

ANNUAL REPORT 2024-25

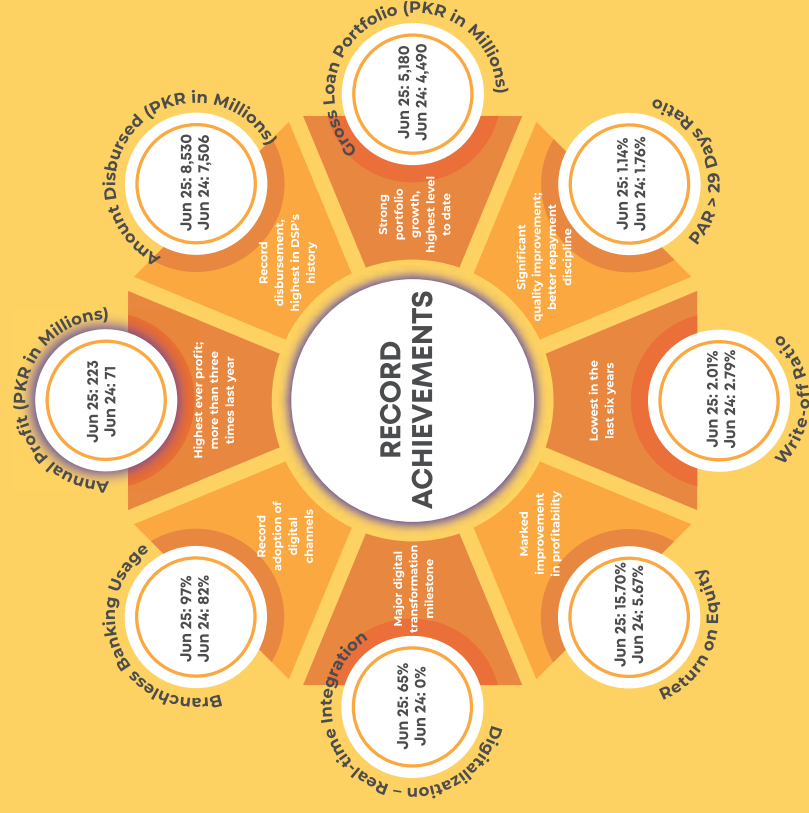
ACRONYMS

ADB	Asian Development Bank
AM	Area Manager
AMC	Annual Microfinance Conference
AO	Appraisal Officer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
CRO	Credit Risk Officer
DSP	Damen Support Programme
DR	Disaster Recovery
EFU Insurance	Eastern Federal Union Insurance
FM	Field Manager
GM	General Manager
HBL	Habib Bank Limited
HR	Human Resources
IT	Information Technology
JS Bank	Jehangir Siddiqui Bank
LO	Loan Officer
MFB	Microfinance Bank
MFI	Microfinance Institution
MFP	Microfinance Provider
MIS	Management Information System
NBFC	Non-Banking Finance Company
NBMFC	Non-Bank Microfinance Company
NIBAF	National Institute of Banking and Finance
OSS	Operational Self-Sufficiency
PAR	Portfolio at Risk
PCP	Pakistan Centre for Philanthropy
PMIC	Pakistan Microfinance Investment Company
PMN	Pakistan Microfinance Network
PMR	Pakistan Microfinance Review
PMYBALS	Prime Minister's Youth Business and Agriculture Loan Scheme
RM	Regional Managers
SB	Shariah-based
SBP	State Bank of Pakistan
SECP	Securities and Exchange Commission of Pakistan
ToT	Training of Trainers
UNSC	United Nations Security Council



YEAR PERFORMANCE AT A GLANCE

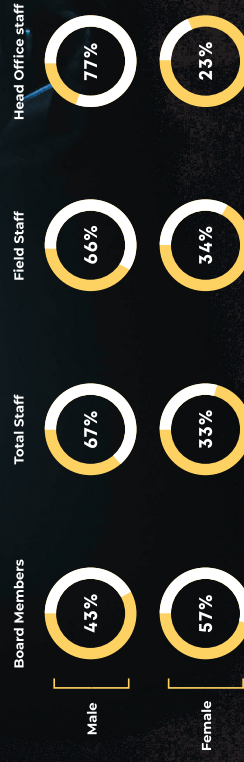
Jun-2024 Vs Jun-2025



BROADER HIGHLIGHTS

Indicator	Jun-24	Jun-25
Districts	18	18
Villages	4,795	4,872
Active Clients	98,800	102,207
Loans Disbursed (Number)	95,659	100,675
Average Loan Balance (PKR)	45,447	50,678
Average Loan Size Disbursed (PKR)	78,466	84,727
Total Assets (PKR in Millions)	5,783	6,691
Total Equity (PKR in Millions)	1,334	1,558
Debt-to-Equity Ratio	3:1	3:1
Equity-to-Total Assets Ratio	23%	23%
Gross Loan Portfolio-to-Total Assets Ratio	78%	77%
Operational Self-Sufficiency (OSS)	104%	111%
Total Lives Insured - (Health+Life)	170,343	180,472
Health Claims (Number)	1,568	1,487
Health Claims (Amount in PKR Million)	29.5	27.1
Life Claims (Number)	856	810
Life Claims (Amount in PKR Million)	47.6	46.6

GENDER INDICES



BOARD OF DIRECTORS

MS. NAGHMA RASHID
Chairperson

MR. SHAHZAIB SANWAL
Director

SYEDA SHEHRBANO
Director

MS. SADAF REHMAN
Director

MS. MANAL BAKHTIARI
Director

SYED WAJIH HUSSAIN ZAIDI
Director

MR. FARAN MAQSUD MIAN
Director

ADVISOR TO BOARD
Mr. Anjad Ali Arbab

COMPANY SECRETARY
Mr. Wajid Ali Khan

LEGAL ADVISOR
Azam Chaudhary Law Associates

AUDITORS
BDO - Ebrahim & Co.

BOARD COMMITTEES



Human Resource & Remuneration Committee

Ms. Sadaf Rahman, Chairperson
 Ms. Naghma Rashid, Member
 Mr. Asghar Ali Memon, CEO, Member
 Ms. Rukhsanda Riaz, General Manager HR, Secretary

Risk & Compliance Committee

Syeda Shehbaz, Chairperson
 Ms. Naghma Rashid, Member
 Mr. Shahzaib Sanwal, Member
 Mr. Asghar Ali Memon, CEO, Member
 Ms. Sadia Ali, Sr. Manager Risk, Secretary



Audit Committee

Mr. Shahzaib Sanwal, Chairperson
 Syed Wajid Hussain Zaidi, Member
 Ms. Manal Bakhtiar, Member
 Mr. Zohaib Ali, Sr. Manager Internal Audit, Secretary



Transformation Committee

Mr. Shahzaib Sanwal, Chairperson
 Ms. Naghma Rashid, Member
 Mr. Amjad Arbab, Advisor to Board, Member
 Mr. Asghar Ali Memon, CEO, Member
 Mr. Wajid Ali Khan, CFO, Member



IT & Digitalization Steering Committee

Ms. Manal Bakhtiar, Chairperson
 Mr. Faan Masud Khan, Member
 Mr. Asghar Ali Memon, CEO, Member
 Mr. Hassaan Tariq, General Manager IT, Secretary



DSP MANAGEMENT



Mr. Asghar Ali Memon
Chief Executive Officer



Mr. Wajid Ali Khan
Chief Financial Officer



Mr. Athmar Ali Arbab
Chief Operating Officer



Mr. Hassaan Tariq
General Manager IT



Mr. Junaid Iqbal Qureshi
General Manager Operations



Mr. Awais Masud
General Manager Marketing, Communications &
Product Development



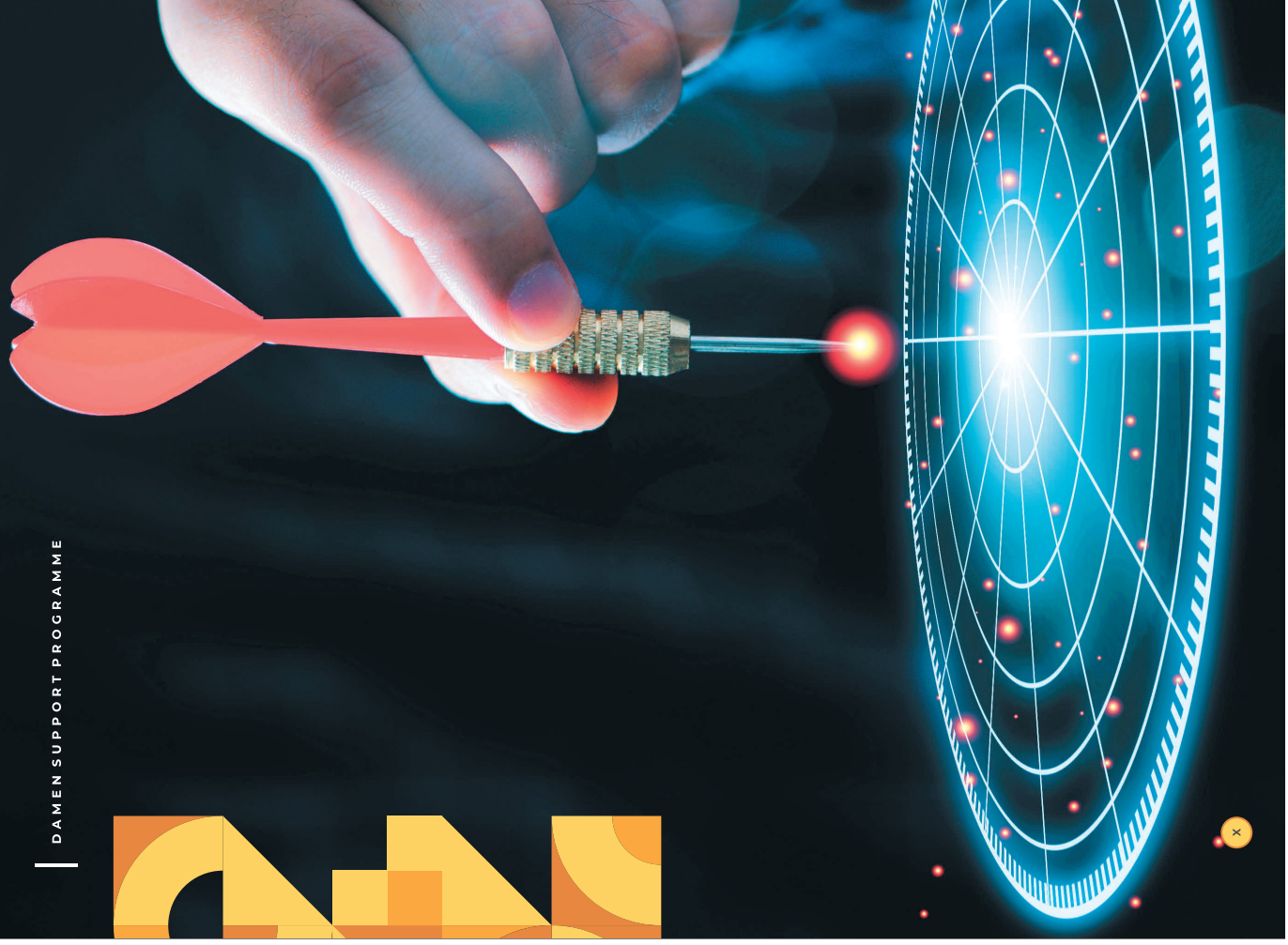
Ms. Rukhshanda Riaz
General Manager Human Resource



Ms. Sadia Munir
Senior Manager Risk



Mr. Rana Zohaib Ali
Senior Manager Internal Audit



VISION

Sustainable development through financial inclusion

MISSION

Taking measures for social and economic uplift of the marginalized, with a focus on women, to enhance their economic prosperity & self-reliance through financial inclusion & capacity building.

OBJECTIVES

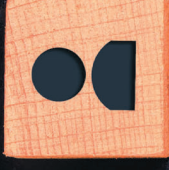
DSP concentrates on the social and economic uplift of communities with the following objectives:

Uplifting marginalized communities in rural areas and urban slums, to generate income for sustainable development by implementing programs including micro-credit, vocational training and capacity building with emphasis on women's development.

To concentrate on activities for the integrated self-reliant and long-term development of the communities through various programs of poverty alleviation.

To enhance the cause of women's development by initiating programs for income generation and awareness of their legal and basic rights.

To train and support human resources for devising, implementing, and overseeing development projects and programs.



MESSAGE FROM THE CHAIRPERSON



Despite high inflation and political instability during 2024-2025, these challenges strengthened our commitment to DSP's mission of empowering and mobilizing marginalized communities to improve their social and economic conditions and to participate more actively in all spheres of life. With a special focus on women, DSP continued to promote sustainable and inclusive financial services through digitalization and community participation.

Over its 34-year journey, DSP has achieved remarkable milestones. Our gross loan portfolio has reached PKR 5.2 billion, with an outreach of 102,207 clients, 99% of whom are women. Currently, DSP operates in 18 districts of Punjab through a network of 64 branches, 11 area offices, and one Head Office in Lahore. We offer both Shariah-compliant and conventional products tailored to diverse client needs, including general, livestock, loyal customer, gold-based, and agriculture loans.

I am pleased to see DSP's continued commitment to improving its products, diversifying services, and strengthening internal systems through innovation and digital transformation. The development of desktop and mobile application portals has further enhanced our efficiency and service delivery.

DSP's focus on women's empowerment continues to be at the heart of our success. These strong-willed women, who strive every day to improve their families' lives, are true agents of change and the foundation of our achievements.

I extend my sincere gratitude to our financial partners, allied organizations, the Pakistan Microfinance Network, advisors, and consultants for their continuous support and guidance. I am also deeply thankful to our Members and the Board of Directors for their unwavering commitment to achieving our long-term goals of sustainable financial inclusion.

I wish the entire DSP team continued success in all their future endeavors.



Naghma Rashid
Chairperson
Damen Support Program

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The fiscal year 2024-25 stands as a landmark in DSP's history, a year of record achievements, institutional strengthening, and renewed commitment to financial inclusion. Despite a challenging macroeconomic environment, the organization sustained its growth trajectory and reached the highest levels of performance since inception. These accomplishments reflect team dedication, client trust, and strong support from Board of Directors.

Unprecedented Financial and Operational Performance

DSP achieved its highest-ever annual profit of Rs. 223 million, more than triple the previous year's Rs. 71 million. This growth highlights operational efficiency, prudent financial management, and expansion in outreach. Annual loan disbursements reached Rs. 8.5 billion, while the Outstanding Loan Portfolio rose to Rs. 5.2 billion, the highest in DSP's journey. Portfolio quality also improved, with PAR (>29 days) declining from 176% to 114% and write-offs reduced to their lowest in six years. Operational Self-Sufficiency rose from 104% to 112%, and Return on Equity reached 15.7%, indicating sound financial health.

Institutional Transformation and Governance

The year brought major reforms, shifting from a regionally managed to a decentralized operational structure, empowering Area Managers with greater autonomy and accountability.

This enhanced decision-making and ownership of results across the network. Several control functions were consolidated under a unified Risk Management Department to strengthen oversight and coordination.

DSP also advanced its digital transformation, completing a 97% transition to branchless banking by January 2025. Real-time MIS integration, automated CNIC and UNSC blacklist verification improved efficiency and compliance. The paperless drive reduced documentation by nearly 90%, saving approximately 700,000 sheets and reinforcing environmental responsibility.

Governance remained a cornerstone of success. Regular Board engagements and active committee participation ensured robust oversight, strategic alignment, and accountability. I am deeply grateful to the Board of Directors for their continued trust, guidance, and encouragement throughout this transformative year.

Promoting Ethical Finance and Client Well-being

Shariah-compliant microfinance continued to grow, offering ethical and inclusive financial solutions. To date, over PKR 3.8 billion has been financed through 60,000 Murabaha transactions, reaffirming DSP's leadership in values-based finance. Women remained central to the mission, benefiting from microcredit, financial literacy, and skill training in stitching, embroidery, beautification, and handicrafts, enabling income generation and independence.

Strengthening Partnerships with Investors

Gratitude is extended to PMIC for consistent confidence and financial support, and to SBP, HBL, and NBP for continued collaboration. Negotiations with ABL, Askari Bank, and others aim to support further expansion. International partners including Symbiotics, BlueOrchard, and Triple Jump has strengthened global linkages, while new alliances with ResponsAbility, Grameen Agricole, Microfinanzia, and Incofin will enhance future resilience.

People Development and Motivation

Staff commitment remained the foundation of success. Champion Branch Awards, performance incentives, and insurance benefits were enhanced, while health coverage was tripled through EFU Life. The new Assistant Field Manager cadre created clearer growth pathways. Regular trainings in risk, digital operations, leadership, and Islamic finance further built capacity and motivation.

A Future of Inclusion, Innovation, and Impact

DSP remains committed to deepening outreach, expanding digital and Shariah-based finance, and reinforcing client protection. Success is measured not only in financial results but in lives improved and opportunities created. Each loan, each woman trained, and each family supported represents a step toward an equitable Pakistan.

Sincere appreciation is extended to clients for their trust, staff for their dedication, and the Chairperson and Board for its vision and guidance. With renewed optimism and collective purpose, the organization looks forward to another year of progress, partnership, and shared success.



Asghar Ali Memon
Chief Executive Officer
DAMEN Support Programme

DAMEN SUPPORT PROGRAMME

Introduction

The Damen Support Programme has its origins in the non-profit organization (NGO)

Development Action for Mobilization and Emancipation (DAMEN), established in 1992 under the Societies Registration Act, XXI of 1860. Comprising social scientists, professionals, and philanthropists experienced in local and international NGO work, DAMEN aims to foster grassroots development in Pakistan.

Initially focusing on women and children's roles and development in local communities, DAMEN introduced programs like Home School Education, Industrial Homes for Women, and Entrepreneurship Development. In response to community needs, DAMEN launched a microcredit program in 1996, facilitating

economic activities among women.

In 2014, DAMEN transformed its Micro Finance Program into DAMEN Support Programme (DSP), a Non-Banking Microfinance Company registered under section 42 of the Companies Act 2017, with the Securities and Exchange Commission of Pakistan (SECP).

The core focus of DSP is the social and economic upliftment of marginalized communities, particularly women, achieved through microcredit, vocational training, and capacity building. Its strategy includes micro-credit services, health and life insurance, community group training, and research for holistic development.



PREFACE

DSP is pleased to share its Annual Report for the fiscal year 2024-25. This report presents an overview of our operational performance, strategic milestones, product innovations, and institutional reforms during the year shaped by both challenges and opportunities.

Rooted in our mission to promote financial inclusion, gender equity, and community empowerment, this report highlights the work DSP has undertaken to support low-income households—particularly women—through tailored microfinance solutions. From expanding Shariah-compliant products to digitizing service delivery and launching client-responsive lending models, each initiative reflects our commitment to responsive, responsible, and resilient service.

Throughout the year, we remained focused on strengthening our institutional capacity, improving operational efficiency, and enhancing client experience. The transition to a decentralized operational model, the integration of risk and compliance functions, and sustained investments in staff well-being and technology are key examples of this progress.

This document is intended for our stakeholders, including clients, staff, partners, regulators, and community leaders. It not only outlines our financial and programmatic achievements but also shares the stories, data, and decisions that shaped DSP's journey during the year. Above all, it reaffirms our commitment to inclusive growth and financial empowerment.



DSP'S PRESENCE ACROSS 18 DISTRICTS

DISTRICTS	NO. OF LOANS	OLP (PKR MILLION)
Bahawalnagar	3,840	153
Bahawalpur	979	35
Faisalabad	8,250	410
Gujranwala	2,841	129
Hafizabad	1,437	64
Kasur	11,401	617
Khairwal	2,873	110
Lahore	17,332	1020
Lodhran	2,654	105
Nankana Sahib	8,240	428
Okara	8,714	437
Pakpattan	3,074	142
Sahiwal	4,709	234
Sheikhupura	8,831	493
Sialkot	5,696	274
Toba Tek Singh	7,445	360
Vehari	2,543	106
Wazirabad	1,348	63
TOTAL	102,207	5,180

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PUNJAB

BAHAWALPUR
LODHIAN
KHANEWAL
VEHARI
TOBA TEK SINGH
BAHAWALNAGAR
SAHIWAL
FAISALABAD
PAKPATAN
OKARA
HAFIZABAD
NANKANA SAHIB
SHEIKHUPURA
WAZIRABAD
GUJRANWALA
KASUR
LAHORE
SIALKOT

HOLISTIC APPROACH:

Supporting Clients & Staff for Lasting Impact

Standing Beside Our Clients in Every Step of Their Journey

Our mission is to empower low-income households with opportunities to improve livelihoods, strengthen resilience, and break the cycle of poverty.

Each client is supported with a comprehensive package of financial and non-financial services tailored to their needs at every stage of life and business.

Tailored Loan Solutions:

Financing is designed around each client's actual capacity, ensuring that loan amounts are sufficient to grow enterprises.

Household Cash Flow Analysis:

Detailed assessments of cash flows protect clients from over-indebtedness and support responsible financial decision-making.

Life Insurance:

Protects families against the unexpected loss of life of either the client or the main earning spouse.

Health Insurance:

Offers coverage, including maternity benefits, to support clients during critical times of financial need.

Livestock Protection:

For rural clients whose livelihoods depend on

animals, livestock insurance ensures income continuity in case of loss.

Skill Training:

Women in our operational areas are provided with training in stitching, beauty services, handicrafts, and other skills, enabling them to develop income-generating opportunities.

Financial Literacy:

Clients receive essential financial knowledge and practical skills in budgeting, saving, responsible borrowing, and emergency planning. These sessions help clients make informed decisions, manage resources wisely, and build long-term resilience.

Affordable Repayments and Fair Pricing:

We apply the declining balance method for loan pricing, ensuring that clients pay service charges only on the outstanding loan amount rather than the original principal. This makes repayments more affordable and fair, reducing the overall financial burden. With convenient repayment schedules, clients can manage their obligations more easily while retaining more income for household needs and business reinvestment.

Together, these services form a comprehensive Client Support Model, ensuring that we stand beside our clients in both opportunities and challenges, enabling them to secure a dignified and prosperous future.





Investing in Staff Motivation and Growth

The success of our mission rests on the dedication of our staff, particularly those working in the field with clients every day. To nurture motivation, well-being, and professional growth, we have developed a comprehensive framework that supports and empowers our teams.

Recognition and Rewards: Staff achievements are celebrated through Champion Branch shields, cash prizes, and appreciation for discipline, hard work, and outstanding results.

Performance Incentives: Branches that maintain high portfolio quality (PAR below 0.5%) receive added flexibility in attendance, recognizing effort and encouraging continued excellence.

Operational Support: Village-wise recovery plans streamline daily tasks for loan officers, making client visits more manageable and efficient. A major step towards a paperless environment was the simplification of loan documentation from eight pages to just one.

Learning and Development: Staff are regularly nominated for internal and external training

programs, enhancing skills, productivity, and career growth prospects.

Enhanced Insurance Benefits: Comprehensive health and life insurance coverage for staff and their families reflects our commitment to their well-being beyond the workplace.

Supportive Workplace Culture: Birthday celebrations, monthly newsletters, and recognition of team achievements foster belonging, positivity, and collective spirit. DSP also strongly supports and encourages female staff, promoting equal opportunities, leadership development, and a safe, inclusive work environment where women can thrive.

This Staff Motivation Framework ensures that our teams remain engaged, empowered, and inspired to deliver with passion, ultimately translating into better service quality and stronger client outcomes. By simultaneously investing in clients and staff, we have created an ecosystem where every household is supported and every employee is valued. This dual focus not only strengthens institutional performance but also amplifies the impact of microfinance, bringing us closer to our vision of financial inclusion, dignity, and opportunity for all.



MICROFINANCE IN PAKISTAN:

Expanding Horizons, Empowering Futures

As Pakistan advances toward inclusive and resilient economic development, microfinance continues to play a transformative role in empowering marginalized communities, especially women, youth, and rural households. The sector has shown impressive growth in recent years.

By the end of June 2024, Pakistan's microfinance sector comprised more than 53 Microfinance Providers (MFPs) operating across 135 districts, collectively serving 10.78 million active borrowers and 112.62 million savers, with a Gross Loan Portfolio (GLP) of PKR 566 billion.

Punjab continues to be the hub of microfinance activity, with 5.06 million borrowers, a GLP of PKR 334.7 billion, 42.6 million savers, and more than 2,992 operational field units. Despite economic volatility, the sector sustained steady growth in both outreach and financial performance. The average loan size stood at PKR 52,474, with 63% of the GLP comprising unsecured loans. Lending activity remains

concentrated in urban areas, which account for 69% of the portfolio, while rural lending represents 31%. A notable development has been the rapid adoption of nano-finance. According to the Pakistan Microfinance Review 2024 (PMN), nearly half of active borrowers (49.93%) accessed nano loans, while 50.07% continued with traditional microcredit in sectors such as trade, manufacturing, services, agriculture, livestock, housing, and others. The rapid expansion in nano loans is led by Mobilink Microfinance Bank and EasyPalisa Digital Bank.

Global support for Pakistan's financial inclusion efforts has also gained momentum. In early 2025, the World Bank approved a 102-million-dollar project titled "Resilient and Accessible Microfinance (RAM)" to reach nearly 1.89 million people, including over 1 million women and 350,000 youth in climate-vulnerable regions. The project includes a climate risk fund, agriculture, and digital literacy support to help microfinance institutions adapt to increasing climate-related challenges¹.

1. The World Bank (2025). Pakistan: World Bank Approves \$102m to Boost Financial Inclusion & Resilience. Retrieved from: <https://www.worldbank.org/en/news/press-release/2025/03/13/pakistan-world-bank-approves-102m-to-boost-financial-inclusion-resilience-for-vulnerable-populations>



resilience against inflation and climate-related shocks.

Together, these dynamics point to a sector that is expanding in outreach while grappling with questions of sustainability. For MFIs, the message is clear: growth must be accompanied by responsible product design, risk management, and investments in client capacity-building.

DSP's Strategic Position

In alignment with these sectoral insights, DSP is strategically expanding its footprint to reach remote and underserved communities through digital finance channels, climate-resilient financial models, and scaling microfinance and skill development programs for women. By investing in institutional strengthening, digital transformation, and inclusive financial products, DSP remains committed to playing a pivotal role in building a more equitable financial future.

With the sector poised for deeper outreach but facing pressures around portfolio quality, DSP's approach—grounded in prudent credit practices, strong client relationships, and community-based resilience—positions it to deliver both growth and impact in the years ahead.

The "Pakistan Microfinance Review (PMR) 2024" highlights both achievements and risks for the sector. A few notable trends include:

Growth concentrated in breadth, not depth: Borrower numbers rose sharply, but average loan sizes declined, reflecting the dominance of nano-loans. While this widens outreach, PMR raises concerns about long-term client graduation and portfolio sustainability.

Credit quality divergence: The sector's overall PAR >30 days climbed to 8.5% by the end of 2024. However, MFIs and RSPs maintained strong credit quality at just 1.6% PAR, while microfinance banks (MFBs) struggled with much higher delinquency. This gap suggests that community-driven MFIs like DSP remain better positioned in balancing outreach and repayment discipline.

Women's participation gaining traction: Female borrowers made up 46% of the total client base, a marked improvement over the previous year. The increase reflects not only higher participation but also growth in women-focused products, pointing toward more gender-sensitive financial innovation.

Savings and insurance as stabilizers: With 11 million savers and 7.4 million policyholders, the sector is diversifying beyond credit. These services help households build

CLIENT CENTRIC PRODUCT INNOVATION



09



08

At DSP, innovation means understanding the real challenges of clients and designing solutions that help them progress with confidence. Rather than introducing products for novelty, the focus is on inclusivity, flexibility, and security, ensuring that every financial service responds to a genuine client need.

In this spirit, the organization strengthened its product portfolio by improving delivery and effectiveness of existing loan products, making them more accessible, reliable, and supportive of client resilience. For new clients, loan sizes generally range from PKR 45,000 to 70,000

under General, Business Investment, and Livestock Insurance Loans. New borrowers under Damen Gold Finance and PMVB Loans can access loans of up to PKR 500,000, creating opportunities for both small entrepreneurs and clients with higher capital needs.

All products, except Gold Finance, are offered in both Islamic (Murabaha) and Conventional categories, giving clients the choice that best aligns with their values and circumstances. Each product is designed to strengthen financial resilience, household stability, and enterprise growth.

Table 1: Product Range at a Glance

Product	Target Clients	Loan Size (PKR)	Duration	Collateral
General Loans	Women, men, transgender (new & repeat)	45,000 – 80,000	12,18 months	Women: group guarantee; Men & transgender: individual guarantor
Enterprise Loans	Women, men, transgender (3 rd cycle+)	80,000 – 150,000	12,18 months	Social Collateral
Damen Loyal Customer Loan	Male, female, transgender (6 th cycle+)	150,000 – 350,000	12,18 months	Social Collateral
Livestock Insurance Loan	Male, female, transgender	45,000 – 350,000	12,18 months	Social Collateral
Business Investment / Partnership Loans	Only female borrowers	45,000 – 80,000	12,18 months	Social Collateral
Gold Finance	Male, female, transgender	45,000 – 500,000	12,18 months	Pledge of gold
PMVB (Interest Free Loans)	Male, female, transgender	Up to 500,000	12, 18, 24, and 36 months	Social Collateral

OPERATIONAL EXCELLENCE & INSTITUTIONAL REFORMS

Portfolio Growth and Client Expansion

The fiscal year 2024-25 marked a historic milestone as the organization achieved its highest-ever Outstanding Loan Portfolio (OLP). By June 2025, the portfolio had expanded to PKR 518 billion, up from PKR 4.49 billion the previous year—an impressive 15.3% growth.

to deliver responsibly at scale.

Active borrowers also increased from 98,800 in June 2024 to 102,207 in June 2025, a net gain of 3,407 clients. While growth in client numbers was moderate, it demonstrates a focus on strengthening relationships with existing

This achievement reflects rising demand for microfinance and stronger institutional capacity

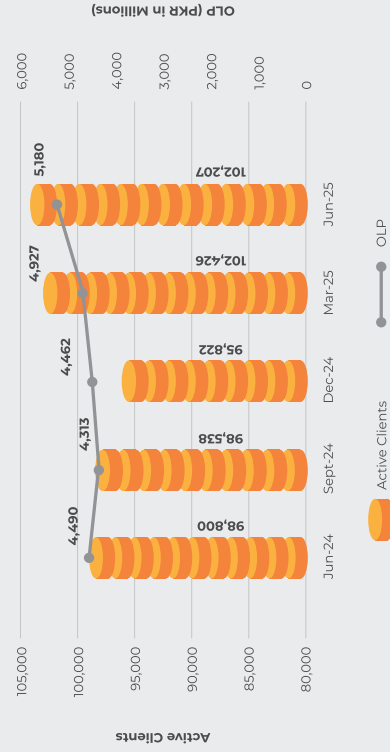
borrowers, retention, and steady expansion into underserved areas.





Together, these results reaffirm the organization's role in building inclusive financial ecosystems and empowering low-income communities, especially women, through responsible and sustainable microfinance.

Figure 1: Quarter Wise Review of Growth in Active Clients and OLP



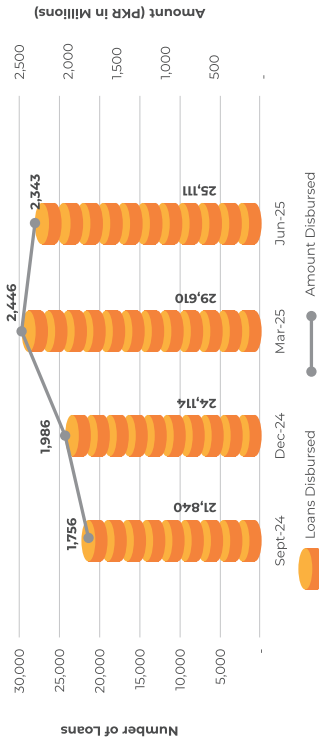
Loan Disbursement Trends

Loan disbursement expanded to 100,675 loans worth PKR 8.53 billion. This represents a 5.2% increase in loan volume and a 13.6% increase in value compared to the previous year.

The average loan size rose to PKR 84,727, up from PKR 78,466 in 2023-24, enabling clients to better cope with inflation, sustain livelihoods,

and meet household and business needs. By comparison, in 2023-24, 95,659 loans totaling PKR 7.51 billion were disbursed, laying the foundation for the stronger performance achieved this year. This upward trend highlights growth in operational scale and continued commitment to expanding financial access for underserved populations.

Figure 2: Quarter Wise Review of Loan Disbursements by Volume and Value



PKR 200 million Disbursed under Prime Minister's Youth Program

The Prime Minister's Youth Business and Agriculture Loan Scheme (PMYBALS) is an important component of the national youth program, designed to empower young entrepreneurs and farmers through subsidized loans. The Prime Minister's Office recognized DSP's commendable performance in promoting financial inclusion, employment, and enterprise development during the first phase. Building on this, Habib Bank Limited allocated an additional PKR 200 million to DSP for disbursing interest-free loans of up to PKR 500,000 to young

entrepreneurs seeking to expand or establish businesses.

A total of 537 loans amounting to PKR 200 million have been disbursed under this scheme. Of these, 435 loans worth PKR 163.8 million are provided to male clients, while 102 loans totaling PKR 36.2 million are extended to female clients. These loans have played a vital role in enabling youth—particularly women—to pursue income-generating activities and strengthen household resilience and financial independence.

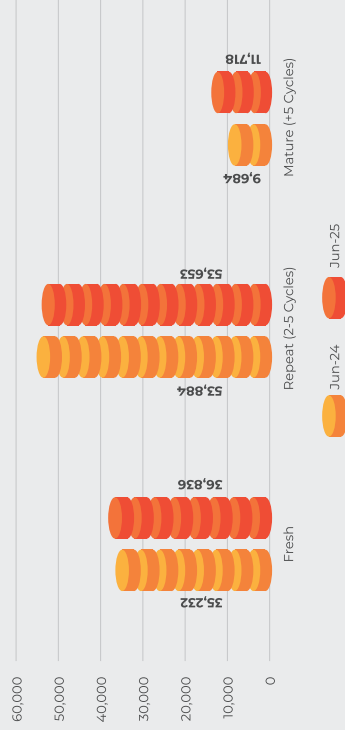
Strengthening Client Continuity and Portfolio Maturity

Client retention across multiple loan cycles is a key indicator of stability in microfinance. In 2024-25, mature clients (fifth cycle and beyond) grew by 21%, rising from 9,684 in June 2024 to 11,718. This shows the organization's role as a reliable long-term financial partner. The repeat client segment (2-5 cycles) remained stable at 53,653, while fresh client acquisition

increased by 4.5%, from 35,232 to 36,836. This balance reflects the ability to expand outreach while retaining loyal borrowers.

Overall, the portfolio mix demonstrates strong client lifecycle management—supporting new entrants, retaining repeat borrowers, and deepening financial ties with mature clients.

Figure 3: Cycle-Wise Loan Segmentation



Sectoral Distribution of Conventional Loan Portfolio

DSP's conventional loan portfolio reflects the organization's strong commitment to promoting financial inclusion and supporting diverse income-generating activities across multiple sectors. The data underscores DSP's deep engagement with communities, particularly in sectors that directly contribute to household income, employment creation, and

rural economic growth. During the reporting period, the Services sector remained the largest contributor, with an outstanding loan portfolio (OLP) of PKR 2.58 billion and 51,648 active clients, highlighting DSP's continued focus on micro-entrepreneurs and small business owners who drive local

economies. The Livestock and Poultry sector followed with an OLP of PKR 868.2 million and 18,938 active clients, demonstrating its critical role in supporting rural households, especially women engaged in livestock-based livelihoods.

The Trade sector accounted for PKR 1.02 billion with 17,300 active clients, reflecting DSP's strong support for small traders and retail enterprises. Meanwhile, Manufacturing and Production recorded an OLP of PKR 95.6 million with 1,792

clients, and Agriculture stood at PKR 91.7 million with 1,047 clients, both contributing to key livelihood and value chain activities.

This broad sectoral distribution within DSP's conventional portfolio illustrates a well-balanced approach that empowers clients across diverse economic segments, enhancing productivity, resilience, and long-term financial stability.

Figure 4: Sector-Wise Segregation of Active Loans across Conventional Products

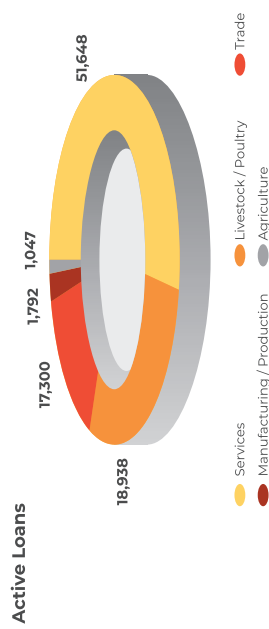
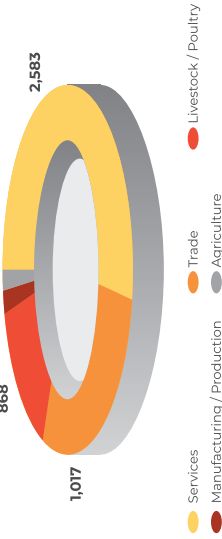


Figure 5: Sector-Wise Segregation of OLP across Conventional Products

Outstanding Loan Portfolio (In Millions)



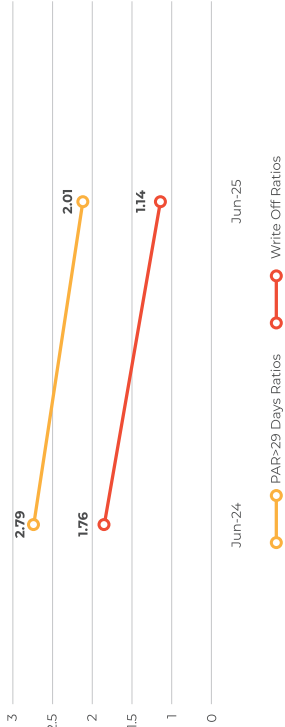


Sustained Improvement in Portfolio Performance and Efficiency Indicators

DSP continued to prioritize credit risk management and portfolio health. The Portfolio at Risk greater than 29 days (PAR>29) improved from 1.76 percent in the previous year to 1.14 percent in the current year, while the write-off ratio declined from 2.79% to 2.01%.

These outcomes reflect effective follow-up, stronger client screening, and more robust recovery practices, underscoring the institution's commitment to prudent lending and portfolio discipline.

Figure 6: Trend in PAR>29 Days and Write-Off Ratios with below figure



Progress was also evident in productivity and efficiency. As shown in the table below, borrowers served per staff, loan officer, and branch all improved, indicating that DSP was able to reach more clients despite a leaner workforce. This improvement highlights greater institutional capacity and more efficient use of resources.

Table 2: Productivity Indicators

Description	2024-25	2023-24
Borrowers per staff	160	136
Borrowers per loan officer	320	263
Borrowers per branch	1,597	1,543



Growing Self-Sufficiency Ensures Sustainable Operations

The Operational Self-Sufficiency (OSS) ratio has shown a consistent upward trend over the past five years, reflecting stronger operational performance and institutional resilience.

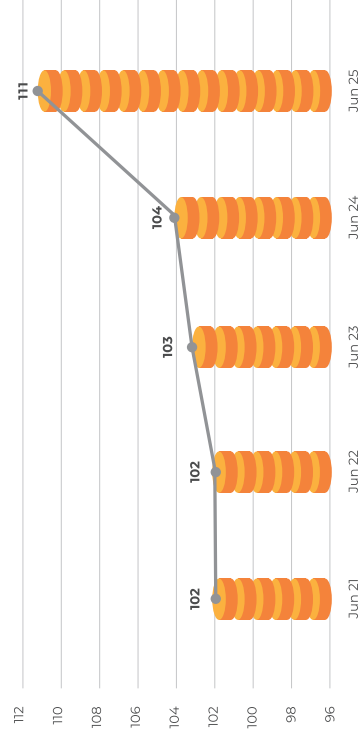
In June 2021, the OSS ratio stood at 102 percent, indicating that operating revenues were sufficient to cover all operational costs. The ratio remained steady at 102 percent in 2022, before improving to 103 percent in 2023 and 104 percent in 2024. By June 2025, OSS reached 111

percent, marking the highest level.

This steady rise demonstrates enhanced operational efficiency, improved portfolio quality, and effective cost management. The growing OSS ratio underscores DSP's ability to sustain its operations through its own income, ensuring long-term financial stability and reinforcing its commitment to efficient, responsible, and sustainable microfinance practices.

Figure 7: Upward Momentum in OSS Ratios

Operational Self Sufficiency Ratios



Complaints Resolution: Strengthening Client Trust

Client feedback is a cornerstone of service improvement and organizational accountability. The complaints resolution mechanism is designed to ensure that every concern is addressed promptly, fairly, and transparently, reinforcing trust and satisfaction across all levels

of engagement.

During the year, a total of 787 complaints were received through various channels. Of these, 778 complaints were successfully resolved by DSP promptly, reflecting the organization's commitment to responsive client service.



ADVANCING SHARIAH-COMPLIANT MICROFINANCE

A Values-Based Approach to Finance

Shariah-compliant finance, grounded in Islamic principles that prohibit usury (Riba), gambling (Qimar), and excessive uncertainty (Gharar), emphasizes fairness, transparency, and ethical conduct. By promoting profit-and-loss sharing and transactions backed by tangible assets, it ensures that financing remains both just and

inclusive. With global interest in ethical and values-driven finance continuing to rise, Shariah-compliant microfinance has become a powerful tool for fostering entrepreneurship, strengthening financial inclusion, and supporting households that wish to avoid interest-based products.

DSP's Journey in Islamic Microfinance

Recognizing the unmet needs of borrowers who prefer interest-free solutions, DSP introduced Shariah-compliant microfinance in April 2016. Since then, DSP has financed PKR 3.82 billion through 60,342 Murabaha transactions and consistently operated seven dedicated Shariah-based branches over the past nine years.

In 2025, two conventional branches Bholagarhi and Chunan were successfully transitioned into Shariah-compliant operations, bringing the

total to nine active branches. This milestone reflects the organization's commitment to expanding Islamic microfinance as a responsible and ethical alternative to conventional lending.

To ensure smooth implementation, branch staff received extensive training on Shariah-compliant products, operational procedures, and policies. This capacity building has strengthened service delivery and ensured compliance with Islamic finance standards.

Table 3: Branch Commencements and Outreach (as of June 30, 2025)

Office Name	Clients	Total Amount Financed	Start of Operations
Kot Radha Kishan (SB)	13,175	870,055,000	Apr-16
Rajana (SB)	11,490	748,995,000	Feb-19
Pakpatan (SB)	8,079	478,670,000	Feb-19
Hafizabad (SB)	8,534	521,955,000	Feb-19
Muslim Town (SB)	9,681	617,580,000	Feb-19
Pasrur (SB)	826	37,055,000	Mar-19
Khanewal (SB)	3,995	245,800,000	Feb-22
Dunya Pur (SB)	4,064	248,535,000	Mar-22
Bhola Ghari (SB)	498	47,135,000	Mar-25
Total	60,342	3,815,780,000	

Murabaha: A Fair and Transparent Financing Model

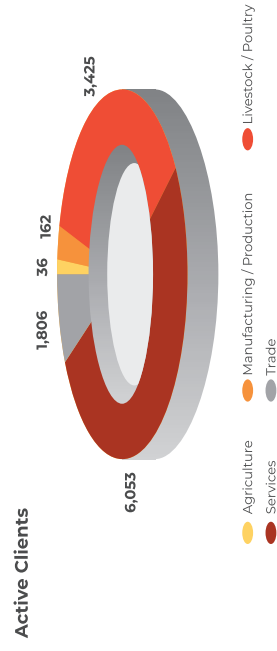
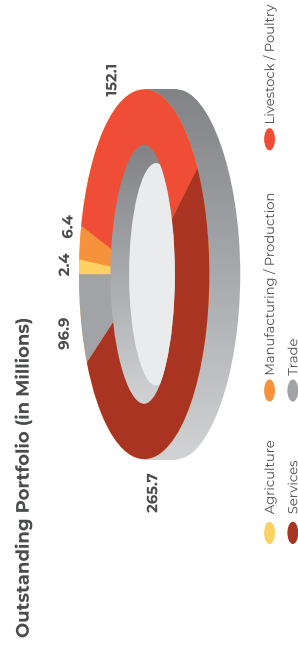
DSP's Shariah operations are primarily based on Murabaha, a cost-plus sale structure where both purchase cost and profit margin are disclosed to the buyer. Clients benefit from access to business inventory on deferred payment terms, while the institution ensures fairness and transparency in every transaction. Importantly, Murabaha is a trade-based contract rather than a loan in its origin.

Table 4: Shariah-Based Facilities-Summary

Type of Murabaha	Amount (PKR)	Duration	Target Market
General	20,000 - 80,000	12, 18 months	Clients expanding existing businesses
Business Investment	45,000 - 80,000	12, 18 months	Women investing in family businesses
Enterprise	80,000 -150,000	12, 18 months	Clients with 2+ Murabaha cycles and strong cash flows
Loyal customer	150,000 - 350,000	12, 18 months	Long-term clients with good credit history
Livestock (Takaful)	20,000 - 350,000	12, 18 months	Dairy farmers seeking livestock protection

DSP's Islamic (Murabaha) portfolio reflects its commitment to providing Shariah-compliant financial services that promote income generation and economic inclusion. The Services sector led with an outstanding portfolio of PKR 265.7 million and 6,053 active clients, followed by the Livestock and Poultry sector with PKR 152.1 million and 3,425 clients. The

Trade sector accounted for PKR 96.9 million with 1,806 clients, while Manufacturing and Production recorded an OLP of PKR 6.4 million with 162 clients, and Agriculture stood at PKR 2.39 million with 36 clients. This distribution highlights DSP's diversified and inclusive approach to empowering small entrepreneurs and rural households through Islamic financing.

Figure 8: Segregation of Active Loans across Murabaha Products**Figure 9: Segregation of Outstanding portfolio across Murabaha Products**

Expanding Protection through Takaful

To safeguard clients and their families, DSP complements Shariah-compliant financing with specialized Takaful solutions.

Credit Life Takaful:

Outstanding balances are waived in the event of the client's or spouse's death, and funeral assistance is provided.

Health Takaful:

A daily allowance of PKR 1,000 is provided for up to 30 days of hospitalization for the client or spouse.

Livestock Takaful:

Digital animal registration enables speedy claim processing in case of livestock loss, with coverage linked to financing terms.

Table 5: Current Status (As on Jun 30, 2025)

Office Name	Clients	Outstanding Portfolio (PKR Million)
Kot Radha Kishan (SB)	1,826	96
Bhola Ghari (SB)	512	46
Rajana (SB)	1,825	92
Pakpatan (SB)	1,307	60
Hafizabad (SB)	1,437	64
Muslim Town (SB)	1,658	76
Khanewal (SB)	1,570	61
Dunya Pur (SB)	1,409	53
Total	11,544	549

The organization's strategic vision is to expand Islamic microfinance through the gradual transformation of conventional branches into Shariah-compliant entities. The successful transition of the Bholagarhi and Chunian branches in 2025 has set the tone for further conversions. By the end of 2025, three additional branches, Chunian, Bucheki, and Muridke, are planned for transformation, with the pace of conversion expected to accelerate in the years ahead.

Future Planning: A Phased Transition

VIS Assigns Stable Ratings to DSP

During FY 2024-25, Vital Information Services (VIS) Credit Rating Company Limited reaffirmed the DSP entity ratings at BBB-/A-3. According to VIS, DSP maintains a stable credit profile, underpinned by a robust control framework, experienced leadership, and a sustained commitment to financial inclusion.

The institution continues to benefit from the strategic guidance of a well-structured Board of

Directors and an experienced management team, led by Chairperson Ms. Naghma Rashid and CEO Mr. Asghar Ali Memon, both of whom possess extensive expertise in microfinance and community development. DSP's governance framework is further strengthened by sound risk management practices, including a disciplined loan approval process and rigorous portfolio monitoring, which have supported the continued improvement in asset quality.

Table 6: Rating Details

Current Rating			Previous Rating		
Rating Category	Long-term	Short-term	Long-term	Short-term	
Entity Rating	BBB	A3	BBB	A3	A3
Rating Date	May 23, 2025		April 17, 2024		
Outlook/Rating Watch	Stable		Stable		
Rating Action	Reaffirmed		Initial		

Transformation towards Environmental Responsibility

In line with our commitment to sustainability, DSP simplified loan documentation from eight pages to a single page. With a client base of 95,000, this initiative eliminated nearly 665,000 pages of paper, reducing overall usage by close to 90 percent. The transition

not only eased the workload for staff and improved client experience but also marked a significant step toward environmental responsibility by lowering paper consumption and promoting a more eco-friendly way of working.

Historic Reduction in Pricing: Putting Clients First

FY 2024-25 marked a milestone in the organization's history with the largest-ever reduction in service charges across all loan products. Effective January 1, 2025, service charges were lowered by 4.5 percentage points, setting a new benchmark for affordability in the sector.

This unprecedented step reflects our commitment to client welfare at a time when rising living costs and inflation continue to strain low-income households. By reducing the cost of borrowing, the programme not only lightens repayment pressure but also enables clients to retain more income for household needs and reinvestment in their enterprises. The initiative carries multiple benefits:

- Enhanced affordability of financial services for new and existing borrowers.
- Strengthened the financial resilience of households by reducing outflows on loan repayments.
- Greater inclusivity and trust, reinforcing the organization's reputation as a client-focused MFI.

This historic move demonstrates the organization's leadership in balancing sustainability with customer-centric innovation, underscoring its mission to make finance more accessible, fair, and impactful for marginalized communities across Punjab.



Commitment to Staff Excellence and Well Being

DSP strongly believes that motivated and empowered staff are the backbone of its success. To strengthen engagement, encourage excellence, and promote staff well-being, several initiatives were introduced

and institutionalized during the reporting year. These efforts not only acknowledge high performance but also provide tangible benefits that enhance morale, productivity, and long-term commitment.

Performance Recognition and Rewards

To cultivate a performance-driven culture, multiple recognition measures were introduced during the year.

- Shields were awarded to Champion Branch of the Quarter to formally recognize exceptional performance. This title is conferred on branches that achieve PAR >29 Days at zero for three consecutive months, showcasing disciplined credit management and strong client relationships.
- Branches that maintain PAR >29 Days below 1% are given special relaxation: staff working in these branches can go directly home after completing their field duties without returning to the office for attendance marking. This privilege acknowledges the hard work of teams consistently maintaining portfolio quality.
- High-performing branches are celebrated with shields, certificates, and financial rewards, creating healthy competition across the network. Consistent achievers

such as Maraka and Muslim Town (SB), which held Champion status for three consecutive quarters, stand as role models of operational discipline and client service.

- As part of DSP's continued focus on performance excellence, all branch staff maintaining zero PAR are acknowledged in the annual PAMS. Some of the highlights of the annual rewards were:

- Every branch staff and credit risk officer received additional salary increments, apart from regular PAMS, based on the number of months they maintained zero PAR. Field Managers maintaining around 2,000 clients with PAR below 0.5%, received additional bonuses/financial rewards beyond regular PAMS.
- Special salary considerations were given to Assistant Field Managers, a newly introduced cadre serving as second-level branch leadership.

Employee Well-Being and Benefits

Beyond performance recognition, DSP has invested in strengthening staff welfare. In 2025, health and life insurance coverage were significantly enhanced through a partnership with EFU Life Insurance. The most notable improvements for Category B staff include:



Hospital care limit:

Increased from PKR 200,000 to PKR 600,000 per person (employees, spouses, children, and parents).



Daily room limit:

Increased from PKR 10,000 to PKR 11,000.



Maternity care:

Normal delivery raised from PKR 50,000 to PKR 60,000; Caesarean section from PKR 90,000 to PKR 100,000.



Life insurance benefits:

Doubled as compared to last year, providing families with stronger financial protection.



Champion Branches of three Quarters

Oct- Dec 2024

Maraka, Phoolnagar, Muslim Town (SB)

Jan-Mar 2025

Maraka, Phoolnagar, Muslim Town (SB), Daska

Apr-Jun 2025

Maraka, Phoolnagar, Muslim Town (SB), Daska, Nankana, Jamber





DAMEN SUPPORT PROGRAMME



ANNUAL REPORT 2024-25

Strategic Restructuring: Advancing Operational Efficiency through Decentralization

As part of its ongoing pursuit of operational excellence and institutional agility, DSP undertook a significant organizational restructuring during the reporting year. This strategic transition marked the shift from a regionally driven operational framework to a decentralized model that empowers Area Managers with greater authority, autonomy, and accountability at the field level.

Under the new structure, all Regional Offices have been formally dissolved, and Area Managers have been directly entrusted with operational leadership, enabling faster decision-making, improved field oversight, and enhanced ownership of performance outcomes. This change reflects DSP's commitment to streamlining its management hierarchy to

become more responsive to client needs and field realities.

In alignment with this new model, Regional Assistant Managers across key functions—including Human Resources, Information Technology, and Internal Audit—now report administratively to the Area Managers and functionally to the respective department heads at the Head Office. This ensures a balanced structure of local accountability and institutional alignment.

This decentralization initiative has strengthened organization's ability to deliver high-quality services, enhance operational efficiency, and reinforce a performance-driven culture across its branch network.

Restructuring for Efficiency: Unified Risk Management Department

To enhance organizational efficiency and improve functional clarity, DSP undertook a strategic realignment of its core oversight functions. As part of this initiative, the Risk, Compliance, and Appraisal departments were consolidated into a single, unified Risk Management Department.

This structural integration was aimed at eliminating functional overlaps, streamlining operations, and strengthening internal coordination. By consolidating these

interrelated functions under one umbrella, DSP has created a more agile and responsive risk governance framework—better equipped to monitor credit quality, ensure regulatory compliance, and uphold appraisal standards across the organization.

This transition marks a significant step toward improved risk oversight, faster decision-making, and stronger institutional control, aligning with DSP's broader objective of operational excellence and sound governance.

GOVERNANCE AND COMPLIANCE

Strategic Governance through Board Engagement

Board of Directors plays a critical role in guiding the organization's strategic direction, ensuring strong governance, and upholding the mission of financial inclusion. Regular Board meetings serve as an important platform for evaluating progress, reviewing key initiatives, and

discussing emerging opportunities and challenges within the microfinance sector. These sessions enable informed decision-making, foster institutional resilience, and promote sustainable growth.

Table 7: Record of Board Meetings Held

Date	Venue
August 8, 2024	Head Office, Lahore
October 12, 2024	Peshawar
October 26, 2024	The Palace, Lahore
November 30, 2024	Head Office, Lahore
January 25, 2025	Defence Raya Golf & Country Club, Lahore
May 3, 2025	PC Bhurban, Murree

These meetings reaffirm DSP's commitment to effective governance, financial sustainability, and the delivery of inclusive and impactful financial services across its operational areas.



DIGITAL TRANSFORMATION AND TECHNOLOGICAL ADVANCEMENTS

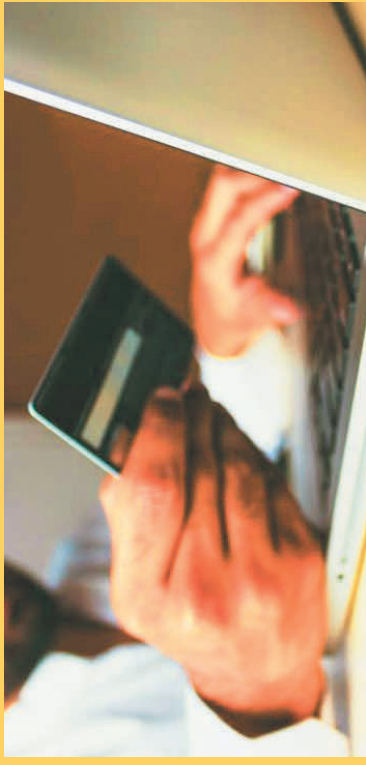
Branchless Banking: Enabling Seamless and Secure Transactions

In a significant step toward digital transformation, DSP successfully transitioned all branches to a fully branchless recovery system starting January 2025. In compliance with an executive directive, all loan recoveries are now processed exclusively through branchless banking platforms, marking a major milestone in enhancing operational efficiency, transparency, and client convenience.

To ensure smooth adoption, branch teams were guided to proactively educate and assist clients in navigating this new system. Prominently

displayed informational flyers were installed across all branches to increase awareness and promote the benefits of digital repayment channels.

This shift not only reduces operational risk and cash-handling complexities but also aligns DSP with emerging industry standards in financial technology. The branchless banking initiative underscores DSP's commitment to innovation, financial inclusion, and delivering client-centric, technology-driven solutions.





Leveraging Technology to Drive Institutional Efficiency

During the financial year 2024-25, DSP made significant strides in advancing its technological infrastructure and improving system-driven efficiency across operations. The organization's continued focus on robust IT development and secure digital integration has played a crucial role in supporting institutional growth and effective service delivery.

The Management Information System (MIS) remained a cornerstone of organizational operations, with uninterrupted 24/7 availability and reinforced security protocols. In alignment with institutional priorities, multiple digital modules and reporting tools were introduced to enhance transparency, compliance, and efficiency. Key developments included the Employee Leave Management System and the One-Pager Loan Application module, both designed to simplify internal processes and enhance the user experience. Through IT-driven process improvements, DSP also advanced its paperless environment by digitizing loan documentation, cutting paper use by nearly 90% while enhancing efficiency and sustainability.

Recognizing the importance of digital financial inclusion, successful integration of third-party services such as HBL-Konnect and JazzCash, enabling clients to deposit loan instalments through convenient branchless banking channels. Additionally, compliance measures were strengthened through the launch of the UNSC Blacklist Verification system and enhanced CNIC checks via the CIB module, reinforcing DSP's commitment to responsible lending practices.

To further strengthen internal reporting and operational planning, specialized tools such as the Incentive Report, Recovery Tagging Module, HR Reports, Village-Wise PAR Monitoring, and the Cash Flow Module were developed. The Village-Wise PAR Monitoring feature will streamline field visits by reducing costs, saving time, and helping loan officers manage their schedules more effectively, while also promoting a culture of timely client repayments. Overall, these initiatives enabled better resource planning, performance tracking, and decision-making across departments, including Finance, HR, and Operations. Enhancements in loan processing were also realized through the rollout of a centralized COC disbursement system and the implementation of paperless loan application features.

System security remained a top priority, with DSP implementing password protection policies, a second layer of access controls limiting MIS to authorized devices only, secure multi-location backups, and frequent system patching, including on DSP's website. The transition to Microsoft 365 further supported collaboration and resilience, while the successful execution of a full-scale Disaster Recovery (DR) exercise demonstrated DSP's preparedness for operational continuity.

Through strategic digital investments, DSP has positioned itself at the forefront of technology-led service delivery in the microfinance sector. These advancements not only improved day-to-day operations but also aligned closely with the organization's long-term vision of secure, accessible, and sustainable financial inclusion.



CAPACITY BUILDING

Investing in People for Sustainable Growth

DSP continues to strengthen its effectiveness by investing in the capacity building of both staff and clients. Internal capabilities were enhanced through targeted professional trainings and refreshers, while communities were empowered through vocational skills development initiatives.

These efforts aimed to strengthen operational performance, improve client engagement, and promote self-reliance among women through practical skill enhancement. By aligning learning interventions with organizational goals and community needs, DSP continues to foster a culture of growth, accountability, and inclusive development.



Strengthening Institutional Capacity: Staff Development Initiatives (2024–2025)

In line with its strategic focus on organizational growth, DSP remained committed to enhancing staff capacity through a range of targeted trainings, orientations, and refresher sessions conducted across various departments and regions. The key initiatives are summarized below:

Table 8: Staff Capacity Enhancement through Internal Trainings

Training Title	Date(s)	Participants	Overview & Impact
Staff Orientation Sessions	Oct 7–9, 2024 Dec 4–6, 2024 Mar 3–5, 2025	(AOs, LOs, FM) 66	Newly recruited staff across all three regions were equipped with essential knowledge of DSP's values, roles, and expectations to ensure high-quality service delivery.
Credit Policy Refresher	Dec 19, 2024	COO, GM Ops, Sr. Manager Risk, Manager Ops, DM Appraisal, RMs, AMs 20	Provided a strategic review of credit policy and performance.
Credit Risk & Appraisal Trainings	Dec 20, 2024 Feb 28, 2025 May 30, 2025	CROs, Apr.O 72	Focused on client evaluation, risk analysis, and appraisal procedures to enhance portfolio quality.
Field Staff Refresher Series	Sept–Dec 2024	LOs, FMs 287	Regional-level refreshers across all regions aimed at continuous skill development, operational consistency, and service excellence.
Enhancing Effectiveness and Motivation for Field Managers	Feb 10, 2025	FMs 64	Enhanced leadership, communication, and team management skills; boosted morale, accountability, and alignment with organization's strategic goals through active engagement with senior leadership.
Livestock Insurance Training	Feb 1, 3, 5, 2025	RMs, AMs, AOs, CROs, LOs 139	Delivered in three regions to equip field teams with the tools needed for effective livestock insurance promotion and implementation.
Internal Audit Training	Jun 26, 2025	Internal Audit Staff 07	Focused on digital case review protocols, audit compliance, and reporting standards.

External Trainings Broadening Horizons through Strategic Exposure

DSP's commitment to institutional growth, knowledge exchange, and sectoral leadership was reinforced through active participation in national and international training programs. Key highlights are summarized below:

Table 9: Staff Capacity Development through External Trainings

Training Title	Date(s)	Participants	Organized By
Gender Sensitization – Training of Trainers (ToT)	Dec 17–18, 2024	Ms. Rukhshanda Riaz (GM HR)	ADB, Islamabad
Leadership – Its Facets and Dimensions	Jan 22, 2025	Mr. Athmar Arbab (COO)	NIBAF, SBP BSC Lahore
Federal & Provincial Regulatory Landscape for NPOs	Feb 6–7, 2025	Mr. Faisal Imtiaz (DM Compliance); Mr. Rana Zohaib (SM Internal Audit)	PCP
Microfinance Enterprise Risk Management Certification	Feb 24–26, 2025	Mr. Rizwan Siddique (RM South)	PMN
Management in the Age of AI	Apr 10–11, 2025	Mr. Rana Zohaib (SM Internal Audit)	PIMS, Islamabad
Reporting of Assets & Liabilities for NBFCs	Apr 14, 2025	Ms. Khadija Fareed (SM Finance); Mr. Kashif Naeem (DM Portfolio Risk)	NIBAF, Islamabad
Financial Literacy Week – Inaugural Session	Apr 14, 2025	Mr. Awais Masud (GM Marketing, Communication & Product Development)	SBP, Lahore
Islamic Finance Training for Senior Management	Apr 16, 2025	Mr. Junaid Iqbal (GM Operations); Mr. Sajid Naveed (SM Product Development-Sharia)	NIBAF, Islamabad
Skills in Supervision	Apr 17–18, 2025	Mr. Irfan Naeem (Manager Internal Audit)	PIMS, Islamabad

Enterprise Risk Management

	May 2-3, 2025	Ms. Sadia Munir (Senior Risk Manager)	NIBAF, Islamabad
Creating CEOs at Mid-Level for MFIs & MFBs	May 27-29, 2025	Ms. Samina Salamat (Area Manager – Area 1); Mr. Sajid (Area Manager – Area 9)	NIBAF, Islamabad

Junior Professional Training Programme: Building Future Talent in Microfinance

DSP reinforced its commitment to developing new talent in the microfinance sector through its Junior Professional Training Programme. A total of 26 individuals were recruited under this initiative, all of whom were new to the field of microfinance.

The programme provides hands-on training, field exposure, and structured mentorship to

equip participants with the foundational knowledge and practical skills required for microfinance operations. Upon successful completion of the training, four female trainees were appointed as Loan Officers-a significant milestone in their professional journey and a testament to organization's ongoing commitment to capacity building and gender-inclusive employment.



Empowering Communities through Vocational Skills Training

Four skills development programs were conducted to strengthen the vocational capabilities of clients. These initiatives focused on expanding women's access to economic opportunities through targeted training in beauty services, embroidery, handicrafts, and smoking. Upon successful completion of each program, participants received certificates as formal recognition of their newly acquired skills and encouragement to continue their journey toward financial empowerment.

Table 10: Summary of Community Based Vocational Trainings

Training Title	Duration	Location	Participants
Fabric Painting	20 Dec 2024 – 22 Feb 2025	Warburton	19
Embroidery Smocking	03 Jan 2025 – 28 Feb 2025	Nankana	18
Beautification	01 Jan 2025 – 28 Feb 2025	Chunian	20
	07 Jan 2025 – 28 Feb 2025	Sharqpur	20
	28 Apr 2025 – 30 Jun 2025	Muridkey	22
Stitching	28 Apr 2025 – 30 Jun 2025	Bholay Shah	19



Remarks by Trainees

"Thanks to the beautification training by DSP in Muridkey, I now have a clear path to support my family," says Zainab. "Even after graduating, I couldn't find a job and it was tough watching my father struggle as a factory worker. With these new skills, I can start my own work and promote it online using what I learned in my studies. This training has given me the confidence to earn and ease my father's burden."

Zainab, a trainee



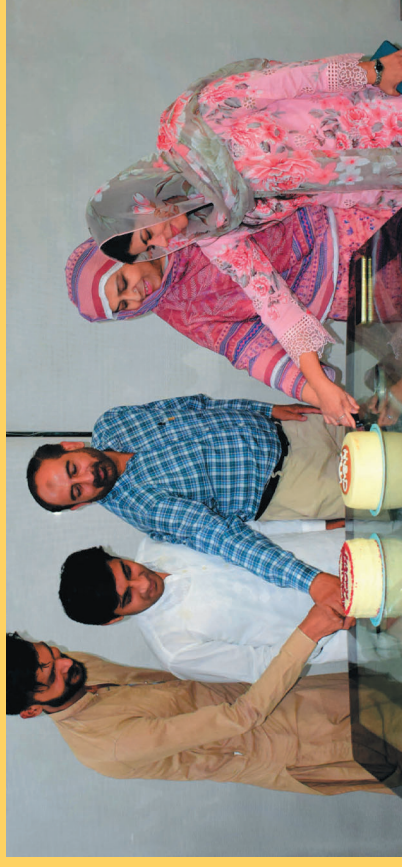
"I am thankful to DSP for providing me with stitching training. Although my family's financial situation makes it difficult to manage both education and household needs, I am hopeful that these skills will help me earn in the future to support my studies and contribute at home."

Atiqa, a trainee



"After my husband divorced me, I had to move in with my mother along with my two daughters, and it was not easy to manage," shares Rukh Maa. "DSP's beautification training has given me a chance to stand on my own feet. Now I can earn from home while also taking care of my daughters. Since I am already active on TikTok, I plan to use my page to promote my work and reach more clients. This training has truly given me hope for a better future."

Rukh Maa, a trainee



RECOGNITION AND CULTURE BUILDING



Celebrating Excellence and Recognizing Efforts

DSP held a special event on February 10 at The Palace, Lahore, to honor outstanding achievements across its branches. The highlight of the gathering was the awards distribution ceremony, where top-performing branches and dedicated staff were celebrated for their commitment and excellence.

Ms. Naghma Rashid, Chairperson and Founder of DSP, and Mr. Asghar Memon, CEO presented shields to the Champion Branches of the Quarter, acknowledging their consistent performance, disciplined portfolio

management, and exemplary service to clients. Along with shields, cash prizes were also awarded to the winning branches and their Area Managers, further recognizing their dedication and consistent performance. These awards underscored DSP's culture of appreciating and rewarding teams that set benchmarks of operational quality.

In a gesture of appreciation, the CEO also presented a special shield to the Chairperson, recognizing her continued support and commitment in guiding DSP's mission forward.

Fostering Team Spirit: Monthly Birthday Celebrations

As part of its commitment to cultivating a positive and inclusive workplace culture, DSP has introduced a monthly initiative to celebrate the birthdays of staff members collectively.

This activity, held at the end of each month, is designed to strengthen team spirit, promote camaraderie, and recognize the individuals who contribute to DSP's mission.

By consistently organizing these celebrations across the year, DSP fosters a sense of belonging and appreciation among employees—reinforcing the organization's belief that valuing people is fundamental to achieving long-term institutional success. These moments of shared joy enhance interpersonal connections, uplift morale, and contribute to a more engaged and motivated workforce.



Empowering Women, Eradicating Poverty: A Tribute to Rural Change-Makers

On October 26, 2024, Damen Support Programme proudly hosted a landmark event at The Palace, Eitahad Town, Lahore to commemorate Poverty Eradication Day and Rural Women's Day. The event served as a powerful celebration of the resilience, achievements, and financial empowerment of rural women, while also recognizing the dedicated efforts of our high-performing staff.

Through compelling client success stories and impact-driven performances focused on women's empowerment through financial inclusion, the event highlighted the transformative role of women in driving economic progress within their families and communities.

The narratives shared on stage demonstrated how access to microfinance has enabled women to build sustainable livelihoods, gain

independence, and contribute meaningfully to their households and local economies. A major highlight of the event was the recognition of top-performing staff. In acknowledgment of outstanding field performance throughout the year, certificates of appreciation were awarded to employees who achieved the highest scores in the Performance Appraisal. This recognition celebrated their unwavering commitment to service excellence, client engagement, and the achievement of institutional goals.

The event brought together community leaders, activists, stakeholders, and development professionals, all unified in their support for rural empowerment and poverty reduction. It also reaffirmed organization's enduring mission to champion inclusive growth, gender equity, and community-led development across its operational regions.

Welcoming the New Year with Renewed Commitment

The New Year at DSP commenced with a celebratory gathering at the Head Office, marked by a symbolic cake-cutting ceremony. On this occasion, the CEO extended heartfelt congratulations to the entire DSP team and shared a forward-looking vision for the year ahead, emphasizing innovation, dedication, and community impact.

Staff members took the opportunity to exchange New Year resolutions, reflecting their commitment to both personal growth and the organization's mission. In a special message, the CEO acknowledged the unwavering efforts of field staff, recognizing their essential contribution to empowering communities and delivering meaningful change at the grassroots level.

CLIENT RESEARCH AND IMPACT MEASUREMENT

Client-Centered Surveys: Generating Insights to Drive Impact

To enhance service effectiveness and better understand evolving client needs, DSP introduced a structured initiative to conduct regular short surveys across its client base. These surveys are designed to capture timely feedback on product usage, satisfaction levels,

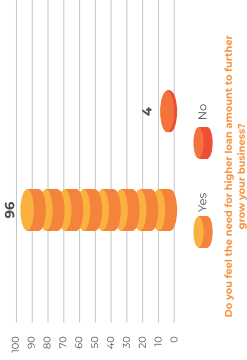
business outcomes, and emerging field challenges. The insights derived will support evidence-based decision-making, improve product development, and strengthen client engagement.

Loan Impact and Demand Survey

The Loan Impact and Demand Survey was conducted with a sample of 337 respondents. The survey focused on key areas such as loan utilization, business growth, repayment capacity, and future financial needs.

The data provided critical insight into client behavior and sectoral trends, particularly in tailoring and livestock, where DSP has a strong presence. The findings will inform refinements in loan offerings, product targeting, and sector-specific support strategies.

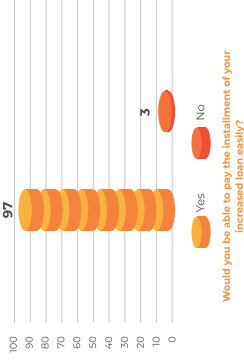
Graph 1: 96% of respondents demanded higher loan size



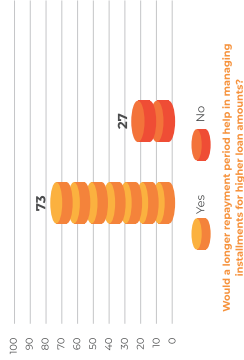
Graph 2: 55% of the previous 96% who felt the need for a higher loan amount demanded more than PKR 200,000



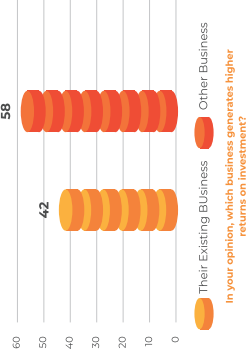
Graph 3: 97% of those seeking higher loan amounts reported ease in managing installment payments, even with a greater loan.



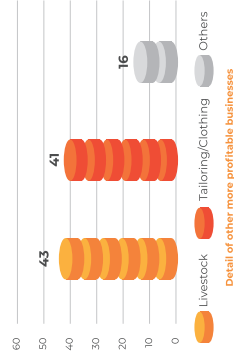
Graph 4: 73% of respondents expressed a preference for a longer repayment period to ensure greater ease in managing installment payments.



Graph 5: Perceived Profitability: 58% of respondents viewed alternative business options as more profitable compared to 42% who favoured their existing businesses.



Graph 6: Among respondents who considered other business more profitable, 43% identified livestock, 41% selected tailoring/clothing, while 16% pointed to other ventures.

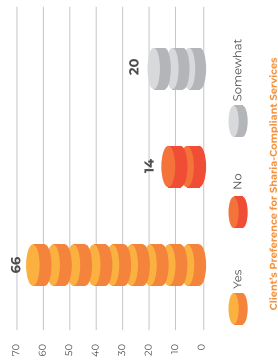


Client Preferences: Islamic vs. Conventional Microfinance Survey

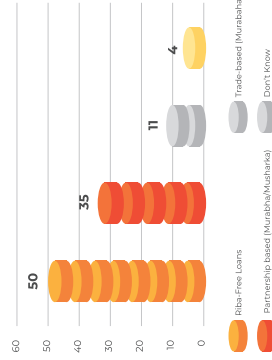
The second client feedback survey was conducted with the participation of 316 clients to assess their preferences between Islamic and conventional microfinance products. The results reveal a clear and growing interest in Sharia-compliant financial services, with many clients

expressing a preference for options aligned with Islamic principles. These insights will help guide DSP in expanding its Islamic microfinance offerings while promoting greater financial inclusion, product diversification, and client education.

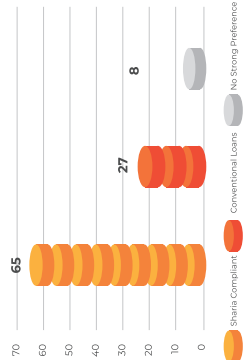
Graph 7: Survey findings revealed a growing client preference for Sharia-Compliant financial services, highlighting strong demand for products aligned with Islamic Principles.



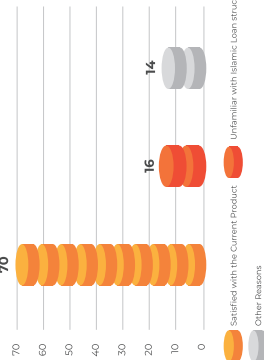
Graph 8: Half of the clients opting for Islamic Microfinance preferred Riba-free loans, underscoring the growing demand for Sharia-Compliant Solutions.



Graph 9: 65% of respondents preferred Sharia-Compliant financing over conventional loans when terms were identical, reflecting a clear inclination towards Islamic financial solutions.



Graph 10: 70% of clients who preferred conventional products cited satisfaction with their current offerings as the primary reason for continuing with conventional loans.



SUCCESS STORIES

Cooking Up Opportunities: Safia's Food Business Journey

Safia, a resilient and hardworking woman from Basti Salamat, transformed her family's future with the support of the Damen Support Programme. Her journey began alongside her husband, who was managing a small roadside food stall (dhaaba). Noticing his struggle to handle everything alone, Safia decided to contribute by preparing meals while he served customers. Her flavorful cooking soon attracted more customers, revealing the true potential of their business.

To expand, the couple needed additional resources. Safia approached DSP and received her first loan of Rs. 45,000, which she invested in upgrading their dhaaba. The results were immediate: greater capacity, improved service, and higher income. Encouraged by this success, Safia went on to avail seven loans in total, each one reinvested to strengthen and grow the business.

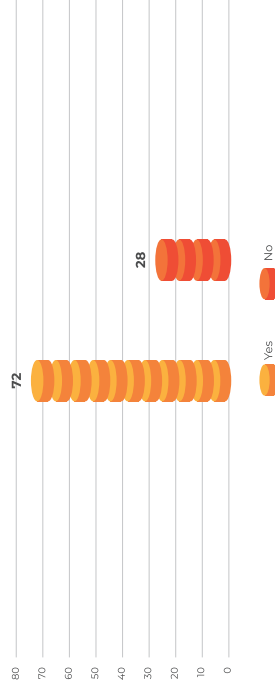
Over time, their improved financial position enabled the family to purchase land in Babliana, where they built their own home and relocated both their residence and dhaaba. While the move initially posed challenges, Safia's reputation for quality food soon brought back her loyal customers and introduced new ones from the community.

Today, Safia enjoys a more secure and fulfilling life. She has successfully married off two of her children and continues to support her family with dignity and pride.

"With DSP's support and my own hard work, I turned a small dhaaba into the foundation of a better life. I feel proud and independent," Safia shares.



Graph 11: 72% of respondents expressed interest in attending short sessions or briefings to enhance their understanding of Islamic Microfinance.



Need more information or short sessions on Islamic Microfinance

Breaking Barriers: Nazia's Dual Ventures in Cloth Trade and Transport

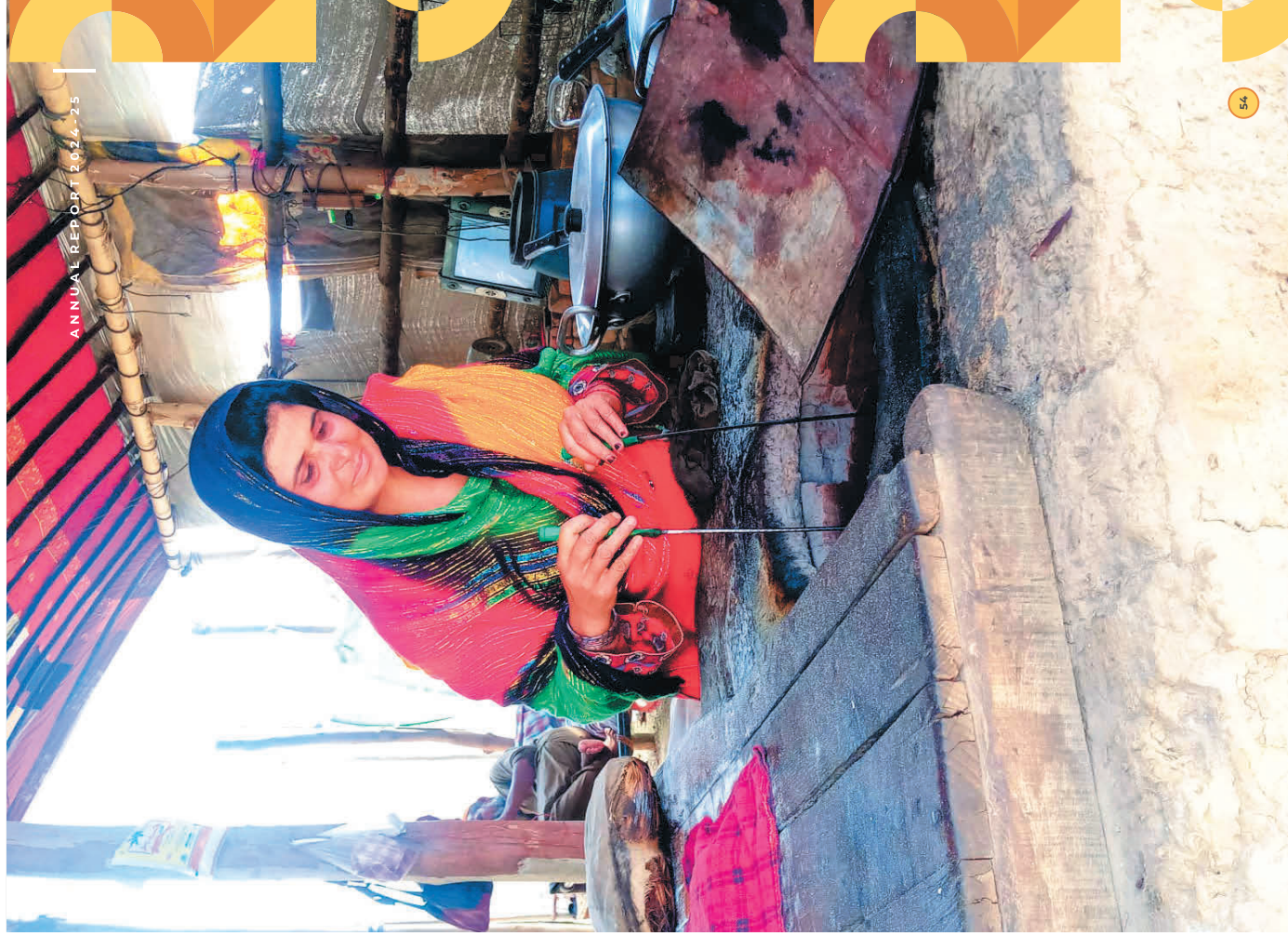
Nazia always wanted to give her children more than the basics. While her husband's job at a garments factory covered daily needs, she dreamed of building a better future. With determination and business acumen, she began selling cloth from home. The support she received from DSP helped her expand, turning her modest initiative into a reliable source of income.

Not content to stop there, Nazia broke barriers by taking another DSP loan to purchase a rickshaw—an unusual step for women in her community. She launched a pick-and-drop service for schoolchildren and working women, creating a safe and much-needed option in her neighborhood.

Today, Nazia successfully manages both her cloth trading business and the rickshaw service. Balancing household responsibilities alongside two enterprises is demanding, but her resilience and dedication have made it possible. Her efforts not only brought financial stability but also earned her respect within the community. Mothers rely on her, women support her, and children feel safe in her care.

Now recognized as both an entrepreneur and a role model, Nazia's work has created stability for her family and inspired other women to think beyond traditional roles.

"I feel proud when women on the road give me a thumbs up—it shows I'm not just earning, but inspiring," Nazia says.



Printing Prosperity: Shazia's Home-Based Block Printing Business

Shazia and her husband possessed valuable block printing skills but lacked the capital to establish a business. While her husband worked in Liberty Market, Shazia supported their children by working at a boutique. In 2018, she received her first DSP loan, which she used to buy raw materials and begin block printing from home.

Encouraged by the results, Shazia expanded her business with further DSP loans. Today, as a seventh-cycle client, she runs a full block printing unit at home. The success allowed her husband to leave his job and join her in managing the enterprise full-time.

Together, they source fabric from well-known outlets such as Generation and boutiques in Liberty Market, producing high-quality printed cloth. Their combined monthly income now exceeds PKR 100,000, which supports household expenses, reinvestment, and savings for the future.

Shazia's journey illustrates how access to finance and determination can transform lives. Her skills have turned into a sustainable livelihood, ensuring both stability and growth for her family.

"DSP's support turned my skills into a sustainable business. I feel proud that our work now sustains our family and future," she reflects.





Dairy Dreams: Affia's Path to Stability through Livestock

Affia, from Karol Village, once struggled to make ends meet as her husband worked on temporary agricultural contracts. Despite financial hardship, she dreamed of stability for her family. Drawing on childhood experience of caring for livestock, she envisioned starting a dairy business but lacked the resources to begin.

Her turning point came when she secured her first DSP loan. Using it, along with her savings, she purchased a dairy animal and began selling milk locally. Encouraged by her success, she gradually expanded with subsequent loans. Today, in her seventh loan cycle, she owns four dairy animals and a calf, generating steady income year-round.

Her earnings now cover household expenses and her daughter's educational costs, while also contributing to family savings. The business has not only improved their standard of living but also given Affia the confidence to share financial responsibilities as an equal partner.

What began as a modest idea has become a sustainable enterprise, creating a brighter future for her family.

"DSP gave me hope when I needed it most, empowering me to build a better future for my family. I am deeply grateful for their support," she says.



Restoring Dignity: Maqsoodan's Journey with DSP's Murabaha Facility

Maqsoodan's life changed dramatically when her husband was diagnosed with kidney disease. In an effort to save him, she exhausted all her savings and the income from her small karyana shop. Despite her determination, she could not prevent his passing, and afterward, she was left without resources, struggling to manage household expenses and uncertain about her future.

Unable to find financial support from others due to concerns about repayment, Maqsoodan's hopes dimmed. That was when she learned about DSP's Rajana branch and its Sharia-compliant Murabaha facility. Determined to rebuild her life, she used the financing to restock her shop. Slowly but steadily, her income began to grow.

Encouraged by this progress and the guidance of DSP's staff, Maqsoodan availed further Murabaha financing, expanding her business with a wider range of goods. Now in her third cycle, she plans to introduce bangles and festive items for different festivals, confident these additions will increase her earnings.

"When no one trusted me, DSP believed in me. Their support helped me regain my independence and manage my home without relying on anyone. For that, I am truly grateful,"
Maqsoodan shares.

Her journey reflects the resilience of women entrepreneurs who, with access to Sharia-compliant financial services, can rebuild their livelihoods and support their families with dignity.

From Factory Floor to Enterprise: Hafeez-ur-Rehman's Leather Goods Unit

Hafeez-ur-Rehman, once employed in a leather jacket factory, turned his skills into a sustainable business with the help of DSP. While working, he noticed that large orders were often outsourced. Recognizing an opportunity, he set up a stitching unit at home, hiring local women to assist while his wife supervised operations. This initiative added income for his family and created jobs for others.

To sustain his business during lean seasons, Hafeez sought support from DSP's enterprise loan. With the funds, he diversified into stitching school bags and later expanded into ladies' handbags. This move provided year-round stability and opened new markets for growth.

Through four DSP loans, Hafeez steadily grew his operations. Today, his unit employs more than ten women, offering them consistent livelihoods. While his wife continues to supervise production, Hafeez manages procurement and sales, ensuring smooth business operations.

His family now enjoys greater comfort, while his enterprise contributes to the economic well-being of his community.

"DSP's enterprise loan was a game-changer for my business, enabling me to sustain year-round income and expand into new markets," he shares.





STRATEGIC PARTNERSHIPS & FUNDING & RELATIONS

Strengthening Partnerships and Compliance

DSP continued to strengthen its relationships with national and international financial partners to enhance its capital base and pursue long-term collaborations. Active engagement during the year included:

Pakistan Microfinance Investment Company (PMIC)
 BlueOrchard Finance Limited
 Symbiotics Investment SA
 Triple Jump BV.
 Jehangir Siddiqui Bank (JS Bank)
 Soneri Bank Limited
 Allied Bank Limited (ABL)
 Habib Bank Limited (HBL)
 Meezan Bank

To further reinforce institutional resilience, credibility, and transparency, several reviews and new partnership discussions were undertaken:

- A three-day due diligence visit was hosted for

Triple Jump, including strategic discussions with senior management and field visits to the Phoolnagar and Niazbaig branches.

- A detailed review meeting was held with Mr. Irakli Gamkhetelashvili and Mr. Lado Jobava from BlueOrchard, covering governance, operations, finance, and risk, reaffirming DSP's commitment to transparency and collaboration with global impact investors.
- Dialogue was initiated with Saudi Pak Investment Company for a proposed PKR 1 billion guarantee facility to expand outreach to underserved and financially excluded communities.
- The Securities and Exchange Commission of Pakistan (SECP) conducted a full-scope onsite review of governance, operations, and compliance frameworks.
- Independent due diligence reviews were carried out by Meezan Bank, BlueOrchard, and Soneri Bank, reinforcing institutional credibility and preparedness for partnerships.



Sector Engagements and Advocacy

DSP's leadership actively contributed to sector platforms, conferences, and policy dialogues to strengthen institutional positioning, foster collaboration, and influence inclusive finance frameworks:

- At the AMC-8 Conference held in Karachi (October 1-3, 2024), the Chief Operating Officer, Chief Financial Officer, GM Operations, and GM Product Development represented the organization, contributing to discussions on innovation and resilience in microfinance.
- On April 29, 2024, the CEO, CFO, and Senior Manager – Finance participated in the PMIC Roundtable on Commercial Financing for NBMFCs, presenting financial performance and advocating for sustainable financing models to support sector viability.
- In January 2025, the CEO took part in the 4th SECP Microfinance Coordination Forum, sharing insights on client protection standards and the role of digital transformation in advancing financial inclusion.

Exploring Digital Inclusion for Women Entrepreneurs

In June 2025, DSP initiated collaborative dialogue with Circle Women Association to explore synergies for enhancing women's digital and financial inclusion. Discussions focused on aligning DSP's microfinance offerings with

Circle's digital empowerment initiatives for women-led enterprises. Potential areas of collaboration included digital literacy training and tailored microcredit services for Circle-trained women entrepreneurs.





FUNDING COLLABORATORS



AUDITED FINANCIAL STATEMENTS





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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAMEN SUPPORT PROGRAMME

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of DAMEN SUPPORT PROGRAMME (the Company), which comprise the statement of financial position as at June 30, 2025, and the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of income and expenditure, statement of comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the companies Act, 2017 (XX of 2017), in the manner required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and the surplus, other comprehensive income, its cash flows and the changes in fund for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention towards note 39 to the financial statements which describes the status of the Company with regard to renewal/grant of tax exemption certificate/NPO status by tax authorities which has expired on June 30, 2024, and is pending for renewal. Accordingly, no tax provision has been made in these financial statements. Our opinion is not modified in respect of the above matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will detect all misstatements. Misstatements arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of income and expenditure, the statement of comprehensive income, the statement of changes in fund and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Imran.

LAHORE

DATED: 26 SEP 2025

UDIN: AR20251013DKP/RJzVe

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

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DAMEN SUPPORT PROGRAMME
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

ASSETS	Note	2025 (Rupees)	2024 (Rupees)
NON CURRENT ASSETS			
Property and equipment	6	177,545,812	191,679,021
Right-of-use asset	7	119,758,998	102,642,674
Deferred asset	8	22,559,786	10,542,592
Long term advances	9	73,425,936	91,072,752
Long term deposits	10	11,026,400	13,349,800
Microcredit loan portfolio	11	122,937,068	75,231,638
		527,254,000	486,518,477
CURRENT ASSETS			
Deferred asset	8	34,713,190	1,004,396
Microcredit loan portfolio	11	5,011,777,237	4,424,794,281
Derivative financial instrument	12	39,384,500	170,818,928
Advances, prepayments and other receivables	13	95,399,026	113,828,005
Short term investments	14	141,193,025	144,058,082
Cash and bank balances	15	841,382,307	442,038,813
		6,163,849,285	5,296,542,505
		6,691,103,285	5,783,060,982
TOTAL ASSETS			
LIABILITIES AND FUNDS			
NON CURRENT LIABILITIES			
Long term loans	16	1,785,056,936	2,340,395,041
Lease liabilities	17	101,835,099	68,929,173
Deferred grant	18	14,147,765	3,481,173
		1,901,039,800	2,412,805,387
CURRENT LIABILITIES			
Trade and other payables	19	148,553,123	127,181,921
Current portion of non-current liabilities	20	3,083,257,787	1,908,216,245
		3,231,810,910	2,035,398,166
		3,444,864,715	2,448,184,109
		1,558,272,575	1,334,856,889
NET ASSETS			
CONTINGENCIES AND COMMITMENTS			
REPRESENTED BY			
Endowment fund - Pakistan Poverty Alleviation Fund	21	31,800,000	31,800,000
Endowment fund - DAMEN Society	22	88,354,229	88,354,229
Accumulated surplus	23	256,382,387	222,747,147
Microcredit loan revolving fund	24	836,808,878	702,759,466
Disaster relief reserve	25	10,231,725	9,114,647
Staff health reserve	26	7,550,337	6,433,259
Transformation and expansion reserve	27	191,045,853	135,191,931
Special reserve fund	28	19,023,078	7,852,294
Surplus on revaluation of property and equipment	29	116,876,088	130,603,916
	30	1,558,272,575	1,334,856,889

The annexed notes from 1 to 55 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

DAMEN SUPPORT PROGRAMME
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees)	2024 (Rupees)
Income			
Service charges on microcredit loans	31	1,866,126,621	1,749,593,095
Return on investments and bank deposits	32	70,238,639	72,301,266
Other income	33	270,546,313	231,793,821
		2,206,911,573	2,054,088,182
Expenditure			
Finance cost	34	(702,286,146)	(887,776,936)
Net impairment against non-performing loans	11.2	(93,264,359)	(88,782,594)
Other operating expenses	35	(96,914,571)	(95,873,038)
		(892,465,076)	(1,072,432,568)
Direct operational costs			
Branchless banking charges	36	(81,678,084)	(73,076,277)
Salaries, wages, stipends and other benefits		(628,036,710)	(540,558,136)
Training expenses		(11,512,183)	(6,817,650)
Other operational costs	37	(198,745,046)	(206,246,712)
		(919,972,023)	(826,698,775)
General administrative and management expenses			
Surplus for the year	38	(171,058,788)	(84,149,145)
		223,415,686	70,807,694
Operational self sufficiency (OSS) ratio	40	111%	104%

The annexed notes from 1 to 55 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

DAMEN SUPPORT PROGRAMME
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Endowment fund (Pakistan Poverty Alleviation Fund)	Endowment fund (DAMEN Society)	Accumulated surplus	Microcredit loans revolving fund	Disaster relief fund	Staff health reserve	Transformation and expansion reserve	Special reserve fund	Surplus on revaluation of property and equipment	Total
(Rupees)									
31,800,000	88,354,229	196,082,488	660,274,850	8,760,609	6,079,221	117,490,007	4,311,909	50,068,840	1,163,222,153
-	-	70,807,694	-	-	-	-	-	-	70,807,694
-	-	-	-	-	-	-	-	100,827,042	100,827,042
-	-	-	-	-	-	-	-	100,827,042	171,634,736
-	-	70,807,694	-	-	-	-	-	-	-
-	-	(64,435,001)	42,484,616	354,038	354,038	17,701,924	3,540,385	-	-
-	-	20,291,966	-	-	-	-	-	(20,291,966)	-
-	-	(44,143,035)	42,484,616	354,038	354,038	17,701,924	3,540,385	(20,291,966)	-
31,800,000	88,354,229	222,747,147	702,759,466	9,114,647	6,433,259	135,191,931	7,852,294	130,603,916	1,334,856,889
-	-	223,415,686	-	-	-	-	-	-	223,415,686
-	-	-	-	-	-	-	-	-	-
-	-	223,415,686	-	-	-	-	-	-	223,415,686
-	-	(203,308,274)	134,049,412	1,117,078	1,117,078	55,853,922	11,170,784	-	-
-	-	13,727,828	-	-	-	-	-	(13,727,828)	-
-	-	(189,580,446)	134,049,412	1,117,078	1,117,078	55,853,922	11,170,784	(13,727,828)	-
31,800,000	88,354,229	256,582,387	836,808,878	10,231,725	7,550,337	191,045,853	19,023,078	116,876,088	1,558,272,575

The annexed notes from 1 to 55 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

DAMEN SUPPORT PROGRAMME
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees)	2024 (Rupees)
Net surplus for the year		223,415,686	70,807,694
Other comprehensive income		-	-
Items that will be reclassified subsequently to statement of income and expenditure		-	-
Items that will not be reclassified subsequently to statement of income and expenditure		-	-
Revaluation surplus on property and equipment		-	-
Total comprehensive income for the year	30	223,415,686	100,827,042
		171,634,736	

The annexed notes from 1 to 55 form an integral part of these financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

**DAMEN SUPPORT PROGRAMME
(A COMPANY SET UP UNDER SECTION 42 OF THE COMPANIES ACT, 2017)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 (Rupees)	2024 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		223,415,686	70,807,694
Adjustments for non-cash and other items			
Depreciation of property and equipment	6.2	25,057,113	18,903,030
Depreciation of right-of-use asset	37	37,035,143	38,695,656
Net impairment against non-performing loans	11.2	93,264,359	88,782,594
Exchange loss (gain)	35	21,724,200	(14,466,800)
Provision for finance tax	38	17,544,271	-
Gain on de-recognition of lease liabilities	33	(12,507,777)	(6,506,268)
Loss / (gain) on disposal of operating fixed assets	35	745,848	(12,739,521)
Long term advances written off	9.1	46,370,516	-
Amortization of deferred grant	33	(14,596,685)	-
Amortization of deferred asset	35	10,982,757	-
Loss on derivative financial instrument	35	63,461,766	95,873,038
Finance cost	34	702,286,146	878,921,682
Return on investments and bank deposits		(70,238,639)	(72,301,266)
Surplus before working capital changes		1,144,544,704	1,085,969,839
Changes in working capital			
Advances, prepayments and other receivables	13	11,776,738	15,300,694
Microcredit loan portfolio	11	(784,661,490)	(290,573,058)
Trade and other payables	19	21,371,202	3,830,452
		(751,513,550)	(271,441,912)
Cash flow from operating activities		393,031,154	814,527,927
Payments for:			
Tax paid		(10,892,030)	(10,763,306)
Finance cost paid		(830,519,072)	(854,115,726)
Net cash used in operating activities		(648,379,948)	(50,331,105)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure	6	(12,431,990)	(6,974,462)
Proceeds from disposal of property and equipment	6.1	2,762,238	17,363,647
Proceeds from return on investments and bank deposits		73,103,696	-
Long term advances paid	9	(28,723,700)	-
Net proceeds from short term investments		-	17,553,713
Long term deposits		2,323,400	2,133,540
Net cash generated from investing activities		37,033,644	30,076,438
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal element of lease payments		(31,054,327)	(59,094,877)
Proceeds from settlement of derivative financial instrument		143,620,000	-
Repayment of long term loans		(1,852,375,875)	(1,830,295,340)
Proceeds from long term loans		2,550,500,000	2,037,100,000
Net cash generated from financing activities		810,689,798	147,709,783
Net increase in cash and cash equivalents		399,343,494	127,435,116
Cash and cash equivalents at beginning of the year		442,038,813	314,603,697
Cash and cash equivalents at the end of the year		841,382,307	442,038,813

The annexed notes from 1 to 55 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR