



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

(Un-Audited)

For Half Year ended June 30, 2024

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	Note -----(Rupees in '000)-----	
ASSETS		
Cash and balances with treasury banks	6 762,250	631,063
Balances with other banks	7 280,648	145,825
Lendings to financial institutions	-	-
Investments	8 974,956,266	1,045,809,083
Advances	9 56,158,807	53,845,272
Property and equipment	10 1,296,107	1,074,903
Right-of-use assets	-	-
Intangible assets	11 15,638	13,211
Deferred tax assets	-	-
Other assets	12 28,699,404	37,930,628
Total assets	1,062,169,120	1,139,449,985
LIABILITIES		
Bills payable	-	-
Borrowings	13 938,385,525	1,026,530,216
Deposits and other accounts	14 27,022,915	19,270,777
Lease liabilities	-	-
Subordinated debt	-	-
Deferred tax liabilities	15 10,773,734	12,535,675
Other liabilities	16 3,581,537	3,636,453
Total liabilities	979,763,711	1,061,973,121
NET ASSETS	82,405,409	77,476,864
REPRESENTED BY		
Share capital	16,000,000	16,000,000
Reserves	14,935,338	14,935,338
Surplus on revaluation of assets	17 5,667,737	5,354,271
Unappropriated profit	45,390,840	40,897,186
Total equity attributable to the equity holders of the Holding Company	81,993,915	77,186,795
Non-controlling interest	18 411,494	290,069
	82,405,409	77,476,864
CONTINGENCIES AND COMMITMENTS	19	

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director


Director


Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2024

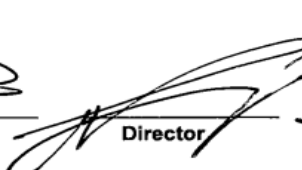
	Quarter ended		Half Year Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(Rupees in '000)			
	(Restated)		(Restated)	
Mark-up / return / interest / profit earned	20	51,130,529	60,785,229	103,246,975
Mark-up / return / interest / profit expensed	21	55,551,081	60,594,859	111,696,127
Net mark-up / return / interest / profit / (expense) / income		(4,420,552)	190,370	(8,449,152)
				713,008
NON MARK-UP / INTEREST INCOME				
Fee and commission income	22	28,909	20,659	123,879
Dividend income		52,115	55,652	115,179
Foreign exchange income		-	-	-
Income / (loss) from derivatives		-	-	-
(Loss) / gain on securities	23	(159,765)	57,962	(231,558)
Net gain on derecognition of financial assets measured at amortised cost		-	-	-
Share in results of associates - net	24	8,250,022	5,235,067	16,022,275
Other income	25	43,248	233,866	62,979
Total non-markup / interest income		8,214,529	5,603,206	16,092,754
				10,470,515
Total income		3,793,977	5,793,576	7,643,602
				11,183,523
NON MARK-UP / INTEREST EXPENSES				
Operating expenses	26	598,024	483,023	1,140,090
Workers Welfare Fund		(2,461)	36,988	-
Other charges	27	-	-	6,395
Total non-markup / interest expenses		595,563	520,011	1,146,485
				1,036,738
Profit before credit loss allowance / provisions		3,198,414	5,273,565	6,497,117
				10,146,785
Reversal of credit loss allowance / provisions and write-offs - net	28	(85,823)	(200,216)	(90,733)
Other income / expense items		-	-	-
PROFIT BEFORE TAXATION		3,284,237	5,473,781	6,587,850
				10,319,265
Taxation	29	756,950	568,695	1,489,850
				1,628,465
PROFIT AFTER TAXATION		2,527,287	4,905,086	5,098,000
				8,690,800
Attributable to:				
Equity holders of the Holding Company		2,582,031	4,905,086	5,193,670
Non-controlling interest		(54,744)	-	(95,670)
		<u>2,527,287</u>	<u>4,905,086</u>	<u>5,098,000</u>
				<u>8,690,800</u>
-----Rupees-----				
Basic earnings per share (on share of Rs. 25,000 each)	30	<u>4.034</u>	<u>7.664</u>	<u>8.115</u>
				<u>13.579</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director


Director

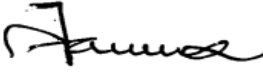

Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2024

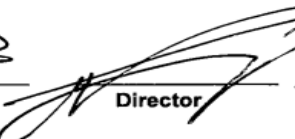
	Quarter ended		Half Year Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	----- (Rupees in '000) -----			
		(Restated)		(Restated)
Profit after taxation for the period	2,527,287	4,905,086	5,098,000	8,690,800
Other comprehensive (loss) / income				
Items that may be reclassified to the profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of debt investments through FVOCI - net of tax	(4,108)	10,465	2,934	1,712
Movement in surplus / (deficit) on revaluation of government securities through FVOCI - net of tax	3,825,087	(2,092,907)	606,282	(1,705,473)
Share of movement in (deficit) / surplus on revaluation of FVOCI securities of associates - net of tax	(167,307)	554,856	(566,742)	(226,427)
	3,653,672	(1,527,586)	42,474	(1,930,188)
Items that will not be reclassified to the profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	145,368	370,134	(12,785)	100,515
Gain / (loss) on sale of equity shares - FVOCI	324,265	(24,957)	618,723	(74,596)
Share of realised gain / (loss) on securities classified as FVOCI assets of associates - net of tax	20,439	(20,514)	34,237	(20,514)
Share of deficit on revaluation of non - banking assets of associates - net of tax	-	(71)	-	(71)
Share of remeasurement loss of defined benefit obligation of associates - net of tax	(6,051)	(3,514)	(6,051)	(3,514)
	484,021	321,078	634,124	1,820
Total comprehensive income	<u>6,664,980</u>	<u>3,698,578</u>	<u>5,774,598</u>	<u>6,762,432</u>
Attributable to:				
Equity holders of the Holding Company	6,719,724	3,698,578	5,870,268	6,762,432
Non-controlling interest	(54,744)	-	(95,670)	-
	<u>6,664,980</u>	<u>3,698,578</u>	<u>5,774,598</u>	<u>6,762,432</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director


Director


Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2024

	Capital reserve			Surplus / (deficit) on revaluation of			Revenue reserve	Subtotal	Non controlling interest	Total	
	Share Capital	Non-Distributable reserve	Statutory reserve	Capital Market Equalization reserve	Investments	Non banking assets of associates	Property and equipment				Unappropriated profit
(Rupees in '000)											
Opening Balance as at January 01, 2023	16,000,000	935,264	11,999,846	1,659,468	(3,147,384)	1,389	-	22,492,648	49,941,231	-	49,941,231
Impact of adoption of IFRS - 9	-	-	-	-	2,474,598	-	-	(197,099)	2,277,499	-	2,277,499
Profit after taxation for half year ended June 30, 2023	-	-	-	-	-	-	-	8,690,800	8,690,800	-	8,690,800
Other comprehensive income / (loss) - net of tax											
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	1,712	-	-	-	1,712	-	1,712
Movement in deficit on revaluation of Government securities through FVOCI - net of tax	-	-	-	-	(1,705,473)	-	-	-	(1,705,473)	-	(1,705,473)
Share of movement in deficit on revaluation of 'FVOCI' securities of associates - net of tax	-	-	-	-	(226,427)	-	-	-	(226,427)	-	(226,427)
Remeasurement loss on defined benefit obligation - net of tax	-	-	-	-	-	-	-	-	-	-	-
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	-	100,515	-	-	-	100,515	-	100,515
Loss on sale of equity shares - FVOCI	-	-	-	-	-	-	-	(74,596)	(74,596)	-	(74,596)
Share of realised loss on securities classified as FVOCI assets of associates - net of tax	-	-	-	-	-	-	-	(20,514)	(20,514)	-	(20,514)
Share of deficit on revaluation of non - banking assets of associates - net of tax	-	-	-	-	-	(71)	-	-	(71)	-	(71)
Share of remeasurement loss of defined benefit obligation of associates - net of tax	-	-	-	-	-	-	-	(3,514)	(3,514)	-	(3,514)
Total other comprehensive loss	-	-	-	-	(1,829,673)	(71)	-	(98,624)	(1,928,368)	-	(1,928,368)
Share of movement in other reserve of associate - net of tax	-	-	-	-	-	-	-	47,418	47,418	-	47,418
Share of advance against issuance of shares under employee shares option of associates	-	-	-	-	-	-	-	29,910	29,910	-	29,910
Transactions with owners recorded directly in equity											
Final dividend for the year ended December 31, 2022 @ Rs. 1,890.625 per share	-	-	-	-	-	-	-	(1,210,000)	(1,210,000)	-	(1,210,000)
Closing balance as at June 30, 2023 (Restated) (Un-audited)	16,000,000	935,264	11,999,846	1,659,468	(2,502,459)	1,318	-	29,755,053	57,848,490	-	57,848,490
Opening balance as at July 01, 2023 (Restated) (Un-audited)	16,000,000	935,264	11,999,846	1,659,468	(2,502,459)	1,318	-	29,755,053	57,848,490	-	57,848,490
Share of NCI in subsidiary	-	-	-	-	-	-	-	-	-	408,655	408,655
Profit after taxation for the six months period ended December 31, 2023	-	-	-	-	-	-	-	11,723,357	11,723,357	(118,586)	11,604,771
Other comprehensive income / (loss) - net of tax											
Movement in deficit on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	(2,858)	-	-	-	(2,858)	-	(2,858)
Movement in surplus on revaluation of Government securities through FVOCI - net of tax	-	-	-	-	3,409,344	-	-	-	3,409,344	-	3,409,344
Share of movement in surplus on revaluation of 'FVOCI' securities of associates - net of tax	-	-	-	-	2,830,301	-	556,591	-	2,830,301	-	2,830,301
Remeasurement loss on defined benefit obligation - net of tax	-	-	-	-	-	-	-	(34,274)	(34,274)	-	(34,274)
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	-	1,062,564	-	-	-	1,062,564	-	1,062,564
Loss on sale of equity shares - FVOCI	-	-	-	-	-	-	-	(176,141)	(176,141)	-	(176,141)
Share of realised gain on securities classified as FVOCI assets of associates - net of tax	-	-	-	-	-	-	-	20,514	20,514	-	20,514
Share of deficit on revaluation of non - banking assets of associates - net of tax	-	-	-	-	-	(530)	-	-	(530)	-	(530)
Share of remeasurement loss of defined benefit obligation of associates - net of tax	-	-	-	-	-	-	-	(34,654)	(34,654)	-	(34,654)
Total other comprehensive (loss) / income	-	-	-	-	7,299,351	(530)	556,591	(224,555)	7,630,857	-	7,630,857
Transfer to statutory reserve	-	-	2,000,228	-	-	-	-	(2,000,228)	-	-	-
Transfer to capital market equalization reserve	-	-	-	(1,659,468)	-	-	-	1,659,468	-	-	-
Share of movement in other reserve of associate - net of tax	-	-	-	-	-	-	-	14,001	14,001	-	14,001
Share of advance against issuance of shares under employee shares option of associates	-	-	-	-	-	-	-	(29,910)	(29,910)	-	(29,910)
Closing balance as at December 31, 2023 (Audited)	16,000,000	935,264	14,000,074	-	4,796,892	788	556,591	40,897,186	77,186,795	290,069	77,476,864
Opening balance as at January 1, 2024 (Audited)	16,000,000	935,264	14,000,074	-	4,796,892	788	556,591	40,897,186	77,186,795	290,069	77,476,864
Effect of Implementation of IFRS 9 by associate	-	-	-	-	283,777	-	-	(150,424)	133,353	-	133,353
Opening Balance as at January 1, 2023 (restated)	-	-	-	-	-	-	-	5,193,670	5,193,670	(95,670)	5,098,000
Other comprehensive income / (loss) - net of tax											
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	2,934	-	-	-	2,934	-	2,934
Movement in surplus on revaluation of government securities through FVOCI - net of tax	-	-	-	-	606,282	-	-	-	606,282	-	606,282
Share of movement in deficit on revaluation of 'FVOCI' securities of associates - net of tax	-	-	-	-	(566,742)	-	-	-	(566,742)	-	(566,742)
Movement in deficit on revaluation of equity investments - net of tax	-	-	-	-	(12,785)	-	-	-	(12,785)	-	(12,785)
Gain on sale of equity shares - FVOCI	-	-	-	-	-	-	-	618,723	618,723	-	618,723
Share of realised gain on securities classified as FVOCI of associates - net of tax	-	-	-	-	-	-	-	34,237	34,237	-	34,237
Share of remeasurement loss of defined benefit obligation of associates - net of tax	-	-	-	-	-	-	-	(6,051)	(6,051)	-	(6,051)
Total other comprehensive Income	-	-	-	-	29,689	-	-	646,909	676,598	-	676,598
Share of movement in other reserve of associate- net of tax	-	-	-	-	-	-	-	56,921	56,921	-	56,921
Share of NCI in subsidiary	-	-	-	-	-	-	-	-	-	217,095	217,095
Share of advance against issuance of shares under employee shares option of associates	-	-	-	-	-	-	-	77,578	77,578	-	77,578
Transactions with owners recorded directly in equity											
Final dividend for the year ended December 31, 2023 @ Rs.2,079.687 per share	-	-	-	-	-	-	-	(1,331,000)	(1,331,000)	-	(1,331,000)
Closing Balance as at June 30, 2024 (un-audited)	16,000,000	935,264	14,000,074	-	5,110,358	788	556,591	45,390,840	81,993,915	411,494	82,405,409

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Chief Executive


Chief Financial Officer


Director

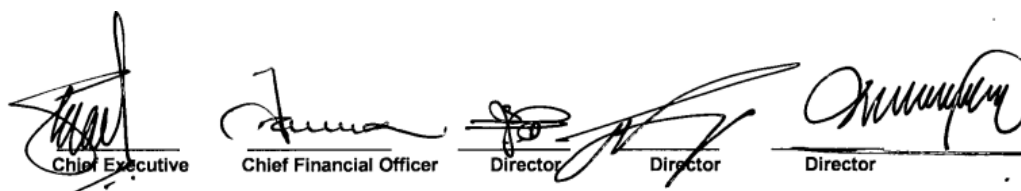

Director


Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR HALF YEAR ENDED JUNE 30, 2024

	Half Year Ended	
	June 30, 2024	June 30, 2023
Note	----- (Rupees in '000) -----	
	(Un-audited)	
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,587,850	10,319,265
Less: Dividend income	(115,179)	(137,168)
	<u>6,472,671</u>	<u>10,182,097</u>
Adjustments :		
Net mark-up / interest income	8,538,803	(713,008)
Depreciation	108,639	59,632
Amortisation	2,798	3,353
Reversal of credit loss allowance / provisions and write-offs - net	28 (90,733)	(172,480)
Loss / (gain) on sale of property and equipment	1,021	(14)
Gain on sale of non current assets 'Held for Sale'	(47)	-
Unrealised (appreciation) / diminution on investments - measured at FVPL	(9,117)	11,490
Share in results of associates - net	(16,022,275)	(9,933,266)
	<u>(7,470,911)</u>	<u>(10,744,293)</u>
	(998,240)	(562,196)
(Increase) / decrease in operating assets		
Lendings to financial institutions	-	9,823,727
Securities classified as FVTPL	(40,472)	18,690
Advances	(2,245,072)	(2,923,200)
Others assets (excluding advance taxation)	(873,169)	(235,291)
	<u>(3,158,713)</u>	<u>6,683,926</u>
Increase / (decrease) in operating liabilities		
Borrowings from financial institutions	(88,144,691)	1,021,348,001
Deposits	7,752,138	(4,695,636)
Other liabilities (excluding current taxation)	(137,138)	(61,278)
	<u>(80,529,691)</u>	<u>1,016,591,087</u>
	(84,686,644)	1,022,712,817
Payments against off-balance sheet obligations		
Mark-up / interest received	111,824,423	82,009,275
Mark-up / interest paid	(111,557,857)	(89,661,160)
Income tax paid	(2,096,065)	(9,960,930)
	<u>(1,829,499)</u>	<u>(17,612,815)</u>
Net cash (used in) / generated from operating activities	<u>(86,516,143)</u>	<u>1,005,100,002</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Investments in securities classified as FVOCI	80,022,298	(1,007,573,452)
Dividends received	8,365,197	3,433,968
Investments in property and equipment	(383,695)	(366,465)
Disposal of property and equipment	47,606	327
Net cash generated from / (used in) investing activities	<u>88,051,406</u>	<u>(1,004,505,622)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital of subsidiary	217,095	-
Dividend paid	(1,331,000)	(605,000)
Net cash used in financing activities	<u>(1,113,905)</u>	<u>(605,000)</u>
Increase / (Decrease) in cash and cash equivalents	<u>421,358</u>	<u>(10,620)</u>
Credit loss on cash and cash equivalent	(33)	(17)
Cash and cash equivalents at beginning of the period	1,776,888	708,682
Cash and cash equivalents at end of the period	<u>31 2,198,213</u>	<u>698,045</u>

The annexed notes 1 to 39 form an integral part of these consolidated condensed interim financial statements.


 Chief Executive Chief Financial Officer Director Director Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2024

1 STATUS AND NATURE OF BUSINESS

1.1 The "Group" consists of:

- (i) Pakistan Kuwait Investment Company (Private) Limited - Holding Company
- (ii) Raqami Islamic Digital Bank Limited - Subsidiary Company

1.1.1 Holding Company - Pakistan Kuwait Investment Company (Private) Limited

Pakistan Kuwait Investment Company (Private) Limited (the Company / Holding Company) was incorporated in Pakistan as a Private Limited Company on March 17, 1979. The registered office of the Company is situated at 4th Floor, Block 'C', Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan. The Company has a representative office in Lahore. The Company is a 50:50 joint venture between the Government of Pakistan (GoP) and the Government of Kuwait (GoK). The objective of the Company is to profitably promote industrial investments in Pakistan. The Company is designated as a Development Financial Institution (DFI) under the BPD Circular Letter No. 35 dated 28 October 2003 issued by the State Bank of Pakistan (SBP).

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term entity rating of the Company at AAA (Triple A) and the short term rating at A1+(A one plus), the highest level on June 26, 2024 (2023: 'AAA' and 'A1+' on June 26, 2023).

During the year ended December 31, 2023, the Holding Company incorporated Raqami Islamic Digital Bank Limited, a subsidiary company, with an authorised share capital of Rs. 10,000 million. The Holding Company is currently holding 72.95% shareholding in the Subsidiary Company.

During the year ended December 31, 2023, the State Bank of Pakistan has granted approval to the Company for commencement of Shariah compliant business and operations. The Company commenced its Shariah compliant business and operations from February 2024.

1.1.2 Subsidiary Company - Raqami Islamic Digital Bank Limited (RIDBL) Percentage of holding

Raqami Islamic Digital Bank Limited - Subsidiary

72.95%

Raqami Islamic Digital Bank Limited (RIDBL) (the Subsidiary Company) was incorporated in Pakistan on July 10, 2023 as an unlisted public limited company under the Companies Act, 2017. The principal line of business of the Subsidiary Company is to carry on the business of banking as a Shariah Compliant Digital bank and undertake financial transactions as permitted under the applicable laws of Pakistan including, but not limited to the Banking Companies Ordinance, 1962, the Companies Act 2017, and all other applicable laws, rules and regulations and the rules, directions and circulars of the State Bank of Pakistan (SBP) as in force from time to time.

2 BASIS OF PREPARATION

The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 02 dated February 09, 2023 and IAS 34 'Interim Financial Reporting'. These consolidated condensed interim financial statements do not include all the information and disclosures required for annual consolidated financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2023.

Details of key financial metrics for the Islamic Finance Division of the Holding Company are disclosed in note 36 of these consolidated condensed interim financial statements.

2.1 STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and the Companies Act, 2017;

Directives issued by the State Bank of Pakistan (SBP) and the Securities Exchange Commission of Pakistan

Whenever the requirements of the Banking Companies Ordinance, 1962 and the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of the IFRS or IFAS, the requirements of Banking Companies Ordinance, 1962, The Companies Act, 2017 and the said directives shall prevail.

The consolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual consolidated financial statements, and should be read in conjunction with the audited annual financial statements for the year ended 31 December 2023.

The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 40, 'Investment Property' for banking companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' on banking companies through its notification S.R.O 411(I)/2008 dated April 28, 2008. The State Bank of Pakistan through BPRD Circular No. 04 of 2015 dated February 25, 2015 has also deferred the applicability of Islamic Financial Accounting Standard-3 for Profit and Loss Sharing on Deposits (IFAS-3) issued by the ICAP and notified by the SECP, vide their SRO No. 571 of 2013 dated June 12, 2013 for Institutions offering Islamic Financial Services (IIFS).

The Companies Ordinance, 1984 was repealed by enactment of the Companies Act, 2017 on May 30, 2017. The SECP vide its Circular No. 17 of 2017 and Circular No. 23 of 2017 has clarified that all those companies whose financial year, closes on or before December 31, 2017 can prepare financial statements in accordance with provisions of the repealed Companies Ordinance, 1984.

2.2 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current period:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or do not have any material effect on the Group's operations and therefore not detailed in these consolidated condensed interim financial statements.

2.3 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective:

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Group's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or do not have any material effect on the Group's operations and therefore not detailed in these consolidated condensed interim financial statements.

3 BASIS OF MEASUREMENT

3.1 These consolidated condensed interim financial statements have been prepared under the historical cost convention except for the following:

- certain advances disbursed at lower than market rate have been initially measured at fair value and subsequently carried at amortised cost in accordance with the requirements of IFRS - 9.
- certain borrowings obtained at lower than market rate have been initially measured at fair value and subsequently carried at amortised cost in accordance with the requirements of IFRS - 9.
- certain investments classified as FVOCI and FVPL are carried at fair value in accordance with the requirements of IFRS - 9.

3.2 Functional and presentation currency

Items included in these consolidated condensed interim financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Group's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION AND FINANCIAL RISK MANAGEMENT POLICIES

The material accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in preparation of annual audited consolidated financial statements of the Group for the year ended December 31, 2023.

The financial risk management objectives and policies adopted by the Group are consistent with those disclosed in the annual audited consolidated financial statements of the Group for the year ended December 31, 2023.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim consolidated financial information is the same as that applied in the preparation of the financial statements for the year ended December 31, 2023

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
------(Rupees in '000)-----			
6 CASH AND BALANCES WITH TREASURY BANKS			
in hand			
local currency		171	150
With State Bank of Pakistan in			
- local currency current account	6.1	761,494	629,800
With National Bank of Pakistan in			
- local currency current account		585	1,113
		762,250	631,063
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
Cash and balances with treasury banks - net of credit loss allowance		762,250	631,063

6.1 This includes Rs. 758.50 million (December 31, 2023: Rs. 600.50 million) held as minimum cash reserve required to be maintained with the SBP in accordance with requirement of BSD Circular No. 04 dated May 22, 2004.

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
		------(Rupees in '000)-----	
7	BALANCES WITH OTHER BANKS		
In Pakistan			
- current accounts	7.1	26,945	96,216
- deposit accounts	7.2	253,736	49,625
		280,681	145,841
Less: Credit loss allowance held against balances with other banks		(33)	(16)
Balances with other banks - net of credit loss allowance		280,648	145,825

7.1 These include balance maintained with Meezan Bank Limited (a related party) amounting to Rs. 16.19 million (December 31, 2023: Nil).

7.2 These accounts carry interest at the rates ranging between 11.01% to 20.50% (December 31, 2023:11.01% to 20.50%) per annum. These include balances with Meezan Bank Limited (a related party) amounting to Rs. 211.97 million (December 31, 2023: Rs. 44.21 million) carrying profit at the rate of 11.01% (December 31, 2023:11.01%) per

8 INVESTMENTS

8.1 Investments by type:

	Note	June 30, 2024 (Un-audited)				December 31, 2023 (Audited)			
		Fair value / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Fair value / Amortised cost	Credit Loss allowance / Provision	Surplus / (Deficit)	Carrying value
------(Rupees in '000)-----									
- Debt Instruments									
Classified / Measured at amortised cost									
Federal government securities	8.5	27,903,459	-	-	27,903,459	27,864,892	-	-	27,864,892
Non government debt securities		1,155,316	-	-	1,155,316	2,000,000	(135)	-	1,999,865
		29,058,775	-	-	29,058,775	29,864,892	(135)	-	29,864,757
Classified / Measured at FVOCI									
Federal government securities		865,252,835	-	3,760,522	869,013,357	941,843,063	-	2,767,316	944,610,379
Non government debt securities		1,867,671	(33,920)	22,429	1,856,180	2,524,307	(34,010)	17,618	2,507,915
		867,120,506	(33,920)	3,782,951	870,869,537	944,367,370	(34,010)	2,784,934	947,118,294
Classified / Measured at FVPL									
Non government debt securities		4,438,832	-	(1,288)	4,437,544	4,339,068	-	(10,223)	4,328,845
- Equity Instruments									
Classified / Measured at FVPL									
Shares									
Listed companies		84,239	-	90	84,329	143,531	-	(2,492)	141,039
Classified / Measured at FVOCI (Non-Reclassifiable)									
Shares									
Listed companies		1,415,651	-	824,282	2,239,933	2,634,745	-	839,509	3,474,254
Unlisted companies		104,026	(103,226)	-	800	104,026	(103,225)	-	801
		1,519,677	(103,226)	824,282	2,240,733	2,738,771	(103,225)	839,509	3,475,055
Associates									
Meezan Bank Limited		63,620,761	-	-	63,620,761	56,440,847	-	-	56,440,847
Gandhara Tyre and Rubber Company Limited		1,860,133	-	-	1,860,133	1,845,325	-	-	1,845,325
AI Meezan Mutual Funds		420,548	-	-	420,548	408,971	-	-	408,971
AI Meezan Investment Management Ltd.		1,480,379	-	-	1,480,379	1,328,518	-	-	1,328,518
National Clearing Company of Pakistan Ltd.		389,445	-	-	389,445	354,792	-	-	354,792
EcLEAR Services Limited		71,015	-	-	71,015	67,182	-	-	67,182
Planet N (Private) Limited		423,067	-	-	423,067	435,458	-	-	435,458
		68,265,348	-	-	68,265,348	60,881,093	-	-	60,881,093
Total Investments		970,487,377	(137,146)	4,606,035	974,956,266	1,042,334,725	(137,370)	3,611,728	1,045,809,083

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	------(Rupees in '000)-----	
8.1.1 Movement in investments in associates		
Investments at beginning of the period / year	60,881,093	38,580,355
Reversal of provision on associates	-	11,299
Share in (deficit) / surplus on revaluation of FVOCI securities of associates	(755,656)	3,471,833
Share in surplus on revaluation of property and equipment of associates	-	742,121
Share of deficit on revaluation of non - banking assets of associates	-	(801)
Share of remeasurement of defined benefit plans of associates	(9,272)	(51,624)
Share of profit from associates recognised in the consolidated profit and loss account	16,022,275	26,331,208
Share of employee share option compensation reserve of associates	-	67,993
Share of advance against issuance of shares under employee shares option of associate	77,578	-
Share of effect of changes in opening reserve due to implementation of IFRS - 9 by associate	177,804	-
Share of movement in other reserve of associates	75,895	13,899
Share of realized gain on sale of FVOCI securities of associates	45,649	-
Dividend received from associates	(8,250,018)	(8,285,190)
Investments at end of the period / year	<u>68,265,348</u>	<u>60,881,093</u>

The cost of investments in associates as at June 30, 2024 amounted to Rs. 3,371 million (December 31, 2023: Rs. 3,371 million). Share in results of associates recorded under equity method of accounting, net of dividend, capital gain and income taxes amounted to Rs. 5,784 million (June 30, 2023: Rs. 5,541 million).

8.2 Summary of financial position and performance of associates

June 30, 2024 (Un-audited)							
Country of incorporation	Percentage of holding (%)	Assets	Liabilities	Revenue	(Loss) / profit after taxation	Total comprehensive (loss) / income	
------(Rupees in '000)-----							
Associates							
Meezan Bank Limited	Pakistan	29.97	3,304,377,369	3,090,216,618	137,908,965	52,430,629	50,046,766
Ghandhara Tyre and Rubber Company Limited *	Pakistan	30.00	19,063,961	13,101,516	784,171	49,361	49,361
Al Meezan Mutual Funds	Pakistan	8.49	5,162,884	288,434	828,094	(3,786,022)	(3,786,022)
Al Meezan Investment Management Limited	Pakistan	30.00	7,388,399	2,454,735	2,131,260	920,691	906,206
National Clearing Company of Pakistan Limited	Pakistan	15.00	27,529,369	24,902,141	1,216,781	378,486	378,486
EcClear Services Limited	Pakistan	20.00	1,601,566	1,255,762	27,381	19,166	19,166
Planet N (Private) Limited	Pakistan	9.93	441,932	101,961	73,156	(65,768)	(65,768)

* The financial statements for the period ended June 30, 2024 of Ghandhara Tyre and Rubber Company Limited are not available on the reporting date, therefore the financial statements for the quarter ended March 31, 2024 have been disclosed.

December 31, 2023 (Audited)							
Country of incorporation	Percentage of holding (%)	Assets	Liabilities	Revenue	(Loss) / profit after taxation	Total comprehensive (loss) / income	
------(Rupees in '000)-----							
Associates							
Meezan Bank Limited	Pakistan	29.97	3,012,108,757	2,827,201,240	226,428,822	84,475,642	95,936,404
Ghandhara Tyre and Rubber Company Limited	Pakistan	30.00	19,627,728	13,714,644	2,834,440	(56,050)	(53,607)
Al Meezan Mutual Funds	Pakistan	9.20	4,501,792	171,965	1,654,281	1,506,866	1,506,866
Al Meezan Investment Management Limited	Pakistan	30.00	5,999,759	1,572,302	2,535,916	1,693,104	1,686,366
National Clearing Company of Pakistan Limited	Pakistan	15.00	33,773,084	31,376,926	1,606,238	364,401	351,684
EcClear Services Limited	Pakistan	20.00	1,386,788	1,060,152	33,529	23,459	23,459
Planet N (Private) Limited	Pakistan	9.93	564,822	80,294	157,425	289,570	289,570

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	------(Rupees in '000)-----	
8.3 Investments given as collateral		
Pakistan Investment Bonds	303,937,153	462,402,786
Market Treasury Bills	549,769,187	498,552,619
	<u>853,706,340</u>	<u>960,955,405</u>

8.4 Credit loss allowance / provision for diminution in value of investments

8.4.1 Opening balance	137,370	409,006
Impact of adoption of IFRS 9 - reversal of provision	-	(272,142)
ECL charge on opening investment portfolio	-	519
Charge / (reversals)		
ECL charge for the period / year	323	718
ECL reversal for the period / year	(547)	(731)
	(224)	(13)
Closing balance	<u>137,146</u>	<u>137,370</u>

8.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification	June 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Outstanding amount	Credit loss allowance / provision held	Outstanding amount	Credit loss allowance / provision held
(Rupees in '000)				
Domestic				
Performing	2,989,349	282	4,490,669	507
Underperforming	-	-	-	-
Non-performing	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	33,638	33,638	33,638	33,638
	33,638	33,638	33,638	33,638
Total	3,022,987	33,920	4,524,307	34,145

8.5 The market value of securities classified as amortised cost of the Holding Company as at June 30, 2024 amounted to Rs. 29.90 million (December 31, 2023: Rs 24.59 million).

9 ADVANCES

Note	Performing		Non performing		Total	
	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rupees in '000)						
Loans, cash credits, running finances, etc.	43,828,304	54,970,539	744,938	822,969	44,573,242	55,793,508
Islamic financing and related assets	13,443,982	-	-	-	13,443,982	-
Advances - gross	57,272,286	54,970,539	744,938	822,969	58,017,224	55,793,508
Provision against advances						
- Specific	-	-	-	-	-	-
- General	(1,100,000)	(1,100,000)	-	-	(1,100,000)	(1,100,000)
Credit loss allowance against advances	(1,100,000)	(1,100,000)	-	-	(1,100,000)	(1,100,000)
-Stage 1	(16,914)	(22,710)	-	-	(16,914)	(22,710)
-Stage 2	(10,377)	(16,369)	-	-	(10,377)	(16,369)
-Stage 3	-	-	(731,126)	(809,157)	(731,126)	(809,157)
	(27,291)	(39,079)	(731,126)	(809,157)	(758,417)	(848,236)
Advances - net of credit loss allowance / provision	56,144,995	53,831,460	13,812	13,812	56,158,807	53,845,272

9.1 Information related to Islamic financing and related assets is given in note 36 to these consolidated financial statements.

9.2 Particulars of advances (Gross)

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rupees in '000)		
In local currency	58,017,224	55,793,508

9.3 Advances include Rs. 744.94 million (December 31, 2023: Rs 822.97 million) which have been placed under non-performing / stage 3 status as detailed below:

Category of classification in stage 3	June 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
(Rupees in '000)				
Domestic				
Other Assets Especially Mentioned (OAEM)	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Stage 3	744,938	731,126	822,969	809,157
Total	744,938	731,126	822,969	809,157

Provision is recorded net of security deposit of Rs. 13.812 million (December 31, 2023: Rs. 13.812 million).

9.4 Particulars of credit loss allowance / provisions against advances

	June 30, 2024 (Un-audited)					December 31, 2023 (Audited)					
	Stage 3	Stage 2	Stage 1	General	Total	Stage 3	Stage 2	Stage 1	Specific	General	Total
	(Rupees in '000)										
Opening balance	809,157	16,369	22,710	1,100,000	1,948,236	-	-	-	985,518	1,100,000	2,085,518
IFRS 9 implementation	-	-	-	-	-	985,518	-	22,091	(985,518)	-	22,091
Charge for the period / year	-	3,365	3,387	-	6,752	-	16,369	9,595	-	-	25,964
Reversals for the period / year	(78,031)	(9,357)	(9,183)	-	(96,571)	(176,361)	-	(8,976)	-	-	(185,337)
Closing balance	<u>731,126</u>	<u>10,377</u>	<u>16,914</u>	<u>1,100,000</u>	<u>1,858,417</u>	<u>809,157</u>	<u>16,369</u>	<u>22,710</u>	<u>-</u>	<u>1,100,000</u>	<u>1,948,236</u>

9.4.1 Particulars of credit loss allowance / provisions against advances

	June 30, 2024 (Un-audited)					December 31, 2023 (Audited)					
	Stage 3	Stage 2	Stage 1	General	Total	Stage 3	Stage 2	Stage 1	Specific	General	Total
	(Rupees in '000)										
In local currency	<u>731,126</u>	<u>10,377</u>	<u>16,914</u>	<u>1,100,000</u>	<u>1,858,417</u>	<u>809,157</u>	<u>16,369</u>	<u>22,710</u>	<u>-</u>	<u>1,100,000</u>	<u>1,948,236</u>

9.5 Advances - Particulars of credit loss allowance

	June 30, 2024 (Un-audited)				December 31, 2023 (Audited)					
	Stage 1	Stage 2	Stage 3	General Provision	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	
	(Rupees in '000)									
9.5.1 Opening balance		22,710	16,369	809,157	1,100,000	-	-	-	985,518	1,100,000
IFRS 9 implementation		-	-	-	-	22,091	-	985,518	(985,518)	-
New advances	1,588	3,365	-	-	-	6,608	3,979	-	-	-
Advances derecognised or repaid	(7,868)	(8,986)	(78,031)	-	-	(3,060)	-	(176,361)	-	-
Transfer to stage 1	-	-	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	(990)	990	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-	-	-
	(6,280)	(5,621)	(78,031)	-	-	2,558	4,969	(176,361)	-	-
Changes in risk parameters (PDs/LGDs/EADs)		484	(371)	-	-	(1,939)	11,400	-	-	-
Closing balance		<u>16,914</u>	<u>10,377</u>	<u>731,126</u>	<u>1,100,000</u>	<u>22,710</u>	<u>16,369</u>	<u>809,157</u>	<u>-</u>	<u>1,100,000</u>

9.5.2 Advances - Category of classification

Domestic	June 30, 2024 (Un-audited)		December 31, 2023 (Audited)		
	Outstanding amount	Credit loss allowance / Provision	Outstanding amount	Credit loss allowance / Provision	
	(Rupees in '000)				
Performing	Stage 1	54,324,828	1,116,914	52,662,385	1,122,710
Underperforming	Stage 2	2,947,458	10,377	2,308,154	16,369
Non-Performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		744,938	731,126	822,969	809,157
		744,938	731,126	822,969	809,157
Total		<u>58,017,224</u>	<u>1,858,417</u>	<u>55,793,508</u>	<u>1,948,236</u>

9.6 As at December 31, 2023, the Bank had an outstanding exposure of Rs. 2,254 million against Pakistan International Airlines Corporation Limited (PIACL). During the half year ended June 30, 2024, the Government of Pakistan initiated the reorganisation of Pakistan International Airlines Corporation Limited (PIACL) by executing a Scheme of Arrangement to split the company into two separate entities. Under this plan, all non-core assets, and a commercial debt of approximately Rs 268 billion will be consolidated under a new holding company, while the core entity will be promoted for sale / privatization.

According to the restructuring terms, the post-transfer loan will have a tenor of ten years with an annual profit rate of 12%. Profit payments will be made annually, and principal repayment will occur at the end of the facility's tenor.

The State Bank of Pakistan, in letter no. BPRD / BRD / PIAHCL / 722054-2024 dated July 15, 2024, has directed the lending parties to account for this restructuring as per the terms mentioned in the circular. Subsequently, the State Bank of Pakistan vide letter no. BPRD / BRD / PIAHCL / 733688-2024 dated August 1, 2024 has allowed the lending parties a period of six years for staggering of losses arising due to fair valuation of loan as per IFRS 09. The loss can be recorded at 5%, 10%, 15%, 20%, 25% and 25% from year 1 to year 6 respectively.

Further, the State Bank of Pakistan (the SBP) has issued BPRD Circular Letter No. 16 dated July 29, 2024 and has extended the timelines of SBP's IFRS 9 application instructions to address, among other matters, modification accounting with a direction to ensure compliance by the extended timeline of October 1, 2024. Accordingly, the Company has not applied modification accounting under IFRS 09 in respect of its PIACL exposure as at June 30, 2024.

		June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
		------(Rupees in '000)-----	
10	PROPERTY AND EQUIPMENT		
	Capital work-in-progress	293,257	29,325
	Property and equipment	1,002,850	1,045,578
		<u>1,296,107</u>	<u>1,074,903</u>
10.1	Capital work-in-progress		
	Civil works	43,745	-
	Advance to suppliers	249,512	29,325
		<u>293,257</u>	<u>29,325</u>
		Half Year Ended	
		June 30,	June 30,
		2024	2023
10.2	Additions to property and equipment	------(Un-audited)-----	
		------(Rupees in '000)-----	
	The following additions have been made to Property and Equipment during the period:		
	Capital work-in-progress	293,257	17,465
	Property and equipment		
	Building on freehold land	-	3,028
	Furniture and fixture	-	4,942
	Electrical office and computer equipment	54,284	29,598
	Vehicles	60,253	614,445
		<u>114,537</u>	<u>652,013</u>
10.3	Disposal of property and equipment		
	The net book value of Property and Equipment disposed off during the period is as follows:		
	Furniture and fixture	-	76
	Electrical office and computer equipment	335	237
	Vehicles	48,292	-
		<u>48,627</u>	<u>313</u>
		June 30,	December 31,
		2024	2023
		(Un-audited)	(Audited)
11	INTANGIBLE ASSETS	------(Restated)-----	
	Intangible assets - computer software	15,638	13,211
12	OTHER ASSETS		
	Income / mark-up / profit accrued in local currency	17,006,730	25,666,119
	Advances, deposits, advance rent and other prepayments	933,608	43,759
	Advance taxation	10,597,361	12,010,944
	Other receivable	83,432	57,871
	Non-current asset 'held for sale'	-	83,119
	Prepaid Staff Cost	125,523	140,618
		<u>28,746,654</u>	<u>38,002,430</u>
	Less: provision held against other assets	12.1 (46,259)	(70,243)
	Less: credit loss allowance held against other assets	12.2 (991)	(1,559)
	Other assets (net of credit loss allowance)	<u>28,699,404</u>	<u>37,930,628</u>
12.1	These include receivable from Pakistan Kuwait Takaful Company Limited amounting Rs. 20.771 million (December 31, 2023: Rs. 20.771 million) that has been fully provided.		
		June 30,	December 31,
		2024	2023
		(Un-audited)	(Audited)
		------(Restated)-----	
12.1	Provision held against other assets		
	Non-current asset held-for-sale	-	23,984
	Other receivables	46,259	46,259
		<u>46,259</u>	<u>70,243</u>
12.1.1	Movement in provision held against other assets		
	Opening balance	70,243	46,259
	Charge for the period / year	-	23,984
	Reversals for the period / year	(23,984)	-
	Closing balance	<u>46,259</u>	<u>70,243</u>

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited) <u>(Restated)</u>
12.2 Credit loss allowance held against other assets		
Income / mark-up / profit accrued in local currency	991	1,559
12.2.1 Movement in credit loss allowance held against other assets		
Opening balance	1,559	21
Charge for the period / year	87	1,538
Reversals for the period / year	(655)	-
Closing balance	991	1,559
13 BORROWINGS		
Secured		
Borrowings from State Bank of Pakistan		
Under Long Term Finance Facility (LTFF)	13.1	6,011,333
Under Financing Scheme for Renewable Energy	13.2	2,729,785
Under Temporary Economic Refinance Facility (TERF)	13.3	2,213,467
		10,954,585
Bai Muajjal	13.4	-
Repurchase agreement borrowings	13.5	865,950,546
Term Finance Facility	13.6	35,500,000
Total secured		912,405,131
Unsecured		
Bai Muajjal	13.4	13,324,352
Letter of Placement	13.7	3,260,000
Musharakah	13.8	9,396,042
Total unsecured		25,980,394
		938,385,525
13.1 Borrowings from SBP under LTFF		
<p>These represent borrowings from SBP under scheme for long term financing facility (LTFF). The mark-up rate on these facilities is payable at maximum of 7% per annum (December 31, 2023: maximum of 7% per annum) payable on quarterly , half yearly basis with maturities within a maximum period of 10 years (December 31, 2023: maximum period of 10 years). As per the term of the agreements, the Company has granted the SBP a right to recover the outstanding amounts from the Company at the respective date of maturity of finance by directly debiting the current account of the Company maintained with the SBP. The Company has given demand promissory notes executed in favour of the SBP as a collateral.</p>		
13.2 Borrowing from SBP under Financing Scheme for Renewable Energy		
<p>These represent long term finance facility on this concessional rates to support in addressing dual challenge of energy shortage and climate change through promotion of renewable energy. The mark-up rates on these facilities is payable at maximum of 3% per annum (December 31, 2023: maximum of 3% per annum) payable on quarterly basis with maturities within a maximum period of 12 years (December 31, 2023: maximum period of 12 years). As per the term of the agreements, the Company has granted the SBP a right to recover the outstanding amounts from the Company at the respective date of maturity of finance by directly debiting the current account of the Company maintained with the SBP. The Company has given demand promissory notes executed in favour of the SBP as a collateral.</p>		
13.3 Borrowing from SBP under Temporary Economic Refinance Facility		
<p>These represent long term finance facilities on concessional rates to support sustainable economic growth especially in the backdrop of challenges being faced by the industry in post pandemic scenerio. The mark-up rate on these facilities is payable at maximum of 1% per annum (December 31, 2023: maximum of 1% per annum) payable on quarterly , half yearly basis with maturities within a maximum period of 10 years (December 31, 2023: maximum period of 10 years). As per the term of the agreements, the Company has granted the SBP a right to recover the outstanding amounts from the Company at the respective date of maturity of finance by directly debiting the current account of the Company maintained with the SBP. The Company has given demand promissory notes executed in favour of the SBP as a collateral.</p>		
13.4 Bai Muajjal		
<p>This represents borrowings from financial institutions at mark-up rates between 20.08% and 21.10% per annum (December 31, 2023: 21.01% and 22.07% per annum) and having maturities between August 01, 2024 and August 09, 2024 (December 31, 2023: May 02, 2024).</p>		
13.5 Repurchase agreement borrowings		
<p>The Holding Company has arranged borrowing from financial institutions against sale and repurchase of government securities. The mark-up rates on these borrowings are 20.55% and 20.57% per annum (December 31, 2023: 22.04% and 23.00% per annum) with maturities in two and twelve days (December 31, 2023: two days to nineteen days).</p>		
13.6 Term Finance Facility		
<p>The Holding Company has availed long term borrowings from commercial banks. The interest rates on these facilities are between 20.16% and 21.89% per annum (December 31, 2023: 8.63% and 23.04% per annum) and have maturities between September 30, 2025 and December 29, 2028 (December 31, 2023: March 14, 2024 and December 28, 2028).</p>		
13.7 Letter Of Placement (LOP)		
<p>The interest rate on this LOP is 20.70% per annum (December 31, 2023: 22.20% and 23.00%per annum). This LOP will mature on July 10, 2024 (December 31, 2023: January 02, 2024 and January 05, 2024).</p>		
13.8 Musharakah Borrowing		
<p>The interest rates on these Musharakah borrowings are between 19.65% and 19.70% per annum (December 31, 2023: Nil). These Musharakah borrowings have maturity dates between July 05, 2024 and August 08, 2024 (December 31, 2023: Nil).</p>		

14 DEPOSITS AND OTHER ACCOUNTS

	Note	June 30, 2024 (Un-audited)			December 31, 2023 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
							(Rupees in '000)
Customers							
Certificate of Investment (COI)	14.1	25,294,949	-	25,294,949	18,091,307	-	18,091,307
Certificate of Islamic Investment (COII)	14.2	1,010,000	-	1,010,000	-	-	-
		26,304,949	-	26,304,949	18,091,307	-	18,091,307
Financial Institutions							
Certificate of Investment (COI)	14.1	717,966	-	717,966	1,179,470	-	1,179,470
		27,022,915	-	27,022,915	19,270,777	-	19,270,777

14.1 The interest rates on these Certificates of Investments (COI) ranges between 18.60% and 23.65% per annum (December 31, 2023: 17.50% and 23.65% per annum). These COIs have maturities between July 02, 2024 and June 20, 2025 (December 31, 2023: January 02, 2024 and November 29, 2024).

14.2 The profit rates on these Certificates of Islamic Investments (COII) ranges between 19.50% and 19.76% per annum (December 31, 2023: Nil). These COIIs have maturities between July 29, 2024 and September 30, 2024 (December 31, 2023: Nil).

15 DEFERRED TAX LIABILITIES

June 30, 2024 (Un-audited)				
At January 1, 2024	Recognised in P&L A/C	Recognised in OCI	Recognised in SOCIE	At June 30, 2024
(Rupees in 000)				
-	2,737,139	-	-	2,737,139
77,974	13,183	-	-	91,157
789,438	(33,304)	-	-	756,134
2,355,887	1,283,254	-	-	3,639,141
3,223,299	4,000,272	-	-	7,223,571
(1,276,297)	(178)	(386,360)	-	(1,662,835)
3,395	(21,662)	-	-	(18,267)
(135,822)	40,843	-	-	(94,979)
(14,350,250)	(1,988,274)	180,723	(63,423)	(16,221,224)
(15,758,974)	(1,969,271)	(205,637)	(63,423)	(17,997,305)
(12,535,675)	2,031,001	(205,637)	(63,423)	(10,773,734)

Deductible temporary differences on

- Tax losses carried forward
- Post retirement employee benefits
- Credit loss allowance / provision against advances, off balance sheet etc.
- Provision for taxation

Taxable temporary differences on

- Surplus on revaluation of investments
- Accelerated tax depreciation
- Finance lease arrangements
- Share of profits from associates

December 31, 2023 (Audited)				
At January 1, 2023	Recognised in P&L A/C	Recognised in OCI	Recognised in SOCIE	At December 31, 2023
(Rupees in 000)				
50,256	5,805	21,913	-	77,974
(33,139)	36,534	-	-	3,395
688,221	93,088	-	8,129	789,438
133,450	2,222,437	-	-	2,355,887
838,788	2,357,864	21,913	8,129	3,226,694
1,433,481	(4,678)	(1,352,228)	(1,352,872)	(1,276,297)
(237,920)	102,098	-	-	(135,822)
(5,350,457)	(7,939,485)	(1,039,833)	(20,475)	(14,350,250)
(4,154,896)	(7,842,065)	(2,392,061)	(1,373,347)	(15,762,369)
(3,316,108)	(5,484,201)	(2,370,148)	(1,365,218)	(12,535,675)

Deductible temporary differences on

- Post retirement employee benefits
- Accelerated tax depreciation
- Credit loss allowance / provision against advances, off balance sheet etc.
- Provision for taxation

Taxable temporary differences on

- Surplus on revaluation of investments
- Finance lease arrangements
- Share of profits from associates

16 OTHER LIABILITIES

	Note	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
(Rupees in '000)			
Mark-up / return / profit payable in local currency		1,912,978	1,756,546
Accrued expenses		196,117	816,399
Payable to defined benefit plan		189,765	153,410
Payable to defined contribution plan		30,648	8,968
Security deposits against lease		55,747	55,747
Payable against employees' compensated absences		46,742	46,742
Payable to share brokers on account of purchase of marketable securities		-	169
Unearned Income		5,452	5,612
WWF Liability		756,240	756,240
Others		386,542	35,174
Credit loss allowance against off-balance sheet obligations	16.1	1,306	1,446
		<u>3,581,537</u>	<u>3,636,453</u>

		June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	Note	------(Rupees in '000)-----	
16.1 Credit loss allowance against off-balance sheet obligations			
Opening balance		1,446	-
Impact of adoption of IFRS 9		-	1,994
Charge for the period / year		410	-
Reversals for the period / year		(550)	(548)
		(140)	(548)
Closing balance		<u>1,306</u>	<u>1,446</u>
17 SURPLUS ON REVALUATION OF ASSETS - NET			
Surplus on revaluation of:			
- Securities measured at FVOCI-debt	8.1	22,429	17,618
- Securities measured at FVOCI-equity	8.1	824,282	839,509
- Securities measured at FVOCI-government securities	8.1	3,760,522	2,767,316
- FVOCI securities of associates		<u>3,601,248</u>	<u>3,978,536</u>
		8,208,481	7,602,979
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI-debt		(8,748)	(6,871)
- Securities measured at FVOCI-equity		(184,367)	(186,809)
- Securities measured at FVOCI-government securities		(1,466,178)	(1,079,254)
- FVOCI securities of associates		<u>(881,451)</u>	<u>(975,774)</u>
		(2,540,744)	(2,248,708)
		<u>5,667,737</u>	<u>5,354,271</u>
18 NON-CONTROLLING INTEREST			
Opening balance		290,069	408,655
Advance against issuance of shares by subsidiary		217,095	-
Share of loss for the period / year		(95,670)	(118,586)
Closing balance		<u>411,494</u>	<u>290,069</u>
19 CONTINGENCIES AND COMMITMENTS			
-Guarantees	19.1	3,800,235	2,481,045
-Commitments	19.2	<u>13,671,697</u>	<u>15,755,781</u>
		<u>17,471,932</u>	<u>18,236,826</u>
19.1 Guarantees:			
Financial guarantees		<u>3,800,235</u>	<u>2,481,045</u>
19.2 Commitments			
Undisbursed sanctions against:			
- Loans and advances		11,808,618	15,109,204
- TFC & sukuks		1,400,000	-
- Property and equipment		-	10,498
- intangible assets		463,079	636,079
		<u>13,671,697</u>	<u>15,755,781</u>
19.3 Tax Contingencies - Holding Company			
The status of tax contingencies of the Holding Company remains unchanged as disclosed in note 22.3 of the annual audited consolidated financial statements for the year ended December 31, 2023, except for the following:			
In the amended order for the tax year 2022, in addition to the issue of allocation of expenses to dividend income and capital gains, the Officer has also treated income from Federal Government securities as subject to final tax under Clause (20) of Part III of Second Schedule to the Income Tax Ordinance, 2001. An amount of Rs. 172.91 million is involved. An appeal has been preferred before CIR(A) which has been heard and reserved for order.			
An order dated March 22, 2023 to recover Super tax under section 4C of the Ordinance for the year 2022 was issued where demand of Rs 176.51 million has been raised. An appeal was preferred before CIR(A) where the levy has been maintained in order dated June 1, 2023. Currently, the Company's appeal is pending before the ATIR against the levy on legal ground as well as for errors in calculation of the levy. The demand on account of super tax has been enhanced to Rs. 390.39 million vide amended order dated April 5, 2024.			
20 MARK-UP / RETURN / INTEREST EARNED		Half Year Ended	
		June 30, 2024	June 30, 2023
		------(Un-audited)-----	
		------(Rupees in '000)-----	
Loans and advances		4,903,514	4,068,410
Investments		98,259,967	85,509,938
Lendings to financial institutions		72,785	111,182
Balances with banks		10,709	4,787
		<u>103,246,975</u>	<u>89,694,317</u>

	Note	Half Year Ended	
		June 30, 2024	June 30, 2023
		----- (Un-audited) ----- ----- (Rupees in '000) -----	
20.1 Interest income (calculated using effective interest rate method) recognised on:			
Financial assets measured at amortised cost		6,361,062	6,189,357
Financial assets measured at FVPL		513,002	229,362
Financial assets measured at FVOCI		96,372,911	83,275,598
		<u>103,246,975</u>	<u>89,694,317</u>
21 MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		2,219,491	832,322
Borrowings		8,521,150	10,314,713
Securities sold under repurchase agreements - government securities		100,955,486	77,834,274
		<u>111,696,127</u>	<u>88,981,309</u>
21.1 Interest expense calculated using effective interest rate method		<u>111,696,127</u>	<u>88,981,309</u>
22 FEE AND COMMISSION INCOME			
Participation fee		87,684	16,776
Commitment fee		637	2,208
Commission on guarantees		27,809	5,923
Commission on letter of comfort		34	1,555
Arrangement fee		6,965	28,844
Advisory income		750	5,249
		<u>123,879</u>	<u>60,555</u>
23 (LOSS) / GAIN ON SECURITIES			
Realised (loss) / gain	23.1	(240,675)	68,559
Unrealised appreciation / (diminution) on investments - measured at FVPL		9,117	(11,490)
		<u>(231,558)</u>	<u>57,069</u>
23.1 Realised loss on:			
Shares		(1,689)	(2,494)
Federal government securities		(238,986)	71,053
		<u>(240,675)</u>	<u>68,559</u>
23.2 Net gain / (loss) on financial assets measured at FVPL			
Designated upon initial recognition		7,428	(13,984)
		7,428	(13,984)
Net (loss) / gain on financial assets measured at FVOCI		<u>(238,986)</u>	<u>71,053</u>
		<u>(231,558)</u>	<u>57,069</u>
24 SHARE IN RESULTS OF ASSOCIATES - NET			
Quoted associates		15,691,991	9,763,133
Un-quoted associates		330,284	170,133
		<u>16,022,275</u>	<u>9,933,266</u>
25 OTHER INCOME			
Nominee directors fee		5,600	7,345
Rent on property		25,527	22,252
(Loss) / gain on sale of property and equipment - net		(1,021)	14
Gain on sale of non current assets 'Held for Sale'		47	-
Late payment charges		32,675	246,834
Early encashment charges		151	6,012
		<u>62,979</u>	<u>282,457</u>

		Half Year Ended	
		June 30, 2024	June 30, 2023
		----- (Un-audited) -----	
		----- (Rupees in '000) -----	
		(Restated)	
26	OPERATING EXPENSES		
	Total compensation expense	708,807	728,600
	Property expense		
	Rent and taxes	38,656	5,057
	Insurance	3,017	1,665
	Utilities cost	11,584	6,405
	Security expense	24	2
	Repairs and maintenance	23,108	17,427
	Depreciation	4,671	4,645
		81,060	35,201
	Information technology expenses		
	Software maintenance	13,964	694
	Hardware maintenance	1,936	57
	Depreciation	10,207	7,396
	Amortisation	2,799	3,353
	Network charges	3,229	4,169
		32,135	15,669
	Other operating expenses		
	Directors' fees and allowances	13,325	8,750
	Fees and allowances to Shariah Board	178	-
	Legal and professional charges	55,093	9,739
	Outsourced services costs	27,625	23,458
	Travelling and conveyance	10,931	11,332
	Depreciation	93,762	47,591
	Training and development	1,331	715
	Postage and courier charges	569	480
	Communication	6,907	10,392
	Stationery and printing	5,218	4,249
	Marketing, advertisement and publicity	13,446	4,109
	Auditors' remuneration	19,996	7,137
	Newspaper, periodicals and subscription dues	12,236	8,442
	Repairs and maintenance (others)	1,361	3,704
	Bank charges	224	234
	Entertainment expense	5,687	10,297
	Motor vehicle running expense	31,439	-
	Others	18,760	32,983
		318,088	183,612
		<u>1,140,090</u>	<u>963,082</u>
27	OTHER CHARGES		
	Penalty imposed by State Bank of Pakistan	6,395	-
28	REVERSAL OF CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET		
	Credit loss allowance against cash and balances with banks including accrued interest	17	8
	(Reversal) / Credit loss allowance for diminution in value of investments including accrued interest	(231)	(50)
	Reversal of credit loss allowance / provision against loans and advances including accrued interest	28.1 (90,379)	(172,337)
	Reversal of credit loss allowance against contingencies and commitments including accrued interest	16.1 (140)	(101)
		<u>(90,733)</u>	<u>(172,480)</u>
28.1	This includes reversal of provision against non-performing loans amounting to Rs. 78.03 million on account of recovery.		
29	TAXATION		(Restated)
	Current	3,520,850	2,075,842
	Deferred	(2,031,000)	(447,377)
		<u>1,489,850</u>	<u>1,628,465</u>
30	BASIC / DILUTED EARNINGS PER SHARE		
	Profit for the period	5,193,670	8,690,800
			(Numbers in '000)
	Weighted average number of ordinary shares	640	640
			----- Rupees -----
	Basic / diluted earnings per share	8,115	13,579
30.1	Diluted Earning per share		
	Diluted earnings per share has not been presented separately as the Group does not have any convertible instruments in issue.		

31 CASH AND CASH EQUIVALENTS	Note	June 30, 2024	December 31, 2023
		(Un-audited)	(Audited)
		------(Rupees in '000)-----	
Cash and balance with treasury banks	6	762,250	631,063
Balance with other banks	7	280,648	145,825
Investment in Islamic Investment Certificates		1,155,315	1,000,000
		<u>2,198,213</u>	<u>1,776,888</u>

32 FAIR VALUE MEASUREMENTS

The fair value of quoted securities other than those classified under amortised cost, is based on quoted market price. Quoted securities classified under held to collect model are carried at amortised cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of certain un-quoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the year by the level in the fair value hierarchy into which the fair value measurement is categorised:

32.1 On balance sheet financial instruments

	June 30, 2024 (Un-audited)			
	Fair Value			
	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
On balance sheet financial instruments				
Financial assets - measured at fair value Investments				
- Market treasury bills	549,769,187	-	549,769,187	-
- Pakistan investment bonds	316,831,290	-	316,831,290	-
- GoP Ijarah Sukuks	2,412,880	-	2,412,880	-
- Shares of listed companies	2,324,262	2,324,262	-	-
- Listed sukuk / term finance certificates	3,908,176	-	2,108,176	1,800,000
- Unlisted sukuk / term finance certificates	2,385,548	-	1,585,548	800,000
				2,385,548
Financial assets - disclosed but not measured at fair value				
Investments				-
- Pakistan investment bonds	27,903,459	-	27,903,459	-
- Islamic Investment Certificate	1,155,316	-	-	1,155,316
				1,155,316
Fair Value of non-financial assets				
- Non-current asset 'Held For Sale'	-	-	-	-

	December 31, 2023 (Audited)			
	Fair Value			
	Level 1	Level 2	Level 3	Total
------(Rupees in '000)-----				
On balance sheet financial instruments				
Financial assets - measured at fair value Investments				
- Market treasury bills	498,552,619	-	498,552,619	-
- Pakistan investment bonds	446,057,760	-	446,057,760	-
- Shares of listed companies	3,615,293	3,615,293	-	-
- Listed sukuk / term finance certificates	4,371,337	-	2,571,337	1,800,000
- Unlisted sukuk / term finance certificates	2,465,423	-	1,765,423	700,000
				2,465,423
Financial assets - disclosed but not measured at fair value				
Investments				-
- Pakistan investment bonds	27,864,892	-	27,864,892	-
- Unlisted sukuk / term finance certificates	1,999,865	-	-	1,999,865
				1,999,865
Fair Value of non-financial assets				
- Non-current asset 'Held For Sale'	59,182	-	-	59,182
				59,182

The fair value of remaining financial assets and liabilities not carried at fair value are not significantly different from their carrying values since assets and liabilities are either short term in nature or in case of loans are frequently repriced.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates.

Valuation techniques used in determination of fair values

Shares of listed companies	The valuation has been determined through closing rates of Pakistan Stock Exchange.
Pakistan investment bonds	The fair value of Pakistan Investment Bonds are derived using PKFRV rates for floater PIBs and PKRV rates for fixed PIBs. These rates are announced by FMA (Financial Market Association) through Reuters. The rates announced are simple average of quotes received from eight different predefined/ approved dealers / brokers.
Market Treasury Bills	The fair value of Market Treasury Bills are derived using PKRV rates. The PKRV rates are announced by FMA (Financial Market Association) through Reuters.
GOP Ijarah Sukuk	The fair value of GOP Ijarah Sukuks are derived using PKISRV rates. The PKISRV rates are announced by FMA (Financial Market Association) through Reuters.
Corporate sukuku / term finance certificates	The valuation has been determined through the valuation of debt securities published by the MUFAP.
Non-current asset 'held for sale'	Non-current assets held for sale are valued by professionally qualified valuers as per the accounting policy disclosed in the unconsolidated annual audited financial statements for the year ended December 31, 2023.

The Holding Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

There were no transfers between levels 1 and 2 during the year.

33 SEGMENT INFORMATION

33.1 Segment Details with respect to Business Activities

The segment analysis with respect to business activities is as follows:

June 30, 2024 (Un-audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Islamic Finance Division	Others	Total

(Rupees in '000)

Consolidated Profit & loss account

Net mark-up / return / interest / profit	(1,632,228)	(7,247,746)	89,651	-	327,428	13,743	(8,449,152)
Non mark-up / return / interest / profit income	133,995	(238,986)	8,693,050	7,446,054	1,447	57,194	16,092,754
Total (expense) / income	(1,498,233)	(7,486,732)	8,782,701	7,446,054	328,875	70,937	7,643,602
Segment direct expenses	(63,315)	(34,024)	(18,156)	(3,321)	(10,886)	(344,373)	(474,075)
Segment indirect expenses	(41,120)	(10,965)	(450,361)	(5,483)	(8,225)	(156,256)	(672,410)
Total expenses	(104,435)	(44,989)	(468,517)	(8,804)	(19,111)	(500,629)	(1,146,485)
Credit loss allowance (charge) / reversal	92,925	(14)	-	-	(2,192)	14	90,733
(Loss) / profit before tax	(1,509,743)	(7,531,735)	8,314,184	7,437,250	307,572	(429,678)	6,587,850

June 30, 2024 (Un-audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Islamic Finance Division	Others	Total

(Rupees in '000)

Consolidated Statement of financial position

Cash & bank balances	-	825,867	35,690	-	181,191	150	1,042,898
Investments	167,352	898,480,700	69,421,465	2,324,263	4,562,486	-	974,956,266
Net inter segment lending	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-
Advances - performing	42,457,610	-	41,445	-	13,442,206	203,734	56,144,995
Advances - non-performing	13,812	-	-	-	-	-	13,812
Others	1,247,430	15,224,496	447,907	868,417	534,858	11,688,041	30,011,149
Total assets	43,886,204	914,531,063	69,946,507	3,192,680	18,720,741	11,891,925	1,062,169,120
Borrowings	49,714,586	879,274,897	-	-	9,396,042	-	938,385,525
Subordinated debt	-	-	-	-	-	-	-
Deposits & other accounts	26,012,915	-	-	-	1,010,000	-	27,022,915
Net inter segment borrowing	(33,086,837)	27,647,910	-	-	5,438,927	-	-
Deferred tax liability	-	-	-	-	3,725	10,770,009	10,773,734
Others	1,897,949	(10)	106,086	2,440	373,142	1,201,930	3,581,537
Total liabilities	44,538,613	906,922,797	106,086	2,440	16,221,836	11,971,939	979,763,711
Equity	(652,409)	7,608,266	69,840,421	3,190,240	2,498,905	(80,014)	82,405,409
Total equity & liabilities	43,886,204	914,531,063	69,946,507	3,192,680	18,720,741	11,891,925	1,062,169,120
Contingencies & commitments	9,028,745	-	-	-	7,980,108	463,079	17,471,932

Half year ended June 30, 2023 (Un-audited)					
Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total

(Rupees in '000)

Profit & loss account (Restated)

Net mark-up / return / (loss) / profit	(671,201)	1,377,340	-	-	6,869	713,008
Non mark-up / return / interest income	51,305	71,053	7,491,359	2,579,383	277,415	10,470,515
Total Income	(619,896)	1,448,393	7,491,359	2,579,383	284,284	11,183,523
Segment direct expenses	(64,650)	(30,496)	(11,867)	(10,963)	(254,025)	(372,001)
Segment indirect expenses	(145,918)	(32,426)	(24,320)	(16,213)	(445,860)	(664,737)
Total expenses	(210,568)	(62,922)	(36,187)	(27,176)	(699,885)	(1,036,738)
Credit loss allowance reversal / (charge)	3,377	(8)	-	-	169,111	172,480
(Loss) / profit before tax	(827,087)	1,385,463	7,455,172	2,552,207	(246,490)	10,319,265

As at December 31, 2023 (Audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total	
(Rupees in '000)						
Cash & bank balances	-	748,331	-	-	28,557	776,888
Investments	3,507,781	976,804,116	60,881,893	3,615,293	1,000,000	1,045,809,083
Lendings to financial institutions	-	-	-	-	-	-
Advances - performing	53,618,093	-	-	-	213,367	53,831,460
Advances - non-performing	13,812	-	-	-	-	13,812
Others	906,766	23,045,886	-	-	15,066,090	39,018,742
Total assets	58,046,452	1,000,598,333	60,881,893	3,615,293	16,308,014	1,139,449,985
Borrowings	55,207,678	971,322,538	-	-	-	1,026,530,216
Deposits & other accounts	-	19,270,777	-	-	-	19,270,777
Deferred tax liability	(619,349)	(1,079,253)	14,350,246	(186,186)	70,217	12,535,675
Others	1,280,980	536,945	-	1,498	1,817,030	3,636,453
Total liabilities	55,869,309	990,051,007	14,350,246	(184,688)	1,887,247	1,061,973,121
Equity	1,107,085	6,679,085	2,015	942,535	68,746,144	77,476,865
Total equity & liabilities	56,976,394	996,730,092	14,352,261	757,847	70,633,391	1,139,449,986
Contingencies & commitments	18,236,826	-	-	-	-	18,236,826

33.2 Segment details with respect to geographical locations

All the Holding Company's business segments operate in Pakistan only.

34 RELATED PARTY TRANSACTIONS

The Group has related party relationship with its associates, associated undertaking, employee benefit plans, key management personnel and its directors.

The Group enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

	June 30, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
(Rupees in '000)								
Balances with other banks								
In current accounts	-	-	16,193	-	-	-	-	-
In saving accounts	-	-	243,494	-	-	-	66,329	-
	-	-	259,687	-	-	-	66,329	-
Investments								
Opening balance	-	-	60,881,093	500	-	-	38,580,355	500
Equity method accounting adjustments	-	-	7,384,255	-	-	-	22,300,738	-
Closing balance	-	-	68,265,348	500	-	-	60,881,093	500
Advances								
Opening balance	-	129,957	-	18,653	-	174,572	-	23,511
Addition during the period / year	-	3,559	-	2,538,128	-	12,746	-	-
Repaid during the period / year	-	(18,990)	-	(2,886)	-	(57,361)	-	(4,858)
Closing balance	-	114,526	-	2,553,895	-	129,957	-	18,653
Credit loss allowance held against advances	-	(15)	-	(12)	-	-	-	-
Other Assets								
Interest / mark-up accrued	-	-	1,309	-	-	-	2,046	-
Credit loss allowance against other assets	-	-	(177)	-	-	-	(276)	-
	-	-	1,132	-	-	-	1,770	-
Borrowings								
Opening balance	-	-	30,996,916	-	-	-	30,657,267	12,648,747
Borrowings during the year	-	-	-	-	-	-	11,855,548	-
Settled during the year	-	-	(30,996,916)	-	-	-	(25,323,882)	(12,648,747)
Transfer in / (out) - net	-	-	-	-	-	-	13,807,983	-
Closing balance	-	-	-	-	-	-	30,996,916	-
Deposits and other accounts								
Opening balance	-	-	-	679,469	-	-	-	886,721
Received during the year	-	-	-	1,308,966	-	-	-	3,798,797
Withdrawn during the year	-	-	-	(1,183,469)	-	-	-	(4,006,049)
Closing balance	-	-	-	804,966	-	-	-	679,469
Other Liabilities								
Interest / mark-up payable	-	-	-	63,704	-	-	-	32,628
Payable to staff gratuity fund	-	-	-	186,996	-	-	-	153,191
Payable to National Clearing Company of Pakistan Limited	-	-	65	-	-	-	108	-
Payable to FTC Management Company (Private) Limited	-	-	-	1,500	-	-	-	1,206
Payable to TCC Management Company	-	-	-	320	-	-	-	-
Payable to Planet - N (Private) Limited	-	-	-	-	-	-	11,828	-
	-	-	65	252,520	-	-	11,936	187,025

Half year ended							
June 30, 2024 (Un-audited)				June 30, 2023 (Un-audited)			
Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties

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

Income

Mark-up / return / profit /interest earned	-	2,317	6,378	1,225	-	3,405	2,673	-
Dividend income	-	-	8,250,018	-	-	-	3,296,800	-
Share in results of associates net of dividend income	-	-	7,772,257	-	-	-	6,636,466	-

Other income

- Nominee director fee	-	-	9,700	150	-	-	9,900	345
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Expense

Mark-up / return / interest paid / accrued	-	-	2,275,106	78,848	-	-	2,291,438	516,945
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Operating expenses

- Directors fee	13,325	-	-	-	8,750	-	-	-
- Remuneration to key management personnel (including retirement benefits)	-	460,949	-	-	-	547,274	-	-
- Nominee director fee payment	-	-	-	4,250	-	-	-	2,900
- NCCPL charges	-	-	839	-	-	-	609	-
- FMCL office maintenance charges	-	-	-	27,039	-	-	-	19,478
- Contribution made to staff provident fund	-	-	-	27,322	-	-	-	20,522
- Contribution made to staff gratuity fund	-	-	-	33,804	-	-	-	24,762

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	June 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	----- (Rupees in '000) -----	
Minimum capital requirement (MCR):		
Paid-up capital	16,000,000	16,000,000
*Capital adequacy ratio (CAR):		
Eligible common equity tier 1 (CET 1) capital	25,280,107	14,496,225
Eligible Additional Tier 1 (ADT 1) Capital	-	1,348
Total Eligible Tier 1 Capital	25,280,107	14,497,573
Eligible tier 2 capital	7,001,679	5,317,621
Total eligible capital (tier 1 + tier 2)	32,281,786	19,815,194
Risk weighted assets (RWAs):		
Credit risk	106,379,251	68,933,727
Market risk	5,236,392	7,866,710
Operational risk	38,795,180	38,795,180
Total	150,410,823	115,595,617
Common equity tier 1 capital adequacy ratio	16.81%	12.54%
Tier 1 capital adequacy ratio	16.81%	12.54%
Total capital adequacy ratio	21.46%	17.14%
**Leverage ratio (LR):		
Eligible tier-1 capital	25,280,107	14,497,573
Total exposures	1,034,490,055	1,064,441,355
Leverage ratio	2.44%	1.36%
Liquidity coverage ratio (LCR):		
Total high quality liquid assets	29,198,265	22,486,560
Total net cash outflow	23,388,640	25,688,304
Liquidity coverage ratio	124.84%	87.54%
Net stable funding ratio (NSFR):		
Total available stable funding	135,097,597	136,366,155
Total required stable funding	131,336,653	129,193,619
Net stable funding ratio	102.86%	105.55%

* The CAR has been calculated as per treatment allowed by SBP vide their letter reference SBPHOK-BPRD-BACPD-PKIC-667724 dated 27 August 2024 in which the Holding company has been allowed to value its investment in one of its associate Meezan Bank Limited at net of associated deferred tax liabilities (DTL) for the purpose of threshold deduction required under group level CAR calculation until December 31, 2026.

** The SBP has given relaxation to the Holding company to maintain leverage ratio of 2% till December 31, 2024 against the requirement of 3%.

36 ISLAMIC FINANCE DIVISION

The Holding Company has commenced its Shariah compliant business through Islamic Finance Division in the current period. Summarised financial statements of PKIC's Islamic Finance Division are presented below:

STATEMENT OF FINANCIAL POSITION	Note	June 30, 2024 (Un-audited) Rupees in '000
ASSETS		
Cash and balances with treasury banks		165,000
Balances with other banks		16,191
Due from financial institutions		-
Investments	36.1	4,562,486
Islamic financing and related assets - net	36.2	13,442,206
Property and equipment		15,856
Right-of-use assets		-
Intangible assets		-
Due from head office		-
Other assets		519,002
Total assets		18,720,741
LIABILITIES		
Bills payable		-
Due to financial institutions		9,396,042
Deposits and other accounts	36.3	1,010,000
Due to head office		5,438,927
Lease liabilities		-
Subordinated debt		-
Deferred tax liabilities		3,725
Other liabilities		373,142
		16,221,836
NET ASSETS		2,498,905
REPRESENTED BY		
Islamic banking fund		2,237,077
Reserves		-
Surplus on revaluation of assets		28,420
Unappropriated profit	36.4	233,408
		2,498,905
CONTINGENCIES AND COMMITMENTS	36.5	
STATEMENT OF PROFIT AND LOSS ACCOUNT		
		For the period from February 27, 2024 to June 30, 2024 (Un-audited) Rupees in '000
Profit / return earned	36.6	953,941
Profit / return expensed	36.7	626,513
Net profit / return		327,428
Other income		
Fee and commission income		1,875
Dividend income		-
Foreign exchange income		-
Loss on securities		(428)
Other income		-
Total other income		1,447
Total income		328,875
Other expenses		
Operating expenses		11,059
Workers welfare fund		-
Other charges		-
Total other expenses		11,059
Profit before credit loss allowance		317,816
Credit loss allowance and write offs - net		(2,192)
Profit before taxation		315,624
Taxation		82,216
Profit after taxation		233,408

June 30, 2024 (Un-audited)			
Amortised cost	Credit loss allowance for diminution	Surplus	Carrying value

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

36.1 Investments by segments:

- Debt instruments

Classified / measured at FVOCI

Federal government securities

-Ijarah sukuks

Non government debt securities

2,402,236	-	10,644	2,412,880
1,667,366	(238)	21,698	1,688,826
4,069,602	(238)	32,342	4,101,706

Classified / measured at FVPL

Non government debt securities

460,000	-	780	460,780
460,000	-	780	460,780

Total investments

4,529,602	(238)	33,122	4,562,486
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36.1.1 Particlurs of credit loss allowance

June 30, 2024 (Un-audited)			
Stage 1	Stage 2	Stage 3	Total

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

Non government debt securities

238	-	-	238
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36.2 Islamic financing and related assets

Musharakah

Diminishing Musharakah

Tijarah

Advances for Diminishing Musharakah

Inventories against Istisna

Inventories against Tijarah

Gross Islamic financing and related assets

June 30, 2024
(Un-audited)
(Rupees in '000)

1,450,000
8,663,172
298,303
2,538,129
361,508
132,870
13,443,982

Less: Credit loss allowance against Islamic financings

Stage 1

Stage 2

Stage 3

(1,776)
-
-
(1,776)

Islamic financing and related assets - net of credit loss allowance

13,442,206

36.3 DEPOSITS AND OTHER ACCOUNTS

(Un-audited)		
In local currency	In foreign currencies	Total

Note -----Rupees in '000-----

Customers

Certificates of Islamic Investment

36.3.1	1,010,000	-	1,010,000
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36.3.1 The profit rates on these Certificates of Islamic Investments (COII) range between 19.50% and 19.76% per annum (December 31, 2023: Nil). These COIIs have maturities between July 29, 2024 and September 30, 2024 (December 31, 2023: Nil).

36.3.2 Composition of deposits

- Individuals

- Government / public sector entities

- Private sector

June 30, 2024
(Un-audited)
Rupees in '000

-
1,000,000
10,000
1,010,000

		June 30, 2024 (Un-audited) Rupees in '000
36.4	Islamic banking business unappropriated profit	
	Opening balance	-
	Add: Islamic banking profit for the period	315,624
	Less: taxation	(82,216)
	Closing balance	<u>233,408</u>
36.5	Contingencies and commitments	
	- Guarantees	750,000
	- Commitments	7,230,108
		<u>7,980,108</u>
		For the period from February 27, 2024 to June 30, 2024 (Un-audited) Rupees in '000
36.6	Profit / return earned on financing and investments	
	Profit earned on:	
	Financing	657,974
	Investments	295,967
		<u>953,941</u>
36.7	Profit on deposits and other dues expensed	
	Profit expensed on:	
	Deposits and other accounts	1,597
	Due to financial institutions	624,916
		<u>626,513</u>
36.8	Pool management	
36.8.1	The pools, their key features & risk and rewards characteristics:	
	The Company's Islamic Finance Division operates special pools for deposits and inter-bank funds accepted / acquired under Mudarabah and Musharakah modes.	
36.8.2	Equity pool:	
	Equity pool is being managed for those assets which are currently not generating income and are in either at advance or inventory stages. Once the nature of inventory / advance changes to financing stage, those assets would be transferred to another income generating pool for the benefit of depositor/FI. Financing to Company's Islamic Finance Division's employees is also financed through this pool.	
	The risk of generating income at later stage due to nature of Islamic Financing assets and risk of staff related financing are borne by equity holders.	
	During the period, the Company's Islamic Finance Division (PKIC - IFD) has given general Hiba to the depositors in specific pool, keeping in view the prescribed guidelines of Pool Management provided by the SBP. However, Hiba is given at the sole discretion of the PKIC-IFD without any contractual commitment with the depositors.	
	The Mudarib's share on deposits for the period ended June 30, 2024 is Rs. 0.17 million (10.00% of distributable profit of Mudarabah pool). An amount of Rs. 0.05 million (28.58% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 21.22% per annum and the rate of profit paid on average deposits was 19.76% per annum.	
36.8.3	Special Mudarabah pools	
	Separate pools are created where the customers desire to invest in high yield assets. The rates of these pools are higher than the general pool depending on the assets. In case of loss in special pool, the loss will be borne by the pool members. The net return on the pool is arrived at after deduction of direct costs from the gross return earned by the pool. From the net return, profit is paid to the Mudarib in the ratio of the Mudarib's equity in the pool to the total pool. The balance represents the distributable profit.	

36.8.4 Treasury pool

The Treasury pool assets generally comprise of Sovereign Guarantee Sukuk and financing under Diminishing Musharakah, Ijarah facility and the related liability of the Treasury pool comprises of Musharakah / Wakalah / Mudarabah from financial institutions. This pool is created to meet the liquidity requirements of the Company's Islamic Finance Division.

The risk characteristic of pool

The risk characteristic of each pool mainly depends on the assets and liability profile of each pool. All pools are exposed to general credit risk, asset ownership risk and Profit rate risk of underlying assets involved.

Risk of loss is shared between partners as per the ratio of investment.

36.8.5 Avenues / sectors where Mudarabah / Musharakah based FI funds / deposits have been deployed:

June 30, 2024
(Un-audited)
Rupees in '000

Construction	2,538,128
Fertilizers	1,125,000
Food	400,000
Pharmaceuticals	1,113,454
Power (electricity)	2,156,268
Sugar	744,018
Telecommunication	1,339,082
Textile	1,181,174
Transport	2,254,342
Others	592,516
Total gross Islamic financing and related assets	<u>13,443,982</u>
Total gross investments (at cost)	<u>4,529,602</u>
Total invested funds	<u>17,973,584</u>

36.8.6 Parameters used for allocation of profit, charging expenses and credit loss allowance etc. along with a brief description of their major allowance:

The Company's Islamic Finance Division is currently accepting funds through customers under Mudarabah / Musharakah arrangements, wherein the Company's Islamic Finance Division and other customers are considered as partners. Funds received from customer is transferred in the pool where the Company's Islamic Finance Division also contributes its capital. Before accepting funds, the Company's Islamic Finance Division and customer set profit sharing ratio in line with the expected profit to be earned against financial institutions' funds.

The funds so generated are invested by the Company's Islamic Finance Division in Shariah compliant modes of financing and investments such as Murabaha, Istisna, Diminishing Musharakah, Tijarah, Running Musharakah, and Sukuks etc.

The Company's Islamic Finance Division calculates the profit of the pool at the end of every month. Profit is distributed at the net income level. Net income is calculated after deducting direct costs (if any).

The net income is being allocated between the Mudarib (the Company's Islamic Finance Division) and Rab-ul-Maal (Customer) in proportion to their profit-sharing ratio.

After the allocation of income between the equity holder and Pool, the profit is distributed among the corporate customers on the basis of weightages as and when required. In case of loss, the Company's Islamic Finance Division and Customer shall bear the loss as per their ratio of investment.

ECL provisioning shall not be considered in the income calculation of pool. However, write-offs of financings and loss on sale of investments shall be charged to the pool along with other direct expenses.

36.8.7 Mudarib / Musharik's share (in amount and percentage of distributable income)

June 30, 2024 (Un-audited)									
Pool	No. of Pools	Nature of pool	Profit rate and weightages announcement period	Average Profit rate earned	Profit sharing ratio	Mudarib fee / Musharakah share	Average profit rate return distributed	Percentage of Mudarib share transferred through Hiba	Amount of Mudarib share transferred through Hiba
				%	%	(Rupees in '000)	%	%	(Rupees in '000)
Special Pools	2	Mudarabah	As required	21.22%	10.00%	176.15	19.76%	28.58%	50.34

37 DATE OF AUTHORISATION FOR ISSUE

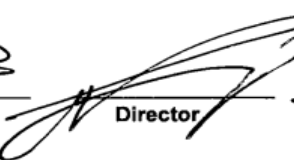
These consolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on August 29, 2024.

38 GENERAL

38.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

39 CORRESPONDING FIGURES

The corresponding figures have been restated / reclassified / rearranged wherever necessary.


Chief Executive
Chief Financial Officer
Director
Director
Director