risks under the prevailing circumstances to preserve its business and financial risk profile. At the same time, the Company's ability to safeguard performance indicators in a challenging business environment is crucial.

About the Entity

ASA Microfinance Bank (Pakistan) Limited is a for-profit Microfinance Bank, incorporated in 2008 under Section 32 of the Companies Ordinance, 1984. The Bank received its MFB license for lending operations and has since implemented a Core Banking System to strengthen its operational infrastructure. In a recent development, management has indicated that the Bank is at an advanced stage of obtaining approval from SBP to commence deposit mobilization. It has also received in-principal approval to offer Islamic Microfinance products subject to condition, Islamic deposit mobilization will commence after obtaining a full scope license. The Board of Directors comprises seven members, with Mr. Ahmed Naazer Minhaj serving as CEO since August 2025, bringing over 25 years of diversified experience.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.