



**PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED**

**UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

**(Un-Audited)**

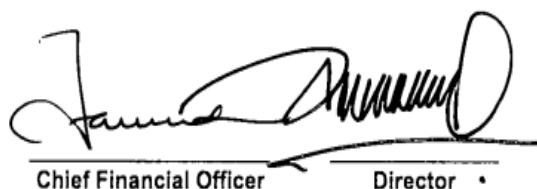
**For nine months period ended September 30, 2024**

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

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Cash and balances with treasury banks	6 828,466	631,063
Balances with other banks	7 254,875	117,418
Lendings to financial institutions	-	-
Investments	8 930,796,526	988,399,955
Advances	9 52,848,765	53,824,753
Property and equipment	10 898,713	983,916
Right-of-use assets	-	-
Intangible assets	11 48,117	13,211
Deferred tax assets	12 3,374,921	1,814,574
Other assets	13 26,896,633	37,887,132
<b>Total assets</b>	<b>1,015,947,016</b>	<b>1,083,672,022</b>
<b>LIABILITIES</b>		
Bills payable	-	-
Borrowings	14 953,182,404	1,026,530,216
Deposits and other accounts	15 16,674,462	19,270,777
Lease liabilities	-	-
Subordinated debt	-	-
Deferred tax liabilities	-	-
Other liabilities	16 4,339,190	3,577,661
<b>Total liabilities</b>	<b>974,196,056</b>	<b>1,049,378,654</b>
<b>NET ASSETS</b>	<b>41,750,960</b>	<b>34,293,368</b>
<b>REPRESENTED BY</b>		
Share capital	16,000,000	16,000,000
Reserves	14,000,074	14,000,074
Surplus on revaluation of assets	17 6,590,731	2,351,511
Unappropriated profit	5,160,155	1,941,783
	<b>41,750,960</b>	<b>34,293,368</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	18	


The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

Director

  
Director

  
Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED  
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR 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	19	53,934,574	86,848,250	157,091,898	176,542,567
Mark-up / return / interest / profit expensed	20	52,190,035	83,876,022	163,886,162	172,857,331
Net mark-up / return / interest / profit / income / (expense)		1,744,539	2,972,228	(6,794,264)	3,685,236
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	21	8,366	13,181	132,244	73,736
Dividend income		4,252,418	2,194,264	12,617,615	5,628,232
Foreign exchange income		-	-	-	-
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	22	165,343	(176,983)	(66,215)	(119,914)
Net gain / (loss) on derecognition of financial assets		-	-	-	-
Other income	23	25,948	23,546	88,927	306,003
Total non-markup / interest income		4,452,075	2,054,008	12,772,571	5,888,057
<b>Total income</b>		6,196,614	5,026,236	5,978,307	9,573,293
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	24	396,646	563,895	1,094,600	1,526,977
Workers welfare fund		96,070	87,236	96,070	160,892
Other charges	25	-	-	6,395	-
Total non-markup / interest expenses		492,716	651,131	1,197,065	1,687,869
<b>Profit before credit loss allowance</b>		5,703,898	4,375,105	4,781,242	7,885,424
Charge / (reversal) of credit loss allowance and write offs - net	26	68,501	13,306	(22,232)	(159,174)
Other income / expense items		-	-	-	-
<b>PROFIT BEFORE TAXATION</b>		5,635,397	4,361,799	4,803,474	8,044,598
Taxation	27	1,482,772	1,362,493	983,236	1,895,836
<b>PROFIT AFTER TAXATION</b>		4,152,625	2,999,306	3,820,238	6,148,762
		-----Rupees-----			
Basic / diluted earnings per share (on share of Rs. 25,000 each)	28	6,488	4,686	5,969	9,607

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

Director

  
Director

  
Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED  
 UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR 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	4,152,625	2,999,306	3,820,238	6,148,762
<b>Other comprehensive income / (loss)</b>				
<b>Items that may be reclassified to statement of profit and loss account in subsequent periods:</b>				
Movement in surplus on revaluation of debt securities through FVOCI - net of tax	3,374	427	6,309	2,139
Movement in surplus / (deficit) on revaluation of government securities through FVOCI - net of tax	3,876,845	1,483,516	4,483,128	(221,957)
	3,880,219	1,483,943	4,489,437	(219,818)
<b>Items that will not be reclassified to statement of profit and loss account in subsequent periods:</b>				
Movement in (deficit) / surplus on revaluation of equity investments - net of tax	(237,428)	291,863	(250,217)	392,378
Gain / (loss) on sale of equity shares carried at FVOCI - net of tax	110,411 (127,017)	(44,274) 247,589	729,134 478,917	(118,870) 273,508
<b>Total comprehensive income</b>	<u>7,905,827</u>	<u>4,730,838</u>	<u>8,788,592</u>	<u>6,202,452</u>

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

Director

  
 Director

  
 Director

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

	Capital reserve		(Deficit) / surplus on revaluation of investments	Revenue reserve	Total	
	Share capital	Statutory reserve		Capital market equalization reserve		Unappropriated profit
------(Rupees in '000)-----						
<b>Opening balance as at January 01, 2023 (restated)</b>	<b>16,000,000</b>	<b>11,999,846</b>	<b>1,659,468</b>	<b>(2,988,891)</b>	<b>(6,026,489)</b>	<b>20,643,934</b>
Impact of adoption of IFRS - 9	-	-	-	2,474,598	(197,099)	2,277,499
Profit after taxation for nine months period ended September 30, 2023 (restated)	-	-	-	-	6,148,762	6,148,762
<b>Other comprehensive loss - net of tax (restated)</b>						
Movement in surplus on revaluation of debt securities through FVOCI - net of tax	-	-	-	2,139	-	2,139
Movement in deficit on revaluation of government securities through FVOCI - net of tax	-	-	-	(221,957)	-	(221,957)
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	392,378	-	392,378
Loss on sale of equity shares carried at FVOCI - net of tax	-	-	-	-	(118,870)	(118,870)
Total other comprehensive income / (loss) (restated)	-	-	-	172,560	(118,870)	53,690
<b>Transactions with owners recorded directly in equity</b>						
Final dividend for the year ended December 31, 2022 @ Rs. 1,890.625 per share	-	-	-	-	(1,210,000)	(1,210,000)
<b>Closing balance as at September 30, 2023 (restated) (un-audited)</b>	<b>16,000,000</b>	<b>11,999,846</b>	<b>1,659,468</b>	<b>(341,733)</b>	<b>(1,403,696)</b>	<b>27,913,885</b>
<b>Opening Balance as at October 01, 2023 (restated) (un-audited)</b>	<b>16,000,000</b>	<b>11,999,846</b>	<b>1,659,468</b>	<b>(341,733)</b>	<b>(1,403,696)</b>	<b>27,913,885</b>
Profit after taxation for the three months period ended December 31, 2023	-	-	-	-	3,852,380	3,852,380
<b>Other comprehensive income / (loss) - net of tax</b>						
Movement in deficit on revaluation of debt securities through FVOCI - net of tax	-	-	-	(3,285)	-	(3,285)
Movement in surplus on revaluation of government securities through FVOCI - net of tax	-	-	-	1,925,828	-	1,925,828
Remeasurement loss on defined benefit obligation - net of tax	-	-	-	-	(34,274)	(34,274)
Movement in surplus on revaluation of equity investments - net of tax	-	-	-	770,701	-	770,701
Loss on sale of equity shares carried at FVOCI - net of tax	-	-	-	-	(131,867)	(131,867)
Total other comprehensive income	-	-	-	2,693,244	(166,141)	2,527,103
Transfer to statutory reserve	-	2,000,228	-	-	(2,000,228)	-
Transfer from capital market equalization reserve	-	-	(1,659,468)	-	1,659,468	-
<b>Closing balance as at December 31, 2023 (audited)</b>	<b>16,000,000</b>	<b>14,000,074</b>	<b>-</b>	<b>2,351,511</b>	<b>1,941,783</b>	<b>34,293,368</b>
<b>Opening balance as at January 1, 2024 (audited)</b>	<b>16,000,000</b>	<b>14,000,074</b>	<b>-</b>	<b>2,351,511</b>	<b>1,941,783</b>	<b>34,293,368</b>
Profit after taxation for the nine months period ended September 30, 2024	-	-	-	-	3,820,238	3,820,238
<b>Other comprehensive income - net of tax</b>						
Movement in surplus on revaluation of debt securities at FVOCI - net of tax	-	-	-	6,309	-	6,309
Movement in surplus on revaluation of government securities at FVOCI - net of tax	-	-	-	4,483,128	-	4,483,128
Movement in deficit on revaluation of equity investments - net of tax	-	-	-	(250,217)	-	(250,217)
Gain on sale of equity shares carried at FVOCI - net of tax	-	-	-	-	729,134	729,134
Total other comprehensive income	-	-	-	4,239,220	729,134	4,968,354
<b>Transactions with owners recorded directly in equity</b>						
Final dividend for the year ended December 31, 2023 @ Rs. 2,079.687 per share	-	-	-	-	(1,331,000)	(1,331,000)
<b>Closing balance as at September 30, 2024 (un-audited)</b>	<b>16,000,000</b>	<b>14,000,074</b>	<b>-</b>	<b>6,590,731</b>	<b>5,160,155</b>	<b>41,750,960</b>

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.

  
**Chief Executive Officer**

  
**Chief Financial Officer**

  
**Director**


  
**Director**

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

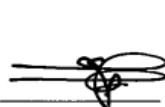
	Nine months period ended	
	September 30, 2024	September 30, 2023
Note	(Rupees in '000)	
		(Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,803,474	8,044,598
Less: dividend income	(12,617,615)	(5,628,232)
	(7,814,141)	2,416,366
<b>Adjustments :</b>		
Net mark-up / interest loss / (income)	6,794,264	(3,685,236)
Depreciation	24 140,423	106,397
Amortisation	24 3,513	4,690
Reversal of credit loss allowance and write offs - net	26 (22,232)	(159,174)
Loss / (gain) on sale of property and equipment	557	(9,587)
Gain on sale of non current assets 'Held for Sale'	(47)	-
Unrealised (appreciation) / diminution on investments - measured at FVPL	22 (8,931)	14,808
	6,907,547	(3,728,102)
	(906,594)	(1,311,736)
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	-	9,823,727
Securities classified as FVPL	(9,541)	1,297
Advances	997,514	(943,965)
Others assets (excluding advance taxation)	(51,685)	(314,297)
	936,288	8,566,762
<b>(Decrease) / increase in operating liabilities</b>		
Borrowings from financial institutions	(73,347,812)	561,279,504
Deposits	(2,596,315)	(6,807)
Other liabilities (excluding current taxation)	111,052	231,010
	(75,833,075)	561,503,707
	(75,803,381)	568,758,733
Mark-up / interest / profit received	166,412,463	167,500,707
Mark-up / interest / profit paid	(163,179,437)	(172,327,751)
Income tax paid	(3,179,427)	(11,944,076)
	53,599	(16,771,120)
Net cash (used in) / generated from operating activities	(75,749,782)	551,987,613
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net divestment / (investment) in securities classified as FVOCI	65,956,828	(556,164,932)
Net investment in subsidiary	(586,155)	-
Dividends received	12,139,203	5,614,888
Investments in property and equipment	(146,134)	(499,713)
Disposal of property and equipment	51,934	25,187
Net cash generated from / (used in) investing activities	77,415,676	(551,024,570)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(1,331,000)	(605,000)
Net cash used in financing activities	(1,331,000)	(605,000)
<b>Increase in cash and cash equivalents</b>	334,894	358,043
Credit loss on cash and cash equivalents	(34)	(24)
Cash and cash equivalents at beginning of the period	748,481	708,682
<b>Cash and cash equivalents at end of the period</b>	29 1,083,341	1,066,701

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.

  
 Chief Executive Officer

  
 Chief Financial Officer

  
 Director

  
 Director

  
 Director

**PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024**

**1 STATUS AND NATURE OF BUSINESS**

Pakistan Kuwait Investment Company (Private) Limited ("the 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 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.

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 Company incorporated Raqami Islamic Digital Bank Limited, a subsidiary company, with an authorised share capital of Rs. 10,000 million. The 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.

**2 BASIS OF PREPARATION**

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

Details of key financial metrics for the Islamic Finance Division of the Company are disclosed in note 34 of these unconsolidated condensed interim financial statements.

**2.1 STATEMENT OF COMPLIANCE**

These unconsolidated 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 unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements of the Company 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).

These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Company. The consolidated condensed interim financial statements of the Company and its subsidiary company are presented separately.

## **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 Company'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 Company's operations and therefore have not been detailed in these unconsolidated 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 Company's accounting periods beginning on or after January 01, 2025 but are considered not to be relevant or will not have any material effect on the Company's financial statements except for:

- The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 when adopted and applicable shall impact the presentation of 'Statement of Profit and Loss Account' with certain additional disclosures in the financial statements; and
- Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

## **3 BASIS OF MEASUREMENT**

### **3.1** These unconsolidated 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 unconsolidated condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated condensed interim financial statements are presented in Pakistani Rupees, which is the Company'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 unconsolidated condensed interim financial statements are consistent with those applied in preparation of annual audited unconsolidated financial statements of the Company for the year ended December 31, 2023.

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

### **4.1 Restatement of comparatives due to change in accounting policy**

As mentioned in note 1, the Company had incorporated Raqami Islamic Digital Bank Limited (RIDBL) Limited as a subsidiary during the year ended December 31, 2023. Prior to this, the Company did not have a subsidiary and the Company had only prepared a single set of financial statements (unconsolidated financial statements) till June 2023. Investments in associates were accounted for using the equity method in the unconsolidated financial statements of the Company. As a result of the incorporation of RIDBL, PKIC is now the parent company of RIDBL and is required to prepare the consolidated financial statements under the provisions of the Companies Act, 2017 and in accordance with the requirements of International Financial Reporting Standards as applicable in Pakistan.

Consequently, the Company had changed its accounting policy for investments in associates in its unconsolidated financial statements from July 2023. As per the revised policy, investments in associates have been accounted for in the unconsolidated financial statements on the basis of the direct equity interest (i.e. at cost less accumulated impairment losses; if any) rather than on the basis of the reported results and net assets of the investees.



The above mentioned change in accounting policy had been accounted for retrospectively in accordance with the requirements of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and the comparative information had been restated in the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2023. Accordingly, the comparatives figures for the period ended September 30, 2023 have also been restated.

The effects on the Company's unconsolidated condensed interim financial statements for the prior period ended September 30, 2023 as a result of this change have been summarised below:

	<b>Nine months period ended September 30, 2023 (Rupees in '000)</b>
<b>Impact on the unconsolidated condensed interim statement of profit and loss account</b>	
Increase in dividend income	5,446,303
Decrease in share in results of associates	17,853,324
Decrease in workers welfare fund expense	243,275
Decrease in taxation	1,992,491
Decrease in earnings per share (Rupees)	15,893
<b>Impact on the unconsolidated condensed interim statement of other comprehensive income</b>	
Decrease in share of other comprehensive income of associates	389,407
<b>Impact on the unconsolidated condensed interim statement of changes in equity</b>	
Cumulative decrease in equity as at September 30, 2023	40,397,485

## 5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the annual audited unconsolidated financial statements for the year ended December 31, 2023.

6	CASH AND BALANCES WITH TREASURY BANKS	Note	September 30, 2024	December 31, 2023
			(Un-audited)	(Audited)
			------(Rupees in '000)-----	
	In hand			
	- local currency		150	150
	With the State Bank of Pakistan in			
	- local currency current accounts	6.1	826,694	629,800
	With the National Bank of Pakistan in			
	- local currency current account		1,622	1,113
			<u>828,466</u>	<u>631,063</u>
	Less: Credit loss allowance held against cash and balances with treasury banks		-	-
	Cash and balances with treasury banks - net of credit loss allowance		<u><u>828,466</u></u>	<u><u>631,063</u></u>

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.

7	BALANCES WITH OTHER BANKS	Note	September 30, 2024	December 31, 2023
			(Un-audited)	(Audited)
			------(Rupees in '000)-----	
	In Pakistan			
	- in current accounts	7.1	149,378	67,809
	- in deposit accounts	7.2	105,531	49,625
			<u>254,909</u>	<u>117,434</u>
	Less: Credit loss allowance held against balances with other banks		(34)	(16)
	Balances with other banks - net of credit loss allowance		<u><u>254,875</u></u>	<u><u>117,418</u></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 annum.

## 8 INVESTMENTS

### 8.1 Investments by type:

	September 30, 2024 (Un-audited)				December 31, 2023 (Audited)			
	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Note ..... (Rupees in '000).....								
<b>- Debt instruments</b>								
<b>Amortised cost</b>								
Federal government securities	12,936,899	-	-	12,936,899	27,864,892	-	-	27,864,892
Non government debt securities	-	-	-	-	1,000,000	(135)	-	999,865
	12,936,899	-	-	12,936,899	28,864,892	(135)	-	28,864,757
<b>FVOCI</b>								
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
	896,238,970	(33,983)	10,144,357	906,349,344	944,367,370	(34,010)	2,784,934	947,118,294
<b>FVPL</b>								
Non government debt securities	4,438,636	-	(1,285)	4,437,351	4,339,068	-	(10,223)	4,328,845
<b>- Equity instruments</b>								
<b>FVPL</b>								
Shares								
Listed companies	53,504	-	(99)	53,405	143,531	-	(2,492)	141,039
<b>FVOCI</b>								
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
	1,543,269	(103,225)	521,363	1,961,407	2,738,771	(103,225)	839,509	3,475,055
<b>Associates (refer note 8.2)</b>								
Meezan Bank Limited	2,422,369	-	-	2,422,369	2,422,369	-	-	2,422,369
Ghandhara Tyre and Rubber Company Limited	272,463	-	-	272,463	272,463	-	-	272,463
Al Meezan Mutual Funds	58,231	-	-	58,231	58,231	-	-	58,231
Al Meezan Investment Management Limited	27,750	-	-	27,750	27,750	-	-	27,750
National Clearing Company of Pakistan Limited	104,814	-	-	104,814	104,814	-	-	104,814
Eclear Services Limited	60,000	-	-	60,000	60,000	-	-	60,000
Planet N (Private) Limited	424,993	-	-	424,993	424,993	-	-	424,993
	3,370,620	-	-	3,370,620	3,370,620	-	-	3,370,620
<b>Subsidiary</b>								
Raqami Islamic Digital Bank Limited *	8.2	1,687,500	-	1,687,500	1,101,345	-	-	1,101,345
<b>Total investments</b>	<b>920,269,398</b>	<b>(137,208)</b>	<b>10,664,336</b>	<b>930,796,526</b>	<b>984,925,597</b>	<b>(137,370)</b>	<b>3,611,728</b>	<b>988,399,955</b>

\* During the period ended September 30, 2024, the Company has subscribed to the right shares of Raqmi Islamic Digital Bank Limited amounting to Rs. 586.15 million.

### 8.2 Details of investment in subsidiary and 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).....							
<b>Subsidiary</b>							
Raqami Islamic Digital Bank Limited	Pakistan	72.95	1,451,434	215,429	137,400	(691,863)	(691,863)
<b>Associates</b>							
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

**Subsidiary**

Raqami Islamic Digital Bank Limited	Pakistan	72.94	1,183,409	58,791	29,607	(385,382)	(385,382)
-------------------------------------	----------	-------	-----------	--------	--------	-----------	-----------

**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

Note	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
------	------------------------------------	--------------------------------

**8.3 Investments given as collateral**

Pakistan Investment Bonds	8.3.1	288,481,681	462,402,786
Market Treasury Bills	8.3.2	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)
------------------------------------	--------------------------------

**8.4 Credit loss allowance for diminution in value of investments**

8.4.1 Opening balance	137,370	420,305
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)	(12,030)
	(162)	(11,312)
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	Outstanding amount	Credit loss allowance	
------(Rupees in '000)-----					
<b>Domestic</b>					
Performing	Stage 1	1,959,879	345	3,490,669	507
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
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>1,993,517</u>	<u>33,983</u>	<u>3,524,307</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.	40,445,162	54,950,020	902,438	822,969	41,347,600	55,772,989
Islamic financing and related assets	9.1 13,427,875	-	-	-	13,427,875	-
Advances - gross	53,873,037	54,950,020	902,438	822,969	54,775,475	55,772,989
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 /	52,748,327	53,810,941	100,438	13,812	52,848,765	53,824,753

9.1 Information related to Islamic financing and related assets is given in note 34 to these unconsolidated condensed interim financial statements.

**9.2 Particulars of advances (gross)**

**September 30, 2024 (Un-audited)**      **December 31, 2023 (Audited)**  
------(Rupees in '000)-----

In local currency	<u>54,775,475</u>	<u>55,772,989</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)-----			
<b>Domestic</b>				
Other Assets Especially Mentioned (OAEM)	-	-	-	-
Substandard	157,500	70,875	-	-
Doubtful	-	-	-	-
Loss	744,938	731,125	822,969	809,157
<b>Total</b>	<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	Specific	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	802,000	6,432	18,278	1,100,000	-	1,926,710	809,157	16,369	22,710	-	1,100,000	1,948,236

#### 9.4.1 Particulars of credit loss allowance / provisions against advances

	September 30, 2024 (Un-audited)						December 31, 2023 (Audited)					
	Stage 3	Stage 2	Stage 1	General	Specific	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 / provision

##### 9.5.1

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

#### 9.5.2 Advances - Category of classification

	Domestic	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)			
Performing	Stage 1	51,107,178	1,118,278	52,641,866	1,122,710
Underperforming	Stage 2	2,765,859	6,432	2,308,154	16,369
Non-Performing	Stage 3				
Substandard		157,500	70,875	-	-
Doubtful		-	-	-	-
Loss		744,938	731,125	822,969	809,157
		902,438	802,000	822,969	809,157
Total		54,775,475	1,926,710	55,772,989	1,948,236

9.6 As at December 31, 2023, the Company had an outstanding exposure of Rs. 2,254.34 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 9. 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 9 in respect of its PIACL exposure as at September 30, 2024.

	Note	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
------(Rupees in '000)-----			
<b>10</b>	<b>PROPERTY AND EQUIPMENT</b>		
	Capital work-in-progress	11,406	-
	Property and equipment	887,307	983,916
		<u>898,713</u>	<u>983,916</u>
<b>10.1</b>	<b>Capital work-in-progress</b>		
	Civil works	6,461	-
	Advance to suppliers	4,945	-
		<u>11,406</u>	<u>-</u>
		<b>Nine months period ended</b>	
		<b>September 30,</b>	<b>September 30,</b>
		<b>2024</b>	<b>2023</b>
<b>10.2</b>	<b>Additions to property and equipment</b>	------(Un-audited)-----	
		------(Rupees in '000)-----	
	The following additions have been made to property and equipment during the period:		
	Capital work-in-progress	11,406	-
	<b>Property and equipment</b>		
	Building on leasehold land	-	3,028
	Furnitures and fixtures	597	4,972
	Electrical, office and computer equipments	23,671	35,573
	Vehicles	72,040	750,608
		<u>96,308</u>	<u>794,181</u>
<b>10.3</b>	<b>Disposal of property and equipment</b>		
	The net book value of property and equipment disposed off during the period is as follows:		
	Furnitures and fixtures	-	76
	Electrical, office and computer equipments	335	372
	Vehicles	52,156	15,152
	Total	<u>52,491</u>	<u>15,600</u>
		<b>September 30,</b>	<b>December 31,</b>
		<b>2024</b>	<b>2023</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
<b>11</b>	<b>INTANGIBLE ASSETS</b>		
	Advance to supplier	38,419	-
	Intangible assets - computer software	9,698	13,211
		<u>48,117</u>	<u>13,211</u>

**12 DEFERRED TAX ASSETS**

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)-----				
<b>Deductible temporary differences on</b>				
- 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 (minimum)	2,355,887	1,955,749	-	4,311,636
	3,223,299	4,331,446	-	7,554,745
<b>Taxable temporary differences on</b>				
- Surplus on revaluation of investments	(1,276,298)	(131)	(2,802,057)	(4,078,486)
- Accelerated tax depreciation	3,395	(14,491)	-	(11,096)
- Finance lease arrangements	(135,822)	45,580	-	(90,242)
	(1,408,725)	30,958	(2,802,057)	(4,179,824)
	1,814,574	4,362,404	(2,802,057)	3,374,921

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)-----				
<b>Deductible temporary differences on</b>				
- 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	-	789,438
- Provision for taxation (minimum)	133,450	2,222,437	-	2,355,887
	838,788	2,357,864	21,913	3,226,694
<b>Taxable temporary differences on</b>				
- Surplus on revaluation of investments	1,433,482	(4,679)	(1,352,229)	(1,276,298)
- Finance lease arrangements	(237,920)	102,098	-	(135,822)
	1,195,562	97,419	(1,352,229)	(1,412,120)
	2,034,350	2,455,283	(1,330,316)	1,814,574

13 OTHER ASSETS	Note	September 30, 2024	December 31, 2023
		(Un-audited)	(Audited)
------(Rupees in '000)-----			

Income / mark-up / profit accrued in local currency		16,810,655	25,652,809
Advances, deposits and other prepayments		93,868	40,190
Advance taxation		9,841,080	12,007,281
Other receivables	13.1	57,318	56,728
Non-current asset 'Held For Sale'		-	83,119
Prepaid staff cost		140,904	118,807
		26,943,825	37,958,934
Less: Provision held against other assets	13.2	(46,259)	(70,243)
Less: Credit loss allowance held against other assets	13.3	(933)	(1,559)
Other assets (net of credit loss allowance)		26,896,633	37,887,132

13.1 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.

13.2 Provision held against other assets	September 30, 2024	December 31, 2023
	(Un-audited)	(Audited)
------(Rupees in '000)-----		

Non-current asset 'Held For Sale'	-	23,984
Other receivables	46,259	46,259
	46,259	70,243

**13.2.1 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	46,259	70,243

September 30,    December 31,  
2024                    2023  
(Un-audited)        (Audited)  
------(Rupees in '000)-----

**13.3 Credit loss allowance held against other assets**

Income / mark-up accrued in local currency	933	1,559
--------------------------------------------	-----	-------

**13.3.1 Movement in credit loss allowance held against other assets**

Opening balance	1,559	21
Charge for the period / year	166	1,538
Reversals for the period / year	(792)	-
Closing balance	933	1,559

**14 BORROWINGS**

**Secured**

Borrowings from the State Bank of Pakistan		
Under Long Term Finance Facility (LTFF)	14.1	5,727,840
Under Financing Scheme for Renewable Energy (FSRE)	14.2	6,462,975
Under Temporary Economic Refinance Facility (TERF)	14.3	2,729,785
		2,196,567
		10,653,530
		11,457,677
Bai muajjal	14.4	-
		30,996,916
Repurchase agreement borrowings	14.5	796,381,953
Term finance facility	14.6	940,325,623
<b>Total secured</b>		108,875,000
		39,250,000
		915,910,483
		1,022,030,216

**Unsecured**

Bai muajjal	14.4	24,993,575
Letter of placement		-
Musharakah	14.7	4,500,000
		-
<b>Total unsecured</b>		37,271,921
		4,500,000
		953,182,404
		1,026,530,216

**14.1 Borrowings from SBP under LTFF**

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 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.

**14.2 Borrowing from SBP under Financing Scheme for Renewable Energy**

These represent long term finance facility on the 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.

**14.3 Borrowing from SBP under Temporary Economic Refinance Facility**

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 scenario. 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 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.



#### 14.4 Bai muajjal

This represents borrowings from financial institutions at mark-up rates between 16.45% and 22.49% per annum (December 31, 2023: 21.01% and 22.07% per annum) and having maturities between November 01, 2024 and November 08, 2024 (December 31, 2023: May 02, 2024).

#### 14.5 Repurchase agreement borrowings

The Company has arranged borrowings from financial institutions against sale and repurchase of government securities. The mark-up rates on these borrowings are 17.55% and 18.4% per annum (December 31, 2023: 22.04% and 23.00% per annum) with maturities in one day and twenty five days (December 31, 2023: two days to nineteen days). The funds amounting to Rs. 579.27 million having cost of 17.59% have been invested in Market Treasury Bills (MTBs) having yield of 21.47%.

#### 14.6 Term finance facility

The Company has availed long term borrowings from commercial banks. The interest rates on these facilities are between 15.48% and 21.80% 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).

#### 14.7 Musharakah

The interest rates on these Musharakah borrowings are between 16.50% and 16.60% per annum (December 31, 2023: Nil). These Musharakah borrowings have maturity dates between November 01, 2024 and November 08, 2024 (December 31, 2023: Nil).

### 15 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2024 (Un-audited)			December 31, 2023 (Audited)			
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total	
Note	(Rupees in '000)						
<b>Customers</b>							
Certificates of Investment (COI)	15.1	15,956,496	-	15,956,496	18,091,307	-	18,091,307
<b>Financial Institutions</b>							
Certificates of Investment (COI)	15.1	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>

15.1 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).

	Note	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
		(Rupees in '000)	
<b>16 OTHER LIABILITIES</b>			
Mark-up / return / profit payable in local currency		2,463,271	1,756,546
Accrued expenses		185,205	789,726
Payable to defined benefit plan		203,898	153,191
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
Payable against workers welfare fund		852,310	756,240
Others		330,070	12,242
Credit loss allowance against off-balance sheet obligations	16.1	1,506	1,446
		<u>4,339,190</u>	<u>3,577,661</u>
<b>16.1 Credit loss allowance against off-balance sheet obligations</b>			
Opening balance		1,446	-
Impact of adoption of IFRS 09		-	1,994
Charge for the period / year		679	-
Reversals for the period / year		(619)	(548)
Closing balance		<u>1,506</u>	<u>1,446</u>

		September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
------(Rupees in '000)-----			
<b>17</b>	<b>SURPLUS ON REVALUATION OF ASSETS - NET</b>		
	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
		<u>10,665,720</u>	<u>3,624,443</u>
	Deferred tax on surplus on revaluation of:		
	- Securities measured at FVOCI - debt	(10,904)	(6,871)
	- Securities measured at FVOCI - equity	(118,878)	(186,807)
	- Securities measured at FVOCI - government securities	(3,945,207)	(1,079,254)
		<u>(4,074,989)</u>	<u>(1,272,932)</u>
		<u>6,590,731</u>	<u>2,351,511</u>
<b>18</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	-Guarantees	18.1 3,800,235	2,481,045
	-Commitments	18.2 17,039,105	15,109,204
		<u>20,839,340</u>	<u>17,590,249</u>
<b>18.1</b>	<b>Guarantees:</b>		
	Financial guarantees	<u>3,800,235</u>	<u>2,481,045</u>
<b>18.2</b>	<b>Commitments</b>		
	Undisbursed sanctions against:		
	- Loans and advances	15,789,105	15,109,204
	- Term finance certificates and sukuks	1,250,000	-
		<u>17,039,105</u>	<u>15,109,204</u>
<b>18.3</b>	<b>Tax contingencies</b>		

The status of tax contingencies remains unchanged as disclosed in note 21.3 of the annual audited unconsolidated 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 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.

		<b>Nine months period ended</b>	
		September 30, 2024	September 30, 2023
------(Un-audited)-----			
------(Rupees in '000)-----			
			(Restated)
<b>19</b>	<b>MARK-UP / RETURN / INTEREST / PROFIT EARNED</b>		
	Loans and advances	7,431,151	6,688,296
	Investments	149,396,810	169,722,333
	Lendings to financial institutions	239,845	125,189
	Balances with banks	24,092	6,749
		<u>157,091,898</u>	<u>176,542,567</u>
<b>19.1</b>	<b>Interest income (calculated using effective interest rate method) recognised on:</b>		
	Financial assets measured at amortised cost	9,594,384	9,571,478
	Financial assets measured at FVPL	760,253	229,362
	Financial assets measured at FVOCI	146,737,261	166,741,727
		<u>157,091,898</u>	<u>176,542,567</u>

		<b>Nine months period ended</b>	
		<b>September 30, 2024</b>	<b>September 30, 2023</b>
		----- <b>(Un-audited)</b> -----	
		<b>(Restated)</b>	
<b>20</b>	<b>MARK-UP / RETURN / INTEREST / PROFIT EXPENSED</b>		
	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>
<b>20.1</b>	Interest expense calculated using effective interest rate method	<u>163,886,162</u>	<u>172,857,331</u>
<b>21</b>	<b>FEE AND COMMISSION INCOME</b>		
	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>
<b>22</b>	<b>LOSS ON SECURITIES</b>		
	Realised loss	22.1 (75,146)	(105,106)
	Unrealised appreciation / (diminution) on investments - measured at FVPL	8.1 8,931	(14,808)
		22.2 <u>(66,215)</u>	<u>(119,914)</u>
<b>22.1</b>	<b>Realised (loss) / gain on:</b>		
	Shares	2,320	4,593
	Federal government securities	(77,466)	(109,699)
		<u>(75,146)</u>	<u>(105,106)</u>
<b>22.2</b>	<b>Net gain / (loss) on financial assets measured at FVPL</b>		
	- Designated upon initial recognition	<u>11,251</u>	<u>(10,215)</u>
		11,251	(10,215)
	<b>Net (loss) / gain on financial assets measured at FVOCI</b>	<u>(77,466)</u>	<u>(109,699)</u>
		(77,466)	(109,699)
		<u>(66,215)</u>	<u>(119,914)</u>
<b>23</b>	<b>OTHER INCOME</b>		
	Nominee directors fee	8,785	10,165
	Rent on property	39,254	33,378
	(Loss) / gain on sale of property and equipment - net	(557)	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>88,927</u>	<u>306,003</u>

**Nine months period ended**  
**September 30, 2024**    **September 30, 2023**  
-----**(Un-audited)**-----  
**(Restated)**

**24 OPERATING EXPENSES**

**Total compensation expense** 600,736 1,116,001

**Property expense**

Rent and taxes	12,462	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	7,007	6,977
	87,599	61,463

**Information technology expenses**

Software maintenance	13,397	1,166
Hardware maintenance	2,904	96
Depreciation	15,566	11,820
Amortisation	3,513	4,690
Network charges	4,918	6,155
	40,298	23,927

**Other operating expenses**

Directors' fees and allowances	19,500	14,275
Legal and professional charges	33,243	31,494
Outsourced services costs	37,956	32,412
Travelling and conveyance	13,520	16,531
Depreciation	117,850	87,600
Training and development	4,324	3,066
Postage and courier charges	672	695
Communication	10,429	14,408
Stationery and printing	7,005	7,655
Marketing, advertisement and publicity	2,421	4,906
Auditors' remuneration	24,146	11,713
Newspaper, periodicals and subscription dues	15,234	13,000
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	23,686	30,985
	365,967	325,586

1,094,600    1,526,977

**25 OTHER CHARGES**

Penalty imposed by the State Bank of Pakistan 6,395 -

**26 CHARGE / (REVERSAL) OF CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET**

Credit loss allowance against cash and balances with banks	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	26.1 (22,143)	(158,930)
Charge / (reversal) of credit loss allowance against contingencies and commitments	60	(377)
	<u>(22,232)</u>	<u>(159,174)</u>

**26.1** This includes reversal of provision against non-performing loans amounting to Rs. 78.03 million on account of recovery.

		<u>Nine months period ended</u>	
		<u>September 30,</u>	<u>September 30,</u>
		<u>2024</u>	<u>2023</u>
		------(Un-audited)-----	
		------(Rupees in '000)-----	
<b>27</b>	<b>TAXATION</b>		<b>(Restated)</b>
	Current	5,345,640	3,956,216
	Deferred	(4,362,404)	(2,060,380)
		<u>983,236</u>	<u>1,895,836</u>
<b>28</b>	<b>BASIC / DILUTED EARNINGS PER SHARE</b>		
	Profit for the period	<u>3,820,238</u>	<u>6,148,762</u>
		<b>(Numbers in '000)</b>	
	Weighted average number of ordinary shares	<u>640</u>	<u>640</u>
		-----Rupees-----	
	Basic / diluted earnings per share	<u>5,969</u>	<u>9,607</u>

### 28.1 Diluted earnings per share

Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue.

		<u>Nine months period ended</u>	
		<u>September 30,</u>	<u>September 30,</u>
		<u>2024</u>	<u>2023</u>
		------(Un-audited)-----	
		------(Rupees in '000)-----	
<b>29</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and balances with treasury banks	6 828,466	886,162
	Balances with other banks	7 254,875	180,539
		<u>1,083,341</u>	<u>1,066,701</u>
<b>30</b>	<b>FAIR VALUE MEASUREMENTS</b>		

The fair value of quoted securities other than those classified under held to collect model, 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 Company 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 reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

### 30.1 On balance sheet financial instruments

Carrying value	September 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	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 sukuks / term finance certificates	3,799,332	-	3,799,332	-	3,799,332
- Unlisted sukuks / 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	-	-	-	-

Carrying value	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	-	498,552,619
- Pakistan Investment Bonds	446,057,760	-	446,057,760	-	446,057,760
- GOP Ijarah sukuks	-	-	-	-	-
- Shares of listed companies	3,615,293	3,615,293	-	-	3,615,293
- Listed sukuk / term finance certificates	4,371,338	-	4,371,338	-	4,371,338
- Unlisted sukuk / term finance certificates	2,465,423	-	2,465,423	-	2,465,423

#### Financial assets - disclosed but not measured at fair value

Investments					-
- Pakistan Investment Bonds	27,864,892	-	-	-	-
- Unlisted sukuk / term finance certificates	999,865	-	-	999,865	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 Sukuks	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 sukuks / 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 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 period.

## 31 SEGMENT INFORMATION

### 31.1 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)-----							
<b>Unconsolidated statement of profit and loss account</b>							
Net mark-up / return / interest / (expense) / profit	(2,845,408)	(4,799,470)	-	-	815,316	35,298	(6,794,264)
Non mark-up / return / interest / profit income	153,663	(77,466)	12,456,884	162,953	1,967	74,570	12,772,571
Total (expense) / income	(2,691,745)	(4,876,936)	12,456,884	162,953	817,283	109,868	5,978,307
Segment direct expenses	(98,892)	(57,493)	(25,910)	(6,252)	(17,679)	(561,630)	(767,856)
Segment indirect expenses	(97,548)	(19,510)	(14,633)	(9,755)	-	(287,763)	(429,209)
Total expenses	(196,440)	(77,003)	(40,543)	(16,007)	(17,679)	(849,393)	(1,197,065)
Credit loss allowance reversal / (charge)	24,577	(18)	-	-	(2,319)	(8)	22,232
(Loss) / profit before tax	(2,863,608)	(4,953,957)	12,416,341	146,946	797,285	(739,533)	4,803,474

September 30, 2024 (Un-audited)							
Corporate Finance	Treasury	Investment Banking	Capital Markets	Islamic Finance Division	Others	Total	
------(Rupees in '000)-----							
<b>Unconsolidated statement of financial position</b>							
Cash and bank balances	-	915,355	-	-	167,836	150	1,083,341
Investments	168,586	918,870,560	5,058,920	2,014,010	4,684,450	-	930,796,526
Advances - performing	39,095,769	-	-	-	13,425,983	226,575	52,748,327
Advances - non-performing	100,438	-	-	-	-	-	100,438
Others	1,701,347	10,575,682	446,700	(90,662)	777,143	17,808,174	31,218,384
<b>Total assets</b>	41,066,140	930,361,597	5,505,620	1,923,348	19,055,412	18,034,899	1,015,947,016
Borrowings	44,528,530	896,375,528	-	-	12,278,346	-	953,182,404
Subordinated debt	-	-	-	-	-	-	-
Deposits and other accounts	16,674,462	-	-	-	-	-	16,674,462
Net inter segment borrowing	(22,249,219)	18,813,051	-	-	3,436,168	-	-
Others	2,112,367	355,940	-	178,185	440,881	1,251,817	4,339,190
<b>Total liabilities</b>	41,066,140	915,544,519	-	178,185	16,155,395	1,251,817	974,196,056
Equity	-	14,817,078	5,505,620	1,745,163	2,900,017	16,783,082	41,750,960
<b>Total equity and liabilities</b>	41,066,140	930,361,597	5,505,620	1,923,348	19,055,412	18,034,899	1,015,947,016
<b>Contingencies and commitments</b>	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)-----						
<b>Unconsolidated statement of profit and loss account</b>						
Net mark-up / return / profit	568,087	3,106,833	-	-	10,316	3,685,236
Non mark-up / return / interest income	59,916	(109,698)	5,454,053	182,849	300,937	5,888,057
Total income	628,003	2,997,135	5,454,053	182,849	311,253	9,573,293
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
Profit / (loss) before tax	472,344	2,900,099	5,397,053	140,785	(865,683)	8,044,598

As at December 31, 2023 (Audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total	
----- (Rupees in '000) -----						
<b>Unconsolidated statement of financial position</b>						
Cash and bank balances	-	748,332	-	-	149	748,481
Investments	3,507,781	976,804,116	4,472,764	3,615,294	-	988,399,955
Advances - performing	53,618,093	-	-	-	192,848	53,810,941
Advances - non-performing	13,812	-	-	-	-	13,812
Others	1,526,115	24,125,139	-	-	15,047,579	40,698,833
<b>Total assets</b>	<b>58,665,801</b>	<b>1,001,677,587</b>	<b>4,472,764</b>	<b>3,615,294</b>	<b>15,240,576</b>	<b>1,083,672,022</b>
Borrowings	55,207,678	971,322,538	-	-	-	1,026,530,216
Deposits and other accounts	-	19,270,777	-	-	-	19,270,777
Others	1,280,980	536,945	-	1,498	1,758,238	3,577,661
<b>Total liabilities</b>	<b>56,488,658</b>	<b>991,130,260</b>	<b>-</b>	<b>1,498</b>	<b>1,758,238</b>	<b>1,049,378,654</b>
Equity	1,096,956	6,679,085	2,015	8,224,177	18,291,135	34,293,368
<b>Total equity and liabilities</b>	<b>57,585,614</b>	<b>997,809,345</b>	<b>2,015</b>	<b>8,225,675</b>	<b>20,049,373</b>	<b>1,083,672,022</b>
<b>Contingencies and commitments</b>	<b>17,590,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,590,249</b>

### 31.2 Segment details with respect to geographical locations

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

### 32 RELATED PARTY TRANSACTIONS

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

The Company 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 period / 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	Subsidiary	Associates	Other related parties	Directors	Key management personnel	Subsidiary	Associates	Other related parties
----- (Rupees in '000) -----										
<b>Balances with other banks</b>										
In current accounts	-	-	-	1,168	-	-	-	-	-	-
In savings accounts	-	-	-	102,294	-	-	-	-	44,207	-
	-	-	-	103,462	-	-	-	-	44,207	-
<b>Investments</b>										
Opening balance	-	-	1,101,345	3,370,620	800	-	-	-	3,359,321	800
Investment made during the period / year	-	-	586,155	-	-	-	-	1,101,345	-	-
Reversal of provision	-	-	-	-	-	-	-	-	11,299	-
Closing balance	-	-	1,687,500	3,370,620	800	-	-	1,101,345	3,370,620	800
<b>Advances</b>										
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)	-	-	-	-	-
<b>Other Assets</b>										
Interest / mark-up accrued	-	-	-	349	64,597	-	-	-	2,046	-
Addition during the period / year	-	-	-	-	-	-	-	347,813	-	-
Repaid during the period / year	-	-	-	-	-	-	-	(347,813)	-	-
Dividend receivable	-	-	-	446,700	-	-	-	-	-	-
Credit loss allowance against other assets	-	-	-	-	(20)	-	-	-	(276)	-
	-	-	-	447,049	64,577	-	-	-	1,770	-
<b>Borrowings</b>										
Opening balance	-	-	-	30,996,916	-	-	-	-	30,657,267	12,648,747
Borrowings during the period / year	-	-	-	-	16,526,180	-	-	-	11,855,548	-
Settlement during the period / 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	-



September 30, 2024 (Un-audited)					December 31, 2023 (Audited)				
Directors	Key management personnel	Subsidiary	Associates	Other related parties	Directors	Key management personnel	Subsidiary	Associates	Other related parties

(Rupees in '000)

#### Deposits and other accounts

Opening balance	-	-	-	679,469	-	-	-	-	886,721
Received during the period / year	-	-	-	1,548,966	-	-	-	-	3,798,797
Withdrawn during the period / 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 Enterprises	-	-	-	85	-	-	-	-	-
Payable to FTC Management Company (Private) Limited	-	-	-	2,000	-	-	-	-	1,206
Payable to TCC Management Company Limited	-	-	-	320	-	-	-	-	-
	-	-	99	306,337	-	-	-	108	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	Subsidiary	Associates	Other related parties	Directors	Key management personnel	Subsidiary	Associates	Other related parties

(Rupees in '000)

#### Income

Mark-up / return / interest earned	-	3,639	-	8,482	260,042	-	5,112	-	4,223	-
Dividend income	-	-	-	12,456,883	-	-	-	-	5,446,303	-

#### Other income

- Nominee director fee	-	-	1,350	14,250	385	-	-	-	13,600	515
------------------------	---	---	-------	--------	-----	---	---	---	--------	-----

#### Expense

Mark-up / return / interest paid / accrued	-	-	-	2,275,106	354,875	-	-	-	3,925,279	551,577
--------------------------------------------	---	---	---	-----------	---------	---	---	---	-----------	---------

#### 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	-	-	-	-	2,316

	September 30, 2024 (Un-audited)	December 31, 2023 (Audited)
	------(Rupees in '000)-----	
<b>Minimum capital requirement (MCR):</b>		
Paid-up capital	16,000,000	16,000,000
<b>Capital adequacy ratio (CAR):</b>		
Eligible common equity tier 1 (CET 1) capital	25,813,347	27,311,863
Eligible tier 2 capital	6,340,120	2,150,022
Total eligible capital (tier 1 + tier 2)	32,153,467	29,461,885
<b>Risk weighted assets (RWAs):</b>		
Credit risk	46,153,283	51,556,166
Market risk	3,757,956	6,489,724
Operational risk	17,382,391	17,382,390
Total	67,293,630	75,428,280
Common equity tier 1 capital adequacy ratio	38.36%	36.21%
Tier 1 capital adequacy ratio	38.36%	36.21%
Total capital adequacy ratio	47.78%	39.06%
<b>Leverage ratio (LR):</b>		
Eligible tier-1 capital	25,813,347	27,311,863
Total exposures	1,088,675,329	1,063,823,422
Leverage ratio *	2.37%	2.57%
<b>Liquidity coverage ratio (LCR):</b>		
Total high quality liquid assets	37,164,658	22,483,775
Total net cash outflow	27,876,647	25,751,324
Liquidity coverage ratio	133.32%	87.31%
<b>Net stable funding ratio (NSFR):</b>		
Total available stable funding	155,305,275	85,437,393
Total required stable funding	135,328,720	73,469,982
Net stable funding ratio	114.76%	116.29%

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

34 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:

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>Note</b>	<b>September 30, 2024 (Un-audited) Rupees in '000</b>
<b>ASSETS</b>		
Cash and balances with treasury banks		166,668
Balances with other banks		1,168
Due from financial institutions		-
Investments	34.1	4,684,450
Islamic financing and related assets - net	34.2	13,425,983
Property and equipment		15,054
Right-of-use assets		-
Intangible assets		-
Due from head office		-
Other assets		762,089
<b>Total assets</b>		<b>19,055,412</b>
<b>LIABILITIES</b>		
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
		<b>16,155,395</b>
<b>NET ASSETS</b>		<b>2,900,017</b>
<b>REPRESENTED BY</b>		
Islamic banking fund		2,237,077
Reserves		-
Surplus on revaluation of assets		28,853
Unappropriated profit	34.3	634,087
		<b>2,900,017</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
	34.4	
<b>STATEMENT OF PROFIT AND LOSS ACCOUNT</b>		
		<b>For the period from February 27, 2024 to September 30, 2024 (Un-audited) Rupees in '000</b>
Profit / return earned	34.5	1,968,884
Profit / return expensed	34.6	1,153,568
Net profit / return		815,316
<b>Other income</b>		
Fee and commission income		1,875
Dividend income		-
Foreign exchange income		-
Gain on securities		92
Other income		-
Total other income		1,967
<b>Total income</b>		<b>817,283</b>
<b>Other expenses</b>		
Operating expenses		17,679
Workers welfare fund		-
Other charges		-
Total other expenses		17,679
<b>Profit before credit loss allowance</b>		<b>799,604</b>
Credit loss allowance and write offs - net		2,319
<b>Profit before taxation</b>		<b>797,285</b>
Taxation		163,198
<b>Profit after taxation</b>		<b>634,087</b>

**34.1 Investments by segments:**

**- Debt instruments**

**Classified / measured at FVOCI**

Federal government securities

-Ijarah sukuks

Non government debt securities

**Classified / measured at FVPL**

Non government debt securities

**Total investments**

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

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

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

460,000	-	1,300	461,300
460,000	-	1,300	461,300

4,652,755	(299)	31,994	4,684,450
-----------	-------	--------	-----------

**34.1.1 Particlurs of credit loss allowance**

Non government debt securities

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

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

299	-	-	299
-----	---	---	-----

**34.2 Islamic financing and related assets**

Musharakah

Diminishing Musharakah

Tijarah

Advances for Tijarah

Inventories against Istisna

Inventories against Tijarah

Gross Islamic financing and related assets

Less: Credit loss allowance against Islamic financings

Stage 1

Stage 2

Stage 3

Islamic financing and related assets - net of credit loss allowance

September 30,  
2024

(Un-audited)

(Rupees in '000)

1,000,000
11,650,432
313,013
38,711
361,507
64,212
13,427,875

(1,892)
-
-
(1,892)

**13,425,983**

		September 30, 2024 (Un-audited) Rupees in '000
<b>34.3</b>	<b>Islamic banking business unappropriated profit</b>	
	Opening balance	-
	Add: Islamic banking profit for the period	797,285
	Less: taxation	(163,198)
	Closing balance	<u><u>634,087</u></u>
<b>34.4</b>	<b>Contingencies and commitments</b>	
	- Guarantees	750,000
	- Commitments	7,245,345
		<u><u>7,995,345</u></u>
		For the period from February 27, 2024 to September 30, 2024
<b>34.5</b>	<b>Profit / return earned on financing and investments</b>	(Un-audited) Rupees in '000
	Profit earned on:	
	Financing	1,425,952
	Investments	542,932
		<u><u>1,968,884</u></u>
<b>34.6</b>	<b>Profit on deposits and other dues expensed</b>	
	Profit expensed on:	
	Deposits and other accounts	50,915
	Due to financial institutions	1,102,653
		<u><u>1,153,568</u></u>
<b>34.7</b>	<b>Pool management</b>	
<b>34.7.1</b>	<b>The pools, their key features &amp; risk and rewards characteristics:</b>	
	The Company's Islamic Finance Division operates special pools for deposits and inter-bank funds accepted / acquired under Mudarabah and Musharakah modes.	
<b>34.7.2</b>	<b>Equity pool:</b>	
	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.	
<b>34.7.3</b>	<b>Special Mudarabah pools</b>	
	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.	

#### 34.7.4 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.

	September 30, 2024 (Un-audited) Rupees in '000
<b>34.7.5 Avenues / sectors where Mudarabah / Musharakah based FI funds / deposits have been deployed:</b>	
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	<b>13,427,875</b>
Total gross investments (at cost)	4,652,755
<b>Total invested funds</b>	<b><u>18,080,630</u></b>

#### 34.7.6 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.

#### 34.7.7 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	Mudarib share	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

**35 DATE OF AUTHORISATION FOR ISSUE**

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

**36 GENERAL**

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

**37 CORRESPONDING FIGURES**

The corresponding figures have been restated / reclassified / rearranged wherever necessary. There have been no significant restatement / reclassification during the period except for the effects of change in accounting policy as disclosed in note 4.1 of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director



Director



Director