



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS



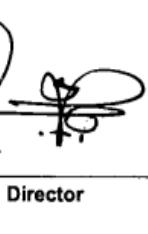
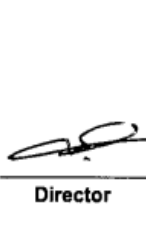
(Un-Audited)

For nine months period ended September 30, 2024

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

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	Note -----(Rupees in '000)-----	
ASSETS		
Cash and balances with treasury banks	6 828,474	631,063
Balances with other banks	7 279,763	145,825
Lendings to financial institutions	-	-
Investments	8 1,001,184,468	1,045,809,083
Advances	9 52,889,761	53,845,272
Property and equipment	10 1,396,829	1,074,903
Right-of-use assets	-	-
Intangible assets	11 55,261	13,211
Deferred tax assets	-	-
Other assets	12 26,971,600	37,930,628
Total assets	1,083,606,156	1,139,449,985
LIABILITIES		
Bills payable	-	-
Borrowings	13 953,182,404	1,026,530,216
Deposits and other accounts	14 16,674,462	19,270,777
Lease liabilities	-	-
Subordinated debt	-	-
Deferred tax liabilities	15 14,404,801	12,535,675
Other liabilities	16 4,554,621	3,636,453
Total liabilities	988,816,288	1,061,973,121
NET ASSETS	94,789,868	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 11,209,222	5,354,271
Unappropriated profit	52,325,343	40,897,186
Total equity attributable to the equity holders of the Holding Company	94,469,903	77,186,795
Non-controlling interest	18 319,965	290,069
	94,789,868	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
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PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Note	Quarter ended		Nine months period ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
		(Rupees in '000)			
			(Restated)		(Restated)
Mark-up / return / interest / profit earned	20	53,982,236	86,848,250	157,229,211	176,542,567
Mark-up / return / interest / profit expensed	21	52,190,035	83,876,022	163,886,162	172,857,331
Net mark-up / return / interest / profit / income / (expense)		1,792,201	2,972,228	(6,656,951)	3,685,236
NON MARK-UP / INTEREST INCOME					
Fee and commission income	22	8,365	13,181	132,244	73,736
Dividend income		45,553	44,761	160,732	181,929
Foreign exchange income		-	-	-	-
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	23	165,343	(176,983)	(66,215)	(119,914)
Net gain on derecognition of financial assets measured at amortised cost		-	-	-	-
Share in results of associates - net	24	8,044,461	7,920,058	24,066,736	17,853,324
Other income	25	26,034	23,546	89,013	306,003
Total non-markup / interest income		8,289,756	7,824,563	24,382,510	18,295,078
Total income		10,081,957	10,796,791	17,725,559	21,980,314
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	26	782,072	563,895	1,922,162	1,526,977
Workers Welfare Fund		96,070	87,236	96,070	160,892
Other charges	27	-	-	6,395	-
Total non-markup / interest expenses		878,142	651,131	2,024,627	1,687,869
Profit before credit loss allowance / provisions		9,203,815	10,145,660	15,700,932	20,292,445
Charge / (reversal) of credit loss allowance / provisions and write-offs - net	28	68,501	13,306	(22,232)	(159,174)
Other income / expense items		-	-	-	-
PROFIT BEFORE TAXATION		9,135,314	10,132,354	15,723,164	20,451,619
Taxation	29	2,388,014	2,259,862	3,877,864	3,888,327
PROFIT AFTER TAXATION		6,747,300	7,872,492	11,845,300	16,563,292
Attributable to:					
Equity holders of the Holding Company		6,838,829	7,872,492	12,032,499	16,563,292
Non-controlling interest		(91,529)	-	(187,199)	-
		<u>6,747,300</u>	<u>7,872,492</u>	<u>11,845,300</u>	<u>16,563,292</u>
		-----Rupees-----			
Basic earnings per share (on share of Rs. 25,000 each)	30	10,686	12,301	18,801	25,880

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


Chief Executive


Chief Financial Officer


Director


Director


PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

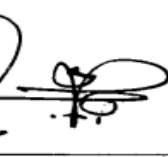
	Quarter ended		Nine months period ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	------(Rupees in '000)-----			
		(Restated)		(Restated)
Profit after taxation for the period	6,747,300	7,872,492	11,845,300	16,563,292
Other comprehensive (loss) / income				
Items that may be reclassified to the profit and loss account in subsequent periods:				
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	3,374	427	6,308	2,139
Movement in surplus / (deficit) on revaluation of government securities through FVOCI - net of tax	3,876,845	1,483,516	4,483,127	(221,957)
Share of movement in surplus on revaluation of FVOCI securities of associates - net of tax	1,898,630	706,975	1,331,888	480,548
	5,778,849	2,190,918	5,821,323	260,730
Items that will not be reclassified to the profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of equity investments - net of tax	(237,428)	291,863	(250,213)	392,378
Gain / (loss) on sale of equity shares - FVOCI	110,411	(44,274)	729,134	(118,870)
Share of realised gain / (loss) on FVOCI equity securities of associates - net of tax	80,921	(59,076)	115,158	(79,590)
Share of deficit on revaluation of non - banking assets of associates - net of tax	-	-	-	(71)
Share of remeasurement gain / (loss) on defined benefit obligation of associates - net of tax	1,022	(7,966)	(5,029)	(11,480)
	(45,074)	180,547	589,050	182,367
Total comprehensive income	<u>12,481,075</u>	<u>10,243,957</u>	<u>18,255,673</u>	<u>17,006,389</u>
Attributable to:				
Equity holders of the Holding Company	12,572,604	10,243,956	18,442,872	17,006,389
Non-controlling interest	(91,529)	-	(187,199)	-
	<u>12,481,075</u>	<u>10,243,956</u>	<u>18,255,673</u>	<u>17,006,389</u>

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


Chief Executive


Chief Financial Officer


Director

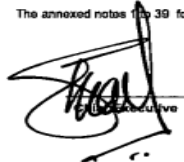

Director


Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

Share Capital	Capital reserve			Surplus / (deficit) on revaluation of			Revenue reserve	Subtotal	Non controlling interest	Total
	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 the nine months period ended September 30, 2023	-	-	-	-	-	-	16,563,292	16,563,292	-	16,563,292
Other comprehensive income / (loss) - net of tax										
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	2,139	-	-	2,139	-	2,139
Movement in deficit on revaluation of government securities at FVOCI - net of tax	-	-	-	-	(221,957)	-	-	(221,957)	-	(221,957)
Share of movement in surplus on revaluation of 'FVOCI' securities of associates - net of tax	-	-	-	-	480,548	-	-	480,548	-	480,548
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	-	392,378	-	-	392,378	-	392,378
Loss on sale of equity shares - FVOCI	-	-	-	-	-	-	(118,870)	(118,870)	-	(118,870)
Share of realised loss on FVOCI equity securities of associates - net of tax	-	-	-	-	-	-	(79,590)	(79,590)	-	(79,590)
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	-	-	-	-	-	-	(11,480)	(11,480)	-	(11,480)
Total other comprehensive loss	-	-	-	-	653,108	(71)	(209,940)	443,097	-	443,097
Share of movement in other reserve of associate - net of tax	-	-	-	-	-	-	41,882	41,882	-	41,882
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 September 30, 2023 (Restated) (Un-audited)	16,000,000	935,264	11,999,846	1,659,468	(19,678)	1,318	37,480,783	68,057,001	-	68,057,001
Opening balance as at October 01, 2023 (Restated) (Un-audited)	16,000,000	935,264	11,999,846	1,659,468	(19,678)	1,318	37,480,783	68,057,001	-	68,057,001
Share of NCI in subsidiary	-	-	-	-	-	-	-	-	408,655	408,655
Profit after taxation for the three months period ended December 31, 2023	-	-	-	-	-	-	3,850,865	3,850,865	(118,586)	3,732,279
Other comprehensive income / (loss) - net of tax										
Movement in deficit on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	(3,285)	-	-	(3,285)	-	(3,285)
Movement in surplus on revaluation of government securities at FVOCI - net of tax	-	-	-	-	1,925,828	-	-	1,925,828	-	1,925,828
Share of movement in surplus on revaluation of property and equipment of associates - net of tax	-	-	-	-	-	556,591	-	556,591	-	556,591
Share of movement in surplus on revaluation of 'FVOCI' securities of associates - net of tax	-	-	-	-	2,123,326	-	-	2,123,326	-	2,123,326
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	-	-	-	-	770,701	-	-	770,701	-	770,701
Loss on sale of equity shares - FVOCI	-	-	-	-	-	-	(131,867)	(131,867)	-	(131,867)
Share of realised gain on FVOCI equity securities of associates - net of tax	-	-	-	-	-	-	79,590	79,590	-	79,590
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	-	-	-	-	-	-	(26,688)	(26,688)	-	(26,688)
Total other comprehensive (loss) / income	-	-	-	-	4,816,570	(530)	556,591	(113,239)	5,259,392	5,259,392
Share of movement in other reserve of associate - net of tax	-	-	-	-	-	-	19,537	19,537	-	19,537
Transfer to statutory reserve	-	-	2,000,228	-	-	-	(2,000,228)	-	-	-
Transfer to capital market equalization reserve	-	-	-	(1,659,468)	-	-	1,659,468	-	-	-
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
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
Effect of Implementation of IFRS 9 by associate	-	-	-	-	283,841	-	-	(150,458)	133,383	133,383
Opening Balance as at January 1, 2024 (restated)										
Profit after taxation for the nine months period ended September 30, 2024	-	-	-	-	-	-	12,032,499	12,032,499	(187,199)	11,845,300
Other comprehensive income / (loss) - net of tax										
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	-	-	6,308	-	-	6,308	-	6,308
Movement in surplus on revaluation of government securities at FVOCI - net of tax	-	-	-	-	4,483,127	-	-	4,483,127	-	4,483,127
Share of movement in surplus on revaluation of FVOCI securities of associates - net of tax	-	-	-	-	1,331,888	-	-	1,331,888	-	1,331,888
Movement in deficit on revaluation of equity investments - net of tax	-	-	-	-	(250,213)	-	-	(250,213)	-	(250,213)
Gain on sale of equity shares - FVOCI	-	-	-	-	-	-	729,134	729,134	-	729,134
Share of realised gain on FVOCI equity securities of associates - net of tax	-	-	-	-	-	-	115,158	115,158	-	115,158
Share of remeasurement loss of defined benefit obligation of associates - net of tax	-	-	-	-	-	-	(5,029)	(5,029)	-	(5,029)
Total other comprehensive Income	-	-	-	-	5,571,110	-	839,263	6,410,373	-	6,410,373
Share of movement in other reserve of associate- net of tax	-	-	-	-	-	-	37,853	37,853	-	37,853
Share of NCI in subsidiary	-	-	-	-	-	-	-	-	217,095	217,095
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 September 30, 2024 (un-audited)	16,000,000	935,264	14,000,074	-	10,651,843	788	556,591	52,325,343	94,469,903	319,965

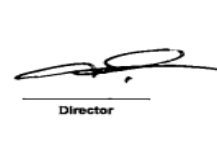
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Chief Financial Officer



Director



Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024

	Nine months period ended	
	September 30, 2024	September 30, 2023
Note	----- (Rupees in '000) -----	
	(Un-audited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
	(Restated)	
Profit before taxation	15,723,165	20,451,619
Less: Dividend income	(160,732)	(181,929)
	<u>15,562,433</u>	<u>20,269,690</u>
Adjustments :		
Net mark-up / interest income	6,794,264	(3,685,236)
Depreciation	166,620	106,397
Amortisation	4,022	4,690
Reversal of credit loss allowance / provisions and write-offs - net	28 (22,232)	(159,174)
Loss / (gain) on sale of property and equipment	471	(9,587)
Gain on sale of non current assets 'Held for Sale'	(47)	-
Unrealised (appreciation) / diminution on investments - measured at FVPL	(8,931)	14,808
Share in results of associates - net	(24,066,736)	(17,853,324)
	<u>(17,132,569)</u>	<u>(21,581,426)</u>
	(1,570,136)	(1,311,736)
(Increase) / decrease in operating assets		
Lendings to financial institutions	-	9,823,727
Securities classified as FVTPL	(9,542)	1,297
Advances	998,847	(943,965)
Others assets (excluding advance taxation)	(104,968)	(314,297)
	<u>884,337</u>	<u>8,566,762</u>
Increase / (decrease) in operating liabilities		
Borrowings from financial institutions	(73,347,812)	561,279,504
Deposits	(2,596,315)	(6,807)
Other liabilities (excluding current taxation)	267,692	231,010
	<u>(75,676,435)</u>	<u>561,503,707</u>
	(76,362,234)	568,758,733
Payments against off-balance sheet obligations		
Mark-up / interest received	166,412,463	167,500,707
Mark-up / interest paid	(163,179,438)	(172,327,751)
Income tax paid	(3,181,128)	(11,944,076)
	<u>51,897</u>	<u>(16,771,120)</u>
	(76,310,337)	551,987,613
CASH FLOWS FROM INVESTING ACTIVITIES		
Net divestment / (investment) in securities classified as FVOCI	65,956,829	(556,164,932)
Dividends received	12,139,203	5,614,888
Investments in property and equipment	(587,386)	(499,713)
Disposal of property and equipment	52,293	25,187
Net cash generated from / (used in) investing activities	<u>77,560,939</u>	<u>(551,024,570)</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>
	136,697	358,043
Increase in cash and cash equivalents	(33)	(24)
Credit loss on cash and cash equivalent	1,776,888	708,682
Cash and cash equivalents at beginning of the period	<u>1,913,552</u>	<u>1,066,701</u>
Cash and cash equivalents at end of the period	<u>31 1,913,552</u>	<u>1,066,701</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
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PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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; and

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

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	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
------(Rupees in '000)-----			
6 CASH AND BALANCES WITH TREASURY BANKS			
in hand			
local currency		158	150
With State Bank of Pakistan in			
- local currency current account	6.1	826,694	629,800
With National Bank of Pakistan in			
- local currency current account		1,622	1,113
		828,474	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		828,474	631,063

6.1 This includes Rs. 822.50 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	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
------(Rupees in '000)-----			
7	BALANCES WITH OTHER BANKS		
In Pakistan			
- current accounts	7.1	149,378	96,216
- deposit accounts	7.2	130,419	49,625
		<u>279,797</u>	<u>145,841</u>
Less: Credit loss allowance held against balances with other banks		(34)	(16)
Balances with other banks - net of credit loss allowance		<u>279,763</u>	<u>145,825</u>

7.1 These include balance maintained with Meezan Bank Limited (a related party) amounting to Rs. 1.17 million (December 31, 2023: Nil).

7.2 These accounts carry interest at the rates ranging between 9.01% to 18.00% (December 31, 2023:11.01% to 20.50%) per annum. These include balances with Meezan Bank Limited (a related party) amounting to Rs. 102.29 million (December 31, 2023: Rs. 44.21 million) carrying profit at the rate of 9.01% (December 31, 2023:11.01%) per

8 INVESTMENTS

8.1 Investments by type:

	September 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	12,936,899	-	-	12,936,899	27,864,892	-	-	27,864,892
Non government debt securities	805,315	-	-	805,315	2,000,000	(135)	-	1,999,865
	<u>13,742,214</u>	<u>-</u>	<u>-</u>	<u>13,742,214</u>	<u>29,864,892</u>	<u>(135)</u>	<u>-</u>	<u>29,864,757</u>
Classified / Measured at FVOCI								
Federal government securities	894,245,453	-	10,116,397	904,361,850	941,843,063	-	2,767,316	944,610,379
Non government debt securities	1,993,517	(33,983)	27,960	1,987,494	2,524,307	(34,010)	17,618	2,507,915
	<u>896,238,970</u>	<u>(33,983)</u>	<u>10,144,357</u>	<u>906,349,344</u>	<u>944,367,370</u>	<u>(34,010)</u>	<u>2,784,934</u>	<u>947,118,294</u>
Classified / Measured at FVPL								
Non government debt securities	4,438,636	-	(1,285)	4,437,351	4,339,068	-	(10,223)	4,328,845
- Equity Instruments								
Classified / Measured at FVPL								
Shares								
Listed companies	53,505	-	(99)	53,406	143,531	-	(2,492)	141,039
Classified / Measured at FVOCI (Non-Reclassifiable)								
Shares								
Listed companies	1,439,243	-	521,363	1,960,606	2,634,745	-	839,509	3,474,254
Unlisted companies	104,026	(103,225)	-	801	104,026	(103,225)	-	801
	<u>1,543,269</u>	<u>(103,225)</u>	<u>521,363</u>	<u>1,961,407</u>	<u>2,738,771</u>	<u>(103,225)</u>	<u>839,509</u>	<u>3,475,055</u>
Associates								
Meezan Bank Limited	70,232,859	-	-	70,232,859	56,440,847	-	-	56,440,847
Gandhara Tyre and Rubber Company Limited	1,869,990	-	-	1,869,990	1,845,325	-	-	1,845,325
AI Meezan Mutual Funds	426,508	-	-	426,508	408,971	-	-	408,971
AI Meezan Investment Management Ltd.	1,194,912	-	-	1,194,912	1,328,518	-	-	1,328,518
National Clearing Company of Pakistan Ltd.	422,097	-	-	422,097	354,792	-	-	354,792
Eclear Services Limited	72,613	-	-	72,613	67,182	-	-	67,182
Planet N (Private) Limited	421,767	-	-	421,767	435,458	-	-	435,458
	<u>74,640,746</u>	<u>-</u>	<u>-</u>	<u>74,640,746</u>	<u>60,881,093</u>	<u>-</u>	<u>-</u>	<u>60,881,093</u>
Total Investments	<u>990,657,340</u>	<u>(137,208)</u>	<u>10,664,336</u>	<u>1,001,184,468</u>	<u>1,042,334,725</u>	<u>(137,370)</u>	<u>3,611,728</u>	<u>1,045,809,083</u>

	September 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	1,775,850	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	(7,910)	(51,624)
Share of profit from associates recognised in the consolidated profit and loss account	24,066,736	26,331,208
Share of employee share option compensation reserve of associates	-	67,993
Share of effect of changes in opening reserve due to implementation of IFRS - 9 by associate	177,845	-
Share of movement in other reserve of associates	50,471	13,899
Share of realized gain on sale of FVOCI securities of associates	153,544	-
Dividend received from associates	(12,456,883)	(8,285,190)
Investments at end of the period / year	<u>74,640,746</u>	<u>60,881,093</u>

The cost of investments in associates as at September 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. 8,717 million (September 30, 2023: Rs. 10,415 million),.

8.2 Summary of financial position and performance of associates

September 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	29.91	3,388,419,082	3,151,465,200	214,761,030	78,794,495	85,234,330
Ghandhara Tyre and Rubber Company Limited *	Pakistan	30.00	18,848,105	12,852,800	1,636,576	77,676	82,221
Al Meezan Mutual Funds	Pakistan	7.31	5,888,823	125,223	960,555	818,543	818,543
Al Meezan Investment Management Limited	Pakistan	30.00	7,642,663	2,171,555	3,564,712	1,458,136	1,443,651
National Clearing Company of Pakistan Limited	Pakistan	15.00	23,923,254	21,268,006	1,900,319	596,169	596,169
Eclear Services Limited	Pakistan	20.00	1,540,803	1,192,932	46,204	27,158	27,158
Planet N (Private) Limited	Pakistan	9.93	416,435	85,994	126,837	(59,177)	(59,177)

* The financial statements for the period ended September 30, 2024 of Ghandhara Tyre and Rubber Company Limited are not available, therefore the financial statements for the half year ended June 30, 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
Eclear 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

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	------(Rupees in '000)-----	
8.3 Investments given as collateral		
Pakistan Investment Bonds	288,481,681	462,402,786
Market Treasury Bills	581,329,500	498,552,619
	<u>869,811,181</u>	<u>960,955,405</u>

8.3.1 These carry average purchase yield at the rate of 17.19% (2023: 23.82%) and are due to mature latest by September 21, 2028 (2023: September 21, 2028).

8.3.2 These carry average purchase yield at the rate of 21.47% (2023: 21.47%) and are due to mature latest by December 12, 2024 (2023: December 22, 2024).

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	------(Rupees in '000)-----	
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	404	718
ECL reversal for the period / year	(566)	(731)
	(162)	(13)
Closing balance	<u>137,208</u>	<u>137,370</u>

8.4.2 Particulars of credit loss allowance / provision against debt securities

Category of classification	September 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	2,765,194	345	4,490,669	507
Underperforming	-	-	-	-
Non-performing	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	33,638	33,638	33,638	33,638
	<u>33,638</u>	<u>33,638</u>	<u>33,638</u>	<u>33,638</u>
Total	<u>2,798,832</u>	<u>33,983</u>	<u>4,524,307</u>	<u>34,145</u>

9 ADVANCES

Note	Performing		Non performing		Total	
	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	------(Rupees in '000)-----					
Loans, cash credits, running finances, etc.	40,486,158	54,970,539	902,438	822,969	41,388,596	55,793,508
Islamic financing and related assets	13,427,875	-	-	-	13,427,875	-
Advances - gross	53,914,033	54,970,539	902,438	822,969	54,816,471	55,793,508
Provision against advances						
- Specific	-	-	-	-	-	-
- General	(1,100,000)	(1,100,000)	-	-	(1,100,000)	(1,100,000)
	(1,100,000)	(1,100,000)	-	-	(1,100,000)	(1,100,000)
Credit loss allowance against advances						
-Stage 1	(18,278)	(22,710)	-	-	(18,278)	(22,710)
-Stage 2	(6,432)	(16,369)	-	-	(6,432)	(16,369)
-Stage 3	-	-	(802,000)	(809,157)	(802,000)	(809,157)
	(24,710)	(39,079)	(802,000)	(809,157)	(826,710)	(848,236)
Advances - net of credit loss allowance / provision	<u>52,789,323</u>	<u>53,831,460</u>	<u>100,438</u>	<u>13,812</u>	<u>52,889,761</u>	<u>53,845,272</u>

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

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	------(Rupees in '000)-----	
9.2 Particulars of advances (Gross)		
In local currency	<u>54,816,471</u>	<u>55,793,508</u>

9.3 Advances include Rs. 902.44 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	September 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	157,500	70,875	-	-
Doubtful	-	-	-	-
Loss	744,938	731,125	822,969	809,157
Total	<u>902,438</u>	<u>802,000</u>	<u>822,969</u>	<u>809,157</u>

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

	September 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	70,874	738	3,926	-	75,538	-	16,369	9,595	-	-	25,964
Reversals for the period / year	(78,031)	(10,675)	(8,358)	-	(97,064)	(176,361)	-	(8,976)	-	-	(185,337)
	(7,157)	(9,937)	(4,432)	-	(21,526)	(176,361)	16,369	619	-	-	(159,373)
Closing balance	<u>802,000</u>	<u>6,432</u>	<u>18,278</u>	<u>1,100,000</u>	<u>1,926,710</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

	September 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	802,000	6,432	18,278	1,100,000	1,926,710	809,157	16,369	22,710	-	1,100,000	1,948,236

9.5 Advances - Particulars of credit loss allowance

	September 30, 2024 (Un-audited)						December 31, 2023 (Audited)					
	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total	Stage 1	Stage 2	Stage 3	Specific Provision	General Provision	Total
	(Rupees in '000)											
Opening balance	22,710	16,369	809,157	-	1,100,000	1,948,236	-	-	-	985,518	1,100,000	2,085,518
IFRS 9 implementation	-	-	-	-	-	-	22,091	-	985,518	(985,518)	-	22,091
New advances	2,781	738	-	-	-	3,519	6,608	3,979	-	-	-	10,587
Advances derecognised or repaid	(7,333)	(6,053)	(78,031)	-	-	(91,417)	(3,060)	-	(176,361)	-	-	(179,421)
Transfer to stage 1	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	(990)	990	-	-	-	-
Transfer to stage 3	-	(4,395)	70,874	-	-	66,479	-	-	-	-	-	-
	(4,552)	(9,710)	(7,157)	-	-	(21,419)	2,558	4,969	(176,361)	-	-	(168,834)
Changes in risk parameters (PDs/LGDs/EADs)	120	(227)	-	-	-	(107)	(1,939)	11,400	-	-	-	9,461
Closing balance	<u>18,278</u>	<u>6,432</u>	<u>802,000</u>	<u>-</u>	<u>1,100,000</u>	<u>1,926,710</u>	<u>22,710</u>	<u>16,369</u>	<u>809,157</u>	<u>-</u>	<u>1,100,000</u>	<u>1,948,236</u>

9.5.2 Advances - Category of classification

Domestic	September 30, 2024 (Un-audited)		December 31, 2023 (Audited)	
	Outstanding amount	Credit loss allowance / Provision	Outstanding amount	Credit loss allowance / Provision
	(Rupees in '000)			
Performing	51,148,174	1,118,278	52,662,385	1,122,710
Underperforming	2,765,859	6,432	2,308,154	16,369
Non-Performing				
Substandard	157,500	70,875	-	-
Doubtful	-	-	-	-
Loss	744,938	731,125	822,969	809,157
	902,438	802,000	822,969	809,157
Total	<u>54,816,471</u>	<u>1,926,710</u>	<u>55,793,508</u>	<u>1,948,236</u>

9.6 As at December 31, 2023, the Holding Company had an outstanding exposure of Rs. 2,254 million against Pakistan International Airlines Corporation Limited (PIACL). During the nine months period ended September 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 Holding Company has not applied modification accounting under IFRS 9 in respect of its PIACL exposure as at September 30, 2024.

		September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	Note	------(Rupees in '000)-----	
10 PROPERTY AND EQUIPMENT			
Capital work-in-progress	10.1	340,350	29,325
Property and equipment		1,056,479	1,045,578
		<u>1,396,829</u>	<u>1,074,903</u>
10.1 Capital work-in-progress			
Civil works		6,461	-
Advance to suppliers		333,889	29,325
		<u>340,350</u>	<u>29,325</u>
		Nine months period ended	
		September 30,	September 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		<u>392,501</u>	-
Property and equipment			
Buidling on leasehold land		-	3,028
Leasehold Improvements		50,626	-
Furniture and fixture		6,135	4,972
Electrical office and computer equipment		71,915	35,573
Vehicles		101,613	750,608
		<u>230,289</u>	<u>794,181</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		608	372
Vehicles		52,156	15,152
		<u>52,764</u>	<u>15,600</u>
		September 30,	December 31,
		2024	2023
		(Un-audited)	(Audited)
11 INTANGIBLE ASSETS		------(Restated)-----	
Advance to supplier		38,419	-
Intangible assets - computer software		16,842	13,211
		<u>55,261</u>	<u>13,211</u>
12 OTHER ASSETS			
Income / mark-up / profit accrued in local currency		16,820,930	25,666,119
Advances, deposits, advance rent and other prepayments		131,303	43,759
Advance taxation		9,864,260	12,010,944
Other receivable	12.1	61,395	57,871
Non-current asset 'held for sale'		-	83,119
Prepaid Staff Cost		140,904	140,618
		<u>27,018,792</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	(933)	(1,559)
Other assets (net of credit loss allowance)		<u>26,971,600</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.			
		September 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>

14 DEPOSITS AND OTHER ACCOUNTS

	Note	September 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	15,956,496	-	15,956,496	18,091,307	-	18,091,307
Financial Institutions							
Certificate of Investment (COI)	14.1	717,966	-	717,966	1,179,470	-	1,179,470
		<u>16,674,462</u>	<u>-</u>	<u>16,674,462</u>	<u>19,270,777</u>	<u>-</u>	<u>19,270,777</u>

14.1 The interest rates on these Certificates of Investments (COI) range between 14.75% and 22.75% per annum (December 31, 2023: 17.50% and 23.65% per annum). These COIs have maturities between October 02, 2024 and June 20, 2025 (December 31, 2023: January 02, 2024 and November 29, 2024).

15 DEFERRED TAX LIABILITIES

	September 30, 2024 (Un-audited)				
	At January 1, 2024	Recognised in P&L A/C	Recognised in OCI	Recognised in SOCIE	At September 30, 2024
(Rupees in 000)					
Deductible temporary differences on					
- Tax losses carried forward	-	2,392,844	-	-	2,392,844
- Post retirement employee benefits	77,974	19,775	-	-	97,749
- Credit loss allowance / provision against advances, off balance sheet etc.	789,438	(36,922)	-	-	752,516
- Provision for taxation	2,355,887	1,955,749	-	-	4,311,636
	<u>3,223,299</u>	<u>4,331,446</u>	<u>-</u>	<u>-</u>	<u>7,554,745</u>
Taxable temporary differences on					
- Surplus on revaluation of investments	(1,276,297)	(133)	(2,802,056)	-	(4,078,486)
- Accelerated tax depreciation	3,395	(14,491)	-	-	(11,096)
- Finance lease arrangements	(135,822)	45,580	-	-	(90,242)
- Share of profits from associates	(14,350,250)	(2,892,924)	(479,469)	(57,079)	(17,779,722)
	<u>(15,758,974)</u>	<u>(2,861,968)</u>	<u>(3,281,525)</u>	<u>(57,079)</u>	<u>(21,959,546)</u>
	<u>(12,535,675)</u>	<u>1,469,478</u>	<u>(3,281,525)</u>	<u>(57,079)</u>	<u>(14,404,801)</u>

	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)					
Deductible temporary differences on					
- Post retirement employee benefits	50,256	5,805	21,913	-	77,974
- Accelerated tax depreciation	(33,139)	36,534	-	-	3,395
- Credit loss allowance / provision against advances, off balance sheet etc.	688,221	93,088	-	8,129	789,438
- Provision for taxation	133,450	2,222,437	-	-	2,355,887
	<u>838,788</u>	<u>2,357,864</u>	<u>21,913</u>	<u>8,129</u>	<u>3,226,694</u>
Taxable temporary differences on					
- Surplus on revaluation of investments	1,433,481	(4,678)	(1,352,228)	(1,352,872)	(1,276,297)
- Finance lease arrangements	(237,920)	102,098	-	-	(135,822)
- Share of profits from associates	(5,350,457)	(7,939,485)	(1,039,833)	(20,475)	(14,350,250)
	<u>(4,154,896)</u>	<u>(7,842,065)</u>	<u>(2,392,061)</u>	<u>(1,373,347)</u>	<u>(15,762,369)</u>
	<u>(3,316,108)</u>	<u>(5,484,201)</u>	<u>(2,370,148)</u>	<u>(1,365,218)</u>	<u>(12,535,675)</u>

16 OTHER LIABILITIES

	Note	September 30, 2024	December 31, 2023
		(Un-audited)	(Audited)
(Rupees in '000)			
Mark-up / return / profit payable in local currency		2,537,354	1,756,546
Accrued expenses		241,778	816,399
Payable to defined benefit plan		207,942	153,410
Payable to defined contribution plan		45,973	8,968
Security deposits against lease		73,499	55,747
Payable against employees' compensated absences		46,742	46,742
Payable to share brokers on account of purchase of marketable securities		177,203	169
Unearned Income		5,486	5,612
WWF Liability		852,310	756,240
Others		364,828	35,174
Credit loss allowance against off-balance sheet obligations	16.1	1,506	1,446
		<u>4,554,621</u>	<u>3,636,453</u>

		September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
------(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		679	-
Reversals for the period / year		(619)	(548)
		60	(548)
Closing balance		1,506	1,446
17 SURPLUS ON REVALUATION OF ASSETS - NET			
Surplus on revaluation of:			
- Securities measured at FVOCI-debt	8.1	27,960	17,618
- Securities measured at FVOCI-equity	8.1	521,363	839,509
- Securities measured at FVOCI-government securities	8.1	10,116,397	2,767,316
- FVOCI securities of associates		6,132,841	3,978,536
		16,798,561	7,602,979
Deferred tax on surplus on revaluation of:			
- Securities measured at FVOCI-debt		(10,904)	(6,871)
- Securities measured at FVOCI-equity		(118,878)	(186,809)
- Securities measured at FVOCI-government securities		(3,945,207)	(1,079,254)
- FVOCI securities of associates		(1,514,350)	(975,774)
		(5,589,339)	(2,248,708)
		11,209,222	5,354,271
18 NON-CONTROLLING INTEREST			
Opening balance		290,069	408,655
NCI's share of investment during period / year		217,095	-
Share of loss for the period / year		(187,199)	(118,586)
Closing balance		319,965	290,069
19 CONTINGENCIES AND COMMITMENTS			
-Guarantees	19.1	3,800,235	2,481,045
-Commitments	19.2	17,039,105	15,755,781
		20,839,340	18,236,826
19.1 Guarantees:			
Financial guarantees		3,800,235	2,481,045
19.2 Commitments			
Undisbursed sanctions against:			
- Loans and advances		15,789,105	15,109,204
- TFC & sukuks		1,250,000	-
- Property and equipment		-	10,498
- intangible assets		-	636,079
		17,039,105	15,755,781
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 resulting in an incremental tax charge of Rs. 172.91 million. The CIR(A) has upheld the order vide order dated August 23, 2024 and as a consequence reference has been filed before the High Court by the Holding Company.

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.

		September 30, 2024		September 30, 2023	
		2024		2023	
		(Un-audited)		(Un-audited)	
		(Rupees in '000)		(Rupees in '000)	
20	MARK-UP / RETURN / INTEREST EARNED				
	Loans and advances	7,432,403	6,688,296		
	Investments	149,531,038	169,722,333		
	Lendings to financial institutions	239,845	125,189		
	Balances with banks	25,925	6,749		
		<u>157,229,211</u>	<u>176,542,567</u>		
20.1	Interest income (calculated using effective interest rate method) recognised on:				
	Financial assets measured at amortised cost	9,597,469	9,571,478		
	Financial assets measured at FVPL	760,253	229,362		
	Financial assets measured at FVOCI	146,871,489	166,741,727		
		<u>157,229,211</u>	<u>176,542,567</u>		
21	MARK-UP / RETURN / INTEREST EXPENSED				
	Deposits	3,527,942	1,442,089		
	Borrowings	12,501,933	15,536,341		
	Securities sold under repurchase agreements - government securities	147,856,287	155,878,901		
		<u>163,886,162</u>	<u>172,857,331</u>		
21.1	Interest expense calculated using effective interest rate method	<u>163,886,162</u>	<u>172,857,331</u>		
22	FEE AND COMMISSION INCOME				
	Participation fee	89,084	16,776		
	Commitment fee	930	2,208		
	Commission on guarantees	30,458	11,106		
	Commission on letter of comfort	57	2,603		
	Arrangement fee	10,965	35,794		
	Advisory income	750	5,249		
		<u>132,244</u>	<u>73,736</u>		
23	LOSS ON SECURITIES				
	Realised loss	(75,146)	(105,106)		
	Unrealised appreciation / (diminution) on investments - measured at FVPL	8,931	(14,808)		
		<u>(66,215)</u>	<u>(119,914)</u>		
23.1	Realised loss on:				
	Shares	2,320	4,593		
	Federal government securities	(77,466)	(109,699)		
		<u>(75,146)</u>	<u>(105,106)</u>		
23.2	Net gain / (loss) on financial assets measured at FVPL				
	Designated upon initial recognition	11,251	(10,215)		
		11,251	(10,215)		
	Net loss on financial assets measured at FVOCI	<u>(77,466)</u>	<u>(109,699)</u>		
		<u>(66,215)</u>	<u>(119,914)</u>		
24	SHARE IN RESULTS OF ASSOCIATES - NET				
	Quoted associates	23,540,315	17,530,103		
	Un-quoted associates	526,421	323,221		
		<u>24,066,736</u>	<u>17,853,324</u>		
25	OTHER INCOME				
	Nominee directors fee	8,785	10,165		
	Rent on property	39,254	33,378		
	(Loss) / gain on sale of property and equipment - net	(471)	9,587		
	Gain on sale of non current assets 'Held for Sale'	47	-		
	Late payment charges	41,243	246,859		
	Early encashment charges	155	6,014		
		<u>89,013</u>	<u>306,003</u>		

		Nine months period ended	
		September 30, 2024	September 30, 2023
		(Un-audited)	
		(Rupees in '000)	
		(Restated)	
26	OPERATING EXPENSES		
	Total compensation expense	1,162,163	1,116,001
	Property expense		
	Rent and taxes	57,937	10,181
	Insurance	3,169	2,775
	Utilities cost	18,514	12,781
	Security expense	42	68
	Repairs and maintenance	46,405	28,681
	Depreciation	8,597	6,977
		134,664	61,463
	Information technology expenses		
	Software maintenance	21,920	1,166
	Hardware maintenance	2,904	96
	Depreciation	23,759	11,820
	Amortisation	4,022	4,690
	Network charges	4,918	6,155
		57,523	23,927
	Other operating expenses		
	Directors' fees and allowances	19,500	14,275
	Fees and allowances to Shariah Board	178	-
	Legal and professional charges	124,588	31,494
	Outsourced services costs	37,956	32,412
	Travelling and conveyance	18,474	16,531
	Depreciation	134,264	87,600
	Training and development	5,032	3,066
	Postage and courier charges	672	695
	Communication	10,429	14,408
	Stationery and printing	18,027	7,655
	Marketing, advertisement and publicity	32,419	4,906
	Auditors' remuneration	24,146	11,713
	Newspaper, periodicals and subscription dues	54,534	12,999
	Repairs and maintenance (others)	2,428	5,440
	Bank charges	275	304
	Entertainment expense	7,411	16,894
	Motor vehicle running expense	45,867	34,208
	Others	31,611.5	30,986
		567,812	325,586
		1,922,162	1,526,977
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	18	15
	(Reversal) / charge of Credit loss allowance for diminution in value of investments including accrued interest	(167)	118
	Reversal of credit loss allowance / provision against loans and advances including accrued interest	28.1 (22,143)	(158,930)
	Charge / (reversal) of credit loss allowance against contingencies and commitments	16.1 60	(377)
		(22,232)	(159,174)
28.1	This includes reversal of provision against non-performing loans amounting to Rs. 78.03 million on account of recovery.		
29	TAXATION		
	Current	5,347,342	3,956,217
	Deferred	(1,469,478)	(67,890)
		3,877,864	3,888,327
30	BASIC / DILUTED EARNINGS PER SHARE		
	Profit for the period	12,032,499	16,563,292
		(Numbers in '000)	
	Weighted average number of ordinary shares	640	640
		-----Rupees-----	
	Basic / diluted earnings per share	18,801	25,880
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	September 30,	December 31,
			2024	2023
			(Un-audited)	(Audited)
------(Rupees in '000)-----				
	Cash and balance with treasury banks	6	828,474	631,063
	Balance with other banks	7	279,763	145,825
	Investment in Islamic Investment Certificates		805,315	1,000,000
			<u>1,913,552</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

	September 30, 2024 (Un-audited)				
	Carrying value	Fair Value			Total
		Level 1	Level 2	Level 3	
(Rupees in '000)					
On balance sheet financial instruments					
Financial assets - measured at fair value Investments					
- Market treasury bills	581,329,500	-	581,329,500	-	581,329,500
- Pakistan investment bonds	320,628,110	-	320,628,110	-	320,628,110
- GoP Ijarah Sukuks	2,404,240	-	2,404,240	-	2,404,240
- Shares of listed companies	2,014,012	2,014,012	-	-	2,014,012
- Listed sukuk / term finance certificates	3,799,332	-	3,799,332	-	3,799,332
- Unlisted sukuk / term finance certificates	2,625,513	-	2,625,513	-	2,625,513
Financial assets - disclosed but not measured at fair value Investments					
- Pakistan investment bonds	12,936,899	-	12,936,899	-	12,936,899
- Islamic Investment Certificate	805,315	-	-	805,315	805,315
Fair Value of non-financial assets					
- Non-current asset 'Held For Sale'	-	-	-	-	-

	December 31, 2023 (Audited)				
	Carrying value	Fair Value			Total
		Level 1	Level 2	Level 3	
(Rupees in '000)					
On balance sheet financial instruments					
Financial assets - measured at fair value Investments					
- Market treasury bills	498,552,619	-	498,552,619	-	498,552,619
- Pakistan investment bonds	446,057,760	-	446,057,760	-	446,057,760
- Shares of listed companies	3,615,293	3,615,293	-	-	3,615,293
- Listed sukuk / term finance certificates	4,371,337	-	2,571,337	1,800,000	4,371,337
- 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	-	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 sukus / 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:

September 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	(2,845,408)	(4,799,470)	137,313	-	815,316	35,298	(6,656,951)
Non mark-up / return / interest / profit income	153,663	(77,466)	24,066,820	162,953	1,967	74,573	24,382,510
Total (expense) / income	(2,691,745)	(4,876,936)	24,204,133	162,953	817,283	109,871	17,725,559
Segment direct expenses	(98,892)	(57,493)	(25,910)	(6,252)	(17,679)	(561,630)	(767,856)
Segment indirect expenses	(97,548)	(19,510)	(842,195)	(9,755)	-	(287,763)	(1,256,771)
Total expenses	(196,440)	(77,003)	(868,105)	(16,007)	(17,679)	(849,393)	(2,024,627)
Credit loss allowance reversal / (charge)	24,577	(18)	-	-	(2,319)	(8)	22,232
(Loss) / profit before tax	(2,863,608)	(4,953,957)	23,336,028	146,946	797,285	(739,530)	15,723,164
September 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	-	915,355	24,896	-	167,836	150	1,108,237
Investments	168,584	918,870,560	75,446,861	2,014,013	4,684,450	-	1,001,184,468
Net inter segment lending	-	-	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-	-	-
Advances - performing	39,095,768	-	40,996	-	13,425,983	226,576	52,789,323
Advances - non-performing	100,438	-	-	-	-	-	100,438
Others	1,049,977	14,519,244	1,026,927	37,838	777,143	11,012,561	28,423,690
Total assets	40,414,767	934,305,159	76,539,680	2,051,851	19,055,412	11,239,287	1,083,606,156
Borrowings	44,528,530	896,375,528	-	-	12,278,346	-	953,182,404
Subordinated debt	-	-	-	-	-	-	-
Deposits & other accounts	16,674,462	-	-	-	-	-	16,674,462
Net inter segment borrowing	(22,249,219)	18,813,051	-	-	3,436,168	-	-
Deferred tax liability	-	-	-	-	1,645	14,403,156	14,404,801
Others	2,112,367	355,940	215,429	178,185	439,236	1,253,464	4,554,621
Total liabilities	41,066,140	915,544,519	215,429	178,185	16,155,395	15,656,620	988,816,288
Equity	(651,373)	18,760,640	76,324,251	1,873,666	2,900,017	(4,417,333)	94,789,868
Total equity & liabilities	40,414,767	934,305,159	76,539,680	2,051,851	19,055,412	11,239,287	1,083,606,156
Contingencies & commitments	12,843,995	-	-	-	7,995,345	-	20,839,340

Nine months period ended September 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	568,087	3,106,833	-	-	10,316	3,685,236
Non mark-up / return / interest income	59,916	(109,698)	13,263,868	4,780,055	300,937	18,295,078
Total Income	628,003	2,997,135	13,263,868	4,780,055	311,253	21,980,314
Segment direct expenses	(99,503)	(46,348)	(18,995)	(16,727)	(416,832)	(598,405)
Segment indirect expenses	(215,359)	(50,673)	(38,005)	(25,337)	(760,090)	(1,089,464)
Total expenses	(314,862)	(97,021)	(57,000)	(42,064)	(1,176,922)	(1,687,869)
Credit loss allowance reversal / (charge)	159,203	(15)	-	-	(14)	159,174
(Loss) / profit before tax	472,344	2,900,099	13,206,868	4,737,991	(865,683)	20,451,619

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	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	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)	12,535,675
Others	1,280,980	536,945	-	1,498	3,636,453
Total liabilities	55,869,309	990,051,007	14,350,246	(184,688)	1,061,973,121
Equity	1,107,085	6,679,085	2,015	942,535	77,476,864
Total equity & liabilities	56,976,394	996,730,092	14,352,261	757,847	1,139,449,985
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:

	September 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	-	-	1,168	-	-	-	-	-
In saving accounts	-	-	122,963	-	-	-	66,329	-
	-	-	124,131	-	-	-	66,329	-
Investments								
Opening balance	-	-	60,881,093	800	-	-	38,580,355	800
Investment made during the year	-	-	455,315	-	-	-	-	-
Equity method accounting adjustments	-	-	13,759,653	-	-	-	22,300,738	-
Closing balance	-	-	75,096,061	800	-	-	60,881,093	800
Advances								
Opening balance	-	129,957	-	18,653	-	174,572	-	23,511
Addition during the period / year	-	53,801	-	2,538,128	-	12,746	-	-
Repaid during the period / year	-	(23,036)	-	(4,477)	-	(57,361)	-	(4,858)
Closing balance	-	160,722	-	2,552,304	-	129,957	-	18,653
Credit loss allowance held against advances	-	(22)	-	(331)	-	-	-	-
Other Assets								
Interest / mark-up accrued	-	-	349	64,597	-	-	2,046	-
Dividend receivable	-	-	446,700	-	-	-	-	-
Credit loss allowance against other assets	-	-	-	(20)	-	-	(276)	-
	-	-	447,049	64,577	-	-	1,770	-
Borrowings								
Opening balance	-	-	30,996,916	-	-	-	30,657,267	12,648,747
Borrowings during the year	-	-	-	16,526,180	-	-	11,855,548	-
Settled during the year	-	-	(30,996,916)	(14,277,357)	-	-	(25,323,882)	(12,648,747)
Transfer in / (out) - net	-	-	-	4,020	-	-	13,807,983	-
Closing balance	-	-	-	2,252,843	-	-	30,996,916	-
Deposits and other accounts								
Opening balance	-	-	-	679,469	-	-	-	886,721
Received during the year	-	-	-	1,548,966	-	-	-	3,798,797
Withdrawn during the year	-	-	-	(1,475,469)	-	-	-	(4,006,049)
Closing balance	-	-	-	752,966	-	-	-	679,469
Other Liabilities								
Interest / mark-up payable	-	-	-	100,034	-	-	-	32,628
Payable to staff gratuity fund	-	-	-	203,898	-	-	-	153,191
Payable to National Clearing Company of Pakistan Limited	-	-	99	-	-	-	108	-
Payable to Arabian Sea	-	-	-	85	-	-	-	-
Payable to FTC Management Company (Private) Limited	-	-	-	2,000	-	-	-	1,206
Payable to TCC Management Company	-	-	-	320	-	-	-	-
Payable to Planet - N (Private) Limited	-	-	-	-	-	-	11,828	-
	-	-	99	306,337	-	-	11,936	187,025
Contingencies and Commitments								
Other contingencies	-	-	-	5,711,872	-	-	-	-

Nine months period ended							
September 30, 2024 (Un-audited)				September 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	-	3,639	8,482	260,042	-	5,112	4,223
Dividend income	-	-	12,456,883	-	-	5,446,303	-
Share in results of associates net of dividend income	-	-	11,609,853	-	-	12,407,021	-
Other income							
- Nominee director fee	-	-	14,250	385	-	-	13,600
Expense							
Mark-up / return / interest paid / accrued	-	-	2,275,106	354,875	-	-	3,925,279
Operating expenses							
- Directors fee	19,500	-	-	-	14,275	-	-
- Remuneration to key management personnel (including retirement benefits)	-	564,990	-	-	-	675,926	-
- Nominee director fee payment	-	-	-	7,200	-	-	3,950
- NCCPL charges	-	-	1,260	-	-	-	790
- FMCL office maintenance charges	-	-	-	55,768	-	-	34,238
- Contribution made to staff provident fund	-	-	-	40,826	-	-	32,476
- Contribution made to staff gratuity fund	-	-	-	50,706	-	-	37,143
- TCC Management Company office maintenance charges	-	-	-	3,306	-	-	-

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

September 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	25,951,288	14,496,225
Eligible Additional Tier 1 (ADT 1) Capital	-	1,348
Total Eligible Tier 1 Capital	25,951,288	14,497,573
Eligible tier 2 capital	9,727,497	5,317,621
Total eligible capital (tier 1 + tier 2)	<u>35,678,785</u>	<u>19,815,194</u>

Risk weighted assets (RWAs):

Credit risk	110,222,703	68,933,727
Market risk	4,695,732	7,866,710
Operational risk	38,795,180	38,795,180
Total	<u>153,713,615</u>	<u>115,595,617</u>

Common equity tier 1 capital adequacy ratio	<u>16.88%</u>	<u>12.54%</u>
Tier 1 capital adequacy ratio	<u>16.88%</u>	<u>12.54%</u>
Total capital adequacy ratio	<u>23.21%</u>	<u>17.14%</u>

**Leverage ratio (LR):

Eligible tier-1 capital	25,951,288	14,497,573
Total exposures	<u>1,053,527,674</u>	<u>1,064,441,355</u>
Leverage ratio	<u>2.46%</u>	<u>1.36%</u>

Liquidity coverage ratio (LCR):

Total high quality liquid assets	37,167,425	22,486,560
Total net cash outflow	<u>27,900,584</u>	<u>25,688,304</u>
Liquidity coverage ratio	<u>133.21%</u>	<u>87.54%</u>

Net stable funding ratio (NSFR):

Total available stable funding	215,200,236	136,366,155
Total required stable funding	<u>203,168,424</u>	<u>129,193,619</u>
Net stable funding ratio	<u>105.92%</u>	<u>105.55%</u>

* 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 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	September 30, 2024 (Un-audited) Rupees in '000
ASSETS		
Cash and balances with treasury banks		166,668
Balances with other banks		1,168
Due from financial institutions		-
Investments	36.1	4,684,450
Islamic financing and related assets - net	36.2	13,425,983
Property and equipment		15,054
Right-of-use assets		-
Intangible assets		-
Due from head office		-
Other assets		762,089
Total assets		19,055,412
LIABILITIES		
Bills payable		-
Due to financial institutions		12,278,346
Deposits and other accounts		-
Due to head office		3,436,168
Lease liabilities		-
Subordinated debt		-
Deferred tax liabilities		1,645
Other liabilities		439,236
		16,155,395
NET ASSETS		2,900,017
REPRESENTED BY		
Islamic banking fund		2,237,077
Reserves		-
Surplus on revaluation of assets		28,853
Unappropriated profit	36.3	634,087
		2,900,017
CONTINGENCIES AND COMMITMENTS	36.4	

STATEMENT OF PROFIT AND LOSS ACCOUNT

		For the period from February 27, 2024 to September 30, 2024 (Un-audited) Rupees in '000
Profit / return earned	36.5	1,968,884
Profit / return expensed	36.6	1,153,568
Net profit / return		815,316
Other income		
Fee and commission income		1,875
Dividend income		-
Foreign exchange income		-
Gain on securities		92
Other income		-
Total other income		1,967
Total income		817,283
Other expenses		
Operating expenses		17,679
Workers welfare fund		-
Other charges		-
Total other expenses		17,679
Profit before credit loss allowance		799,604
Credit loss allowance and write offs - net		2,319
Profit before taxation		797,285
Taxation		163,198
Profit after taxation		634,087

September 30, 2024 (Un-audited)			
Amortised cost	Credit loss allowance	Surplus	Carrying value
----- (Rupees in '000) -----			
36.1 Investments by segments:			
- Debt instruments			
Classified / measured at FVOCI			
Federal government securities			
-ljarah sukuks			
2,399,541	-	4,699	2,404,240
1,793,214	(299)	25,995	1,818,910
4,192,755	(299)	30,694	4,223,150
Classified / measured at FVPL			
Non government debt securities			
460,000	-	1,300	461,300
460,000	-	1,300	461,300
Total investments			
4,652,755	(299)	31,994	4,684,450

36.1.1 Particlurs of credit loss allowance

September 30, 2024 (Un-audited)			
Stage 1	Stage 2	Stage 3	Total
----- (Rupees in '000) -----			
Non government debt securities			
299	-	-	299

36.2 Islamic financing and related assets

September 30, 2024 (Un-audited) (Rupees in '000)	
Musharakah	1,000,000
Diminishing Musharakah	11,650,432
Tijarah	313,013
Advances for Tijarah	38,711
Inventories against Istisna	361,507
Inventories against Tijarah	64,212
Gross Islamic financing and related assets	13,427,875
Less: Credit loss allowance against Islamic financings	
Stage 1	(1,892)
Stage 2	-
Stage 3	-
	(1,892)
Islamic financing and related assets - net of credit loss allowance	13,425,983

	September 30, 2024 (Un-audited) Rupees in '000
36.3 Islamic banking business unappropriated profit	
Opening balance	-
Add: Islamic banking profit for the period	797,285
Less: taxation	(163,198)
	<u>634,087</u>
36.4 Contingencies and commitments	
- Guarantees	750,000
- Commitments	7,245,345
	<u>7,995,345</u>
	For the period from 27, 2024 to September 30, 2024 (Un-audited) Rupees in '000
36.5 Profit / return earned on financing and investments	
Profit earned on:	
Financing	1,425,952
Investments	542,932
	<u>1,968,884</u>
36.6 Profit on deposits and other dues expensed	
Profit expensed on:	
Deposits and other accounts	50,915
Due to financial institutions	1,102,653
	<u>1,153,568</u>
36.7 Pool management	

36.7.1 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.

36.7.2 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 September 30, 2024 is Rs.5.39 Million (10.00% of distributable profit of Mudarabah Pool) of this, an amount of Rs.2.32 Million (43.06% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 20.96% per annum and the rate of profit paid on average deposits was 19.76% per annum.

36.7.3 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.

36.7.4 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.

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

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

Construction	2,538,128
Fertilizers	1,125,000
Food	375,000
Pharmaceuticals	1,028,524
Power (Electricity)	2,137,272
Sugar	1,344,018
Telecommunication	1,339,082
Textile	415,937
Transport	2,254,342
Others	870,572
Total gross Islamic financing and related assets	<u>13,427,875</u>
Total gross investments (at cost)	<u>4,652,755</u>
Total invested funds	<u>18,080,630</u>

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

PKIC-IFD is currently accepting funds through customers under Mudarabah / Musharaka arrangements, wherein PKIC-IFD and other customers are considered as partners. Funds received from customer is transferred in the pool where PKIC-IFD also contributes its capital. Before accepting funds, PKIC-IFD and customer set profit sharing ratio in line with the expected profit to be earned against FI funds.

The funds so generated are invested by PKIC-IFD in Shariah compliant modes of financing and investments such as Murabaha, Istisna, Diminishing Musharakah, Tijarah, Running Musharakah, and Sukuks etc.

PKIC-IFD 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 (PKIC-IFD) 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, PKIC-IFD 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.

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

September 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 / Musharkah 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	6.00	Mudarabah	As required	20.96%	10.00%	5,398.88	19.76%	43.06%	2,324.95

37 DATE OF AUTHORISATION FOR ISSUE

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



The image shows five handwritten signatures in black ink, each positioned above a horizontal line. Below each line is a printed title. From left to right, the titles are: Chief Executive, Chief Financial Officer, Director, Director, and Director. The signatures are stylized and vary in length and complexity.