



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

(Un-Audited)

For the three months period ended March 31, 2025

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025

		March 31, 2025 (Un-audited)	December 31, 2024 (Audited)	
Note		----- (Rupees in '000) -----		
ASSETS				
	Cash and balances with treasury banks	6	583,489	878,903
	Balances with other banks	7	137,761	95,640
	Lendings to financial institutions	8	388,048	21,140,182
	Investments	9	352,872,394	451,724,816
	Advances	10	52,571,748	51,270,623
	Property and equipment	11	881,946	916,090
	Right-of-use assets		-	-
	Intangible assets	12	114,836	47,215
	Deferred tax assets	13	3,137,779	3,439,941
	Other assets	14	22,784,226	23,827,866
	Total assets		433,472,227	553,341,276
LIABILITIES				
	Bills payable		-	-
	Borrowings	15	349,624,543	456,002,911
	Deposits and other accounts	16	22,097,906	39,006,034
	Lease liabilities		-	-
	Subordinated debt		-	-
	Deferred tax liabilities		-	-
	Other liabilities	17	12,248,047	11,596,958
	Total liabilities		383,970,496	506,605,903
NET ASSETS			<u>49,501,731</u>	<u>46,735,373</u>
REPRESENTED BY				
	Share capital		16,000,000	16,000,000
	Reserves		16,489,285	16,489,285
	Surplus on revaluation of assets	18	2,285,309	3,060,736
	Unappropriated profit		14,727,137	11,185,352
			<u>49,501,731</u>	<u>46,735,373</u>
CONTINGENCIES AND COMMITMENTS		19		


The annexed notes 1 to 38 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 PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

		<u>Three months period ended</u>	
		<u>March 31,</u>	<u>March 31,</u>
	<u>Note</u>	<u>2025</u>	<u>2024</u>
		<u>------(Rupees in '000)-----</u>	
Mark-up / return / interest / profit earned	20	18,081,043	52,074,444
Mark-up / return / interest / profit expensed	21	13,741,760	56,145,046
Net mark-up / return / interest / profit / income		4,339,283	(4,070,602)
NON MARK-UP / INTEREST INCOME			
Fee and commission income	22	12,981	94,970
Dividend income		4,133,390	4,504,039
Foreign exchange income		-	-
Income / (loss) from derivatives		-	-
Gain / (loss) on securities	23	109,533	(71,793)
Net loss on derecognition of financial assets measured at amortised cost	24	(441,885)	-
Other income	25	28,572	19,731
Total non-markup / interest income		3,842,591	4,546,947
Total income		8,181,874	476,345
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	26	738,487	349,362
Workers welfare fund		146,155	2,461
Other charges	27	-	6,395
Total non-markup / interest expenses		884,642	358,218
Profit before credit loss allowance		7,297,232	118,127
Reversal of provision / credit loss allowance - net	28	(10,501)	(4,910)
Other income / expense items		-	-
PROFIT BEFORE TAXATION		7,307,733	123,037
Taxation	29	2,442,126	(98,860)
PROFIT AFTER TAXATION		4,865,607	221,897
-----Rupees-----			
Basic / diluted earnings per share (on share of Rs. 25,000 each)	30	7,603	347

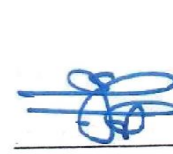
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 Chief Executive Officer


 Chief Financial Officer


 Director


 Director


 Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

	<u>Three months period ended</u>	
	<u>March 31,</u>	<u>March 31,</u>
	<u>2025</u>	<u>2024</u>
	<u>----- (Rupees in '000) -----</u>	
Profit after taxation for the period	4,865,607	221,897
Other comprehensive income / (loss)		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in deficit on revaluation of debt investments through FVOCI - net of tax	(760,390)	(3,249,313)
(Gain) / loss on sale of debt investment carried at FVOCI reclassified to profit or loss account - net of tax	(34,369)	37,550
	(794,759)	(3,211,763)
Items that will not be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of investment in equity investments - net of tax	195,510	136,303
	195,510	136,303
Total comprehensive income / (loss)	<u>4,266,358</u>	<u>(2,853,563)</u>

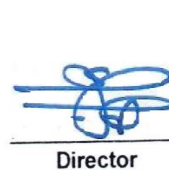
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 Chief Executive Officer


 Chief Financial Officer


 Director


 Director

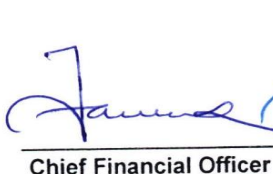

 Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

	Share capital	Capital Reserve Statutory reserve	Surplus / (deficit) on revaluation of investments	Revenue reserve Unappropriated profit	Total
------(Rupees in '000)-----					
Opening balance as at January 01, 2024	16,000,000	14,000,074	2,351,511	1,941,783	34,293,368
Profit after taxation for the three months period ended March 31, 2024	-	-	-	221,897	221,897
Other comprehensive (loss) / income - net of tax					
Movement in deficit on revaluation of debt investments through FVOCI - net of tax	-	-	(3,249,313)	-	(3,249,313)
Loss on sale of debt investment carried at FVOCI reclassified to profit or loss account - net of tax	-	-	37,550	-	37,550
Movement in surplus on revaluation of investment in equity investments - net of tax	-	-	136,303	-	136,303
Transfer of gain on FVOCI equity securities to unappropriated profit - net of tax	-	-	(294,458)	294,458	-
Total other comprehensive (loss) / income	-	-	(3,369,918)	294,458	(3,075,460)
Closing balance as at March 31, 2024 (un-audited)	16,000,000	14,000,074	(1,018,407)	2,458,138	31,439,805
Opening Balance as at April 01, 2024 (un-audited)	16,000,000	14,000,074	(1,018,407)	2,458,138	31,439,805
Profit after taxation for the nine months period ended December 31, 2024	-	-	-	12,224,160	12,224,160
Other comprehensive income / (loss) - net of tax					
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	-	-	3,881,016	-	3,881,016
Gain on sale of debt investment carried at FVOCI reclassified to profit or loss account - net of tax	-	-	(163,047)	-	(163,047)
Remeasurement loss on defined benefit obligation - net of tax	-	-	-	(1,508)	(1,508)
Movement in surplus on revaluation of investment in equity investments - net of tax	-	-	685,947	-	685,947
Transfer of gain on FVOCI equity securities to unappropriated profit - net of tax	-	-	(324,773)	324,773	-
Total other comprehensive income	-	-	4,079,143	323,265	4,402,408
Transfer to statutory reserve	-	2,489,211	-	(2,489,211)	-
Transactions with owners recorded directly in equity					
Final dividend for the year ended December 31, 2023 @ Rs. 2,079.688 per share	-	-	-	(1,331,000)	(1,331,000)
Closing balance as at December 31, 2024	16,000,000	16,489,285	3,060,736	11,185,352	46,735,373
Opening balance as at January 1, 2025	16,000,000	16,489,285	3,060,736	11,185,352	46,735,373
Profit after taxation for the three months period ended March 31, 2025	-	-	-	4,865,607	4,865,607
Other comprehensive income - net of tax					
Movement in deficit on revaluation of debt investments through FVOCI - net of tax	-	-	(760,390)	-	(760,390)
Gain on sale of debt investment carried at FVOCI reclassified to profit or loss account - net of tax	-	-	(34,369)	-	(34,369)
Movement in surplus on revaluation of investment in equity investments - net of tax	-	-	195,510	-	195,510
Transfer of gain on FVOCI equity securities to unappropriated profit - net of tax	-	-	(176,178)	176,178	-
Total other comprehensive income	-	-	(775,427)	176,178	(599,249)
Transactions with owners recorded directly in equity					
Final dividend for the year ended December 31, 2024 @ Rs. 2,343.75 per share	-	-	-	(1,500,000)	(1,500,000)
Closing balance as at March 31, 2025	16,000,000	16,489,285	2,285,309	14,727,137	49,501,731

The annexed notes 1 to 38 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 CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

		Three months period ended	
		March 31, 2025	March 31, 2024
Note		------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
		7,307,733	123,037
	Profit before taxation	(4,133,390)	(4,504,039)
	Less: Dividend income	<u>3,174,343</u>	<u>(4,381,002)</u>
Adjustments :			
	Net mark-up / return / interest / profit / income	(4,339,283)	4,070,602
26	Depreciation	47,849	47,660
26	Amortisation	2,496	1,337
28	Reversal of provision / credit loss allowance - net	(10,501)	(4,910)
	Charge for defined benefit plan	17,800	16,902
	Gain on sale of property and equipment	(5,508)	-
	Gain on sale of non current assets 'Held for Sale'	-	(47)
	Unrealised diminution on investments		
	- measured at FVPL	3,225	1,489
23	Net loss on derecognition of financial assets		
	measured at amortised cost	441,885	-
		<u>(3,842,037)</u>	<u>4,133,033</u>
		<u>(667,694)</u>	<u>(247,969)</u>
Decrease / (increase) in operating assets			
	Lendings to financial institutions	20,754,734	-
	Securities classified as FVPL	(98,195)	143,531
	Advances	(1,326,940)	(634,344)
	Others assets (excluding advance taxation)	43,933	(6,492)
		<u>19,373,532</u>	<u>(497,305)</u>
(Decrease) / increase in operating liabilities			
	Borrowings from financial institutions	(106,432,047)	21,754,936
	Deposits	(16,908,128)	5,124,099
	Other liabilities (excluding current taxation)	165,783	(362,802)
		<u>(123,174,392)</u>	<u>26,516,233</u>
		<u>(104,468,554)</u>	<u>25,770,959</u>
Payments against off-balance sheet obligations			
	Mark-up / interest / profit received	21,190,897	54,380,018
	Mark-up / interest / profit paid	(14,847,331)	(55,262,975)
	Income tax paid	(400,354)	(591,307)
		<u>5,943,212</u>	<u>(1,474,264)</u>
		<u>(98,525,342)</u>	<u>24,296,695</u>
	Net cash (used in) / generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES			
	Net divestment / (investment) in securities classified as FVOCI	99,689,058	(24,206,627)
	Net investment in subsidiary	(1,687,500)	-
	Dividends received	348,822	207,364
	Investments in property and equipment	(13,940)	(39,498)
	Investments in intangible assets	(70,117)	-
	Disposal of property and equipment	5,744	255
	Net cash generated from / (used in) investing activities	<u>98,272,067</u>	<u>(24,038,506)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
	Dividend paid	-	-
	Net cash used in financing activities	-	-
	Increase in cash and cash equivalents	<u>(253,275)</u>	<u>258,189</u>
	Credit loss on cash and cash equivalents	(18)	(44)
	Cash and cash equivalents at beginning of the period	974,543	748,481
	Cash and cash equivalents at end of the period	<u>721,250</u>	<u>1,006,626</u>

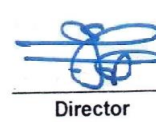
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Chief Executive Officer


Chief Financial Officer


Director


Director


Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2025

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.

Based on the financial statements of the Company for the year ended December 31, 2023, Pakistan Credit Rating Agency (PACRA) has reaffirmed both the Company's medium to long-term rating as 'AAA' and the short-term rating as 'A1+'.

The Company incorporated Raqami Islamic Digital Bank Limited (RIDBL), a subsidiary company, with an authorised share capital of Rs. 10,000 million in 2023. The Company is currently holding 80.60% shareholding in RIDBL.

The State Bank of Pakistan has granted approval to the Company for commencement of Shariah compliant business and operations in 2023. 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, 2024.

Details of key financial metrics for the Islamic Finance Division of the Company are disclosed in note 35 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

- International Accounting Standards (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 for the year ended December 31, 2024.

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 Company believes that there is no significant doubt on the Company's ability to continue as a going concern. Therefore, the unconsolidated financial statements continue to be prepared on the going concern basis.

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 the published accounting and reporting standards that are effective in the current year:

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 1, 2025, but are considered not to be relevant or do not have any material effect on the Company's operations and are therefore not detailed in these unconsolidated financial statements.

2.3 Standards, interpretations of and amendments to the published accounting and reporting standards 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:

- obligation in respect of staff retirement benefit has been carried at present value of defined benefit obligation and compensated absences
- 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.

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, 2024, except for the following:

In accordance with the State Bank of Pakistan's (SBP) IFRS 9 application instructions, financial institutions (FIs) were initially advised to measure investments in unquoted equity securities at the lower of cost or break-up value up to December 31, 2023. Subsequently, SBP, through BPRD Circular Letter No. 16 of 2024 dated July 29, 2024, extended this relaxation, allowing FIs to continue measuring unquoted equity securities at the lower of cost or break-up value until December 31, 2024.

Accordingly, during the quarter ended March 31, 2025, the Company internally conducted a fair valuation of its unquoted equity securities using the discounted cash flow (DCF) technique and accordingly recorded these securities at their fair value as of March 31, 2025. The financial impact is disclosed in note 9.1.1 of these unconsolidated condensed interim financial statements.

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, 2024.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this unconsolidated condensed interim financial information is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2024.

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
------(Rupees in '000)-----			
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
- local currency		150	150
With the State Bank of Pakistan in			
- local currency current accounts	6.1	344,970	711,361
- local currency current account - Islamic Finance Division	6.2	237,870	166,802
With the National Bank of Pakistan in			
- local currency current account		499	590
		<u>583,489</u>	<u>878,903</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>583,489</u>	<u>878,903</u>

6.1 This includes Rs. 490 million (December 31, 2024: Rs. 873 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.

6.2 This includes Rs. 165 million (December 31, 2024: Rs. 165 million) as minimum cash reserve required to be maintained with SBP by Islamic Finance Division of the Company.

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
------(Rupees in '000)-----			
7 BALANCES WITH OTHER BANKS			
In Pakistan			
- in current accounts	7.1	19,753	2,442
- in deposit accounts	7.2	118,026	93,211
		<u>137,779</u>	<u>95,653</u>
Less: Credit loss allowance held against balances with other banks		(18)	(13)
Balances with other banks - net of credit loss allowance		<u>137,761</u>	<u>95,640</u>

7.1 These include balance maintained with Meezan Bank Limited (a related party) amounting to Rs.1.03 million. (December 31, 2024: Rs. 1.22 million).

7.2 This represents balances maintained in deposit accounts with banks which includes a balance with Meezan Bank Limited (a related party) amounting to Rs. 114.997 million (December 31, 2024: Rs. 91.04 million). The profit rates on these accounts range between 8.01% and 10.5% (December 31, 2024: 5.87% and 13.5%).

	Note	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
------(Rupees in '000)-----			
8 LENDINGS TO FINANCIAL INSTITUTIONS			
Reverse Repo Agreements	8.4	288,100	19,642,834
Letter of Placement	8.5	100,000	1,500,000
		<u>388,100</u>	<u>21,142,834</u>
Less: Credit loss allowance held against lendings to financial institutions		(52)	(2,652)
Lendings to financial institutions - net of credit loss allowance		<u>388,048</u>	<u>21,140,182</u>

8.1 Particulars of lending - gross

In local currency	<u>388,100</u>	<u>21,142,834</u>
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8.2 Securities held as collateral against lendings to financial institutions

	March 31, 2025 (Un-audited)			December 31, 2024 (Audited)		
	Held by Company	Further given as collateral	Total	Held by Company	Further given as collateral	Total
(Rupees in '000)						
Market Treasury Bills	288,100	-	288,100	19,642,834	-	19,642,834

8.3 Lending to Financial Institutions - Particulars

		March 31, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
(Rupees in '000)					
of credit loss allowance					
Domestic					
Performing	Stage 1	388,100	52	21,142,834	(2,652)
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
Total		388,100	52	21,142,834	(2,652)

8.4 This represents lendings to financial institutions against purchase and resale of government securities. Market value of these securities as at March 31, 2025 amounted to Rs. 287.733 million (December 31, 2024: Rs. 19,617 million). The markup rates on these lendings is 12.00% (December 31, 2024: 12.70% and 13.50%) with maturity in three days (December 31, 2024: two to three days).

8.5 The markup rate on this LOP is 12.50% (December 31, 2024: 13.50%). This LOP are due for maturity on April 04, 2025 (December 31, 2024: January 02, 2025).

9 INVESTMENTS

9.1 Investments by type:

	March 31, 2025 (Un-audited)				December 31, 2024 (Audited)			
	Fair value / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Fair value / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
(Rupees in '000)								
- Debt instruments								
Classified / measured at amortised cost								
Federal government securities	13,005,709	-	-	13,005,709	12,969,232	-	-	12,969,232
Non government debt securities	-	-	-	-	-	-	-	-
	13,005,709	-	-	13,005,709	12,969,232	-	-	12,969,232
Classified / measured at FVOCI								
Federal government securities	320,985,810	-	2,296,410	323,282,220	420,291,724	-	3,582,556	423,874,280
Non government debt securities	2,406,419	(33,851)	18,342	2,390,910	2,519,856	(33,900)	32,674	2,518,630
	323,392,229	(33,851)	2,314,752	325,673,130	422,811,580	(33,900)	3,615,230	426,392,910
Classified / measured at FVPL								
Non government debt securities	4,438,400	-	(12,146)	4,426,254	4,438,596	-	(11,307)	4,427,289
- Equity instruments								
Classified / measured at FVPL								
Shares								
Listed companies	231,489	-	(2,386)	229,103	133,098	-	(4,342)	128,756
Classified / measured at FVOCI (Non-Reclassifiable)								
Shares								
Listed companies	1,624,382	-	1,086,720	2,711,102	1,687,109	-	1,048,828	2,735,937
Unlisted companies	104,026	-	(22,550)	81,476	104,026	(91,454)	-	12,572
	1,728,408	-	1,064,170	2,792,578	1,791,135	(91,454)	1,048,828	2,748,509
Subsidiary								
Raqami Islamic Digital Bank Limited *	3,375,000	-	-	3,375,000	1,687,500	-	-	1,687,500
Associates (refer note 9.2)								
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
Total investments	349,541,855	(33,851)	3,364,390	352,872,394	447,201,761	(125,354)	4,648,409	451,724,816

* During the period ended March 31, 2025, the Company has subscribed right shares of Raqami Islamic Digital Bank Limited amounting to Rs. 1,687.500 million.

9.1.1 Movement in fair valuation of unquoted shares

	March 31, 2025 (Un-audited) (Rupees in '000)
Opening Balance	12,572
Reversal of Provision for impairment held on un-quoted securities	91,454
Fair value loss recognize in OCI	(22,550)
Closing Balance	81,476

9.1.2 Details of investment in subsidiary and associates

	As at March 31, 2025				For the period ended March 31, 2025		
	Country of incorpora- tion	Percentage of holding (%)	Assets	Liabilities	Revenue	(Loss) / Profit for the period	Total comprehensiv e (loss) / income
(Rupees in '000)							
Subsidiary							
Raqami Islamic Digital Bank Limited	Pakistan	80.60	2,278,256	163,028	41,396	(464,629)	(464,629)
Associates							
Meezan Bank Limited	Pakistan	29.91	3,910,526,800	3,656,896,580	287,043,132	103,719,335	114,205,455
Ghandhara Tyre and Rubber Company Limited *	Pakistan	30.00	19,682,062	13,665,616	14,513,570	98,817	103,362
Al Meezan Mutual Funds	Pakistan	5.69	11,805,437	429,394	412,016	299,780	299,780
Al Meezan Investment Management Limited	Pakistan	30.00	8,109,779	2,752,358	1,892,885	889,868	889,868
National Clearing Company of Pakistan Limited	Pakistan	15.00	66,709,460	63,689,721	901,357	316,268	316,268
Eclear Services Limited	Pakistan	20.00	3,162,595	2,799,416	80,230	43,047	43,047
Planet N (Private) Limited	Pakistan	9.93	618,407	45,326	(5,176)	(8,376)	(8,376)

* The financial statements for the period ended March 31, 2025 of Ghandhara Tyre and Rubber Company Limited are not available, therefore the financial statements for the half year ended December 31, 2024 have been disclosed.

As at December 31, 2024				For the year ended December 31, 2024		
Country of incorporation	Percentage of holding (%)	Assets	Liabilities	Revenue	(Loss) / Profit for the year	Total comprehensive (loss) / income
(Rupees in '000)						

Subsidiary						
Raqami Islamic Digital Bank Limited	Pakistan	67.50	1,144,841	252,485	154,078	(1,067,989)
Associates						
Meezan Bank Limited	Pakistan	29.91	3,910,526,800	3,656,896,580	287,043,132	103,719,335
Ghandhara Tyre and Rubber Company Limited	Pakistan	30.00	19,682,062	13,665,616	14,513,570	98,817
Al Meezan Mutual Funds	Pakistan	6.18	10,430,810	235,289	4,113,019	3,883,772
Al Meezan Investment Management Limited	Pakistan	30.00	8,130,073	2,662,520	5,139,513	2,943,580
National Clearing Company of Pakistan Limited	Pakistan	15.00	56,964,446	54,105,456	2,829,445	910,345
EcLEAR Services Limited	Pakistan	20.00	3,162,595	2,799,416	80,230	43,047
Planet N (Private) Limited	Pakistan	9.93	666,653	85,194	254,846	190,716

		March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		(Rupees in '000)	
9.1.3 Investments given as collateral			
Pakistan Investment Bonds		381,203,917	400,352,472
Market Treasury Bills		-	-
		<u>381,203,917</u>	<u>400,352,472</u>

9.2 Credit loss allowance for diminution in value of investments

9.2.1	Opening balance	125,354	137,370
	Charge / (reversals)		
	ECL charge for the period / year	33,638	436
	ECL / provision reversal for the period / year	(125,141)	(12,452)
		(91,503)	(12,016)
	Closing balance	<u>33,851</u>	<u>125,354</u>

9.2.2 Particulars of credit loss allowance / provision against debt securities (excluding government debt securities)

Category of classification		March 31, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
(Rupees in '000)					
Domestic					
Performing	Stage 1	2,372,781	213	2,486,218	262
Underperforming	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		33,638	33,638	33,638	33,638
		33,638	33,638	33,638	33,638
Total		<u>2,406,419</u>	<u>33,851</u>	<u>2,519,856</u>	<u>33,900</u>

9.3 The market value of securities classified as amortised cost as at March 31, 2025 amounted to Rs. 12,517 million (December 31, 2024: Rs. 12,413 million).

10 ADVANCES

ADVANCES	Note	Performing		Non performing		Total	
		March 31, 2025 (Un-audited)	December 31, 2024 (Audited)	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
<hr/> <div>(Rupees in '000)</div> <hr/>							
Loans, cash credits, running finances, etc.	10.1	39,774,863	38,290,040	902,437	902,437	40,677,300	39,192,477
Islamic financing and related assets		13,907,239	14,006,801	-	-	13,907,239	14,006,801
Advances - gross		53,682,102	52,296,841	902,437	902,437	54,584,539	53,199,278
Provision against advances							
- General		(1,100,000)	(1,100,000)	-	-	(1,100,000)	(1,100,000)
Credit loss allowance against advances							
-Stage 1		(16,098)	(16,165)	-	-	(16,098)	(16,165)
-Stage 2		(8,068)	(2,615)	-	-	(8,068)	(2,615)
-Stage 3		-	-	(888,625)	(809,875)	(888,625)	(809,875)
		(24,166)	(18,780)	(888,625)	(809,875)	(912,791)	(828,655)
Advances - net of credit loss allowance / provision		52,557,936	51,178,061	13,812	92,562	52,571,748	51,270,623

10.1 Information related to Islamic financing and related assets is given in note 35 to these unconsolidated interim condensed financial statements.

	March 31, 2025	December 31, 2024
(Rupees in '000)		
10.2 Particulars of advances (gross)		
In local currency	54,584,539	53,199,278

10.3 Advances include Rs. 902.44 million (December 31, 2024: Rs 902.44 million) which have been placed under non-performing / stage 3 status as detailed below:

Category of classification in stage 3	March 31, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Non performing loans	Credit loss allowance	Non performing loans	Credit loss allowance
(Rupees in '000)				
Domestic				
Other Assets Especially Mentioned (OAEM)	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	157,500	78,750
Loss	902,437	888,625	744,937	731,125
Total	902,437	888,625	902,437	809,875

Provision is recorded net of security deposit of Rs.13.812 million (December 31, 2024: Rs. 13.812 million).

10.4 Particulars of credit loss allowance / provisions against advances

	March 31, 2025 (Un-audited)					December 31, 2024 (Audited)				
	Stage 3	Stage 2	Stage 1	General	Total	Stage 3	Stage 2	Stage 1	General	Total
(Rupees in '000)										
Opening balance	809,875	2,615	16,165	1,100,000	1,928,655	809,157	16,369	22,710	1,100,000	1,948,236
Charge for the period / year	78,750	5,516	2,247	-	86,513	78,750	77	4,362	-	83,189
Reversals for the period / year	-	(63)	(2,314)	-	(2,377)	(78,032)	(13,831)	(10,907)	-	(102,770)
	78,750	5,453	(67)	-	84,136	718	(13,754)	(6,545)	-	(19,581)
Closing balance	888,625	8,068	16,098	1,100,000	2,012,791	809,875	2,615	16,165	1,100,000	1,928,655

10.4.1 Particulars of credit loss allowance / provisions against advances

	March 31, 2025 (Un-audited)					December 31, 2024 (Audited)				
	Stage 3	Stage 2	Stage 1	General	Total	Stage 3	Stage 2	Stage 1	General	Total
(Rupees in '000)										
In local currency	888,625	8,068	16,098	1,100,000	2,012,791	809,875	2,615	16,165	1,100,000	1,928,655

- 10.5** 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 year 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 SBP, 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 SBP 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.

Accordingly, the Company has applied modification accounting under IFRS 9 in respect of its PIACL exposure in accordance with the relaxation provided by the SBP and has recorded a loss amounting to Rs 23.26 million representing 5% of the total loss on modification during the year 2024. However, remaining loss of 95% amounting Rs. 441.885 million has been recognized fully in quarter ended March 31, 2025.

10.6 Advances - Credit loss allowance / Provision

March 31, 2025 (Un-audited)					December 31, 2024 (Audited)				
Stage 1	Stage 2	Stage 3	General Provision	Total	Stage 1	Stage 2	Stage 3	General Provision	Total

(Rupees in '000)

10.6.1 Opening balance	16,165	2,615	809,875	1,100,000	1,928,655	22,710	16,369	809,157	1,100,000	1,948,236
New advances	1,579	-	-	-	1,579	3,955	77	-	-	4,032
Advances derecognised or repaid	(1,719)	(33)	-	-	(1,752)	(10,019)	(9,436)	(78,032)	-	(97,487)
Transfer to stage 1	-	-	-	-	-	-	-	-	-	-
Transfer to stage 2	(108)	108	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	(4,395)	4,395	-	-
	(248)	75	-	-	(173)	(6,064)	(13,754)	(73,637)	-	(93,455)
Changes in risk parameters (PDs/LGDs/EADs)	181	5,378	78,750	-	84,309	(481)	-	74,355	-	73,874
Closing balance	16,098	8,068	888,625	1,100,000	2,012,791	16,165	2,615	809,875	1,100,000	1,928,655

10.6.2 Advances - Category of classification

Domestic		March 31, 2025 (Un-audited)		December 31, 2024 (Audited)	
		Outstanding amount	Credit loss allowance / Provision	Outstanding amount	Credit loss allowance / Provision

(Rupees in '000)

Performing	Stage 1	51,914,439	1,116,098	51,113,386	1,116,165
Underperforming	Stage 2	1,767,663	8,068	1,183,455	2,615
Non-Performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	157,500	78,750
Loss		902,437	888,625	744,937	731,125
		902,437	888,625	902,437	809,875
Total		54,584,539	2,012,791	53,199,278	1,928,655

	Note	March 31, 2025 (Un-audited) ------(Rupees in '000)-----	December 31, 2024 (Audited)
11 PROPERTY AND EQUIPMENT			
Capital work-in-progress	11.1	63,177	60,991
Property & equipment		818,769	855,099
		<u>881,946</u>	<u>916,090</u>
11.1 Capital work-in-progress			
Advance to supplier		63,177	60,991
12 INTANGIBLE ASSETS			
Advance to supplier		38,419	38,419
Intangible assets - computer software		76,417	8,796
		<u>114,836</u>	<u>47,215</u>
Three months period ended			
		March 31, 2025 (Un-audited)	March 31, 2024 (Audited)
Additions to intangible assets			
The following additions have been made to intangible assets during the period.			
Directly purchased (License)		70,117	-

13 DEFERRED TAX ASSETS	March 31, 2025 (Un-audited)				
	At March 1, 2025	Recognised in P&L A/C	Recognised in OCI	Recognised in SOCIE	At March 31, 2025
	------(Rupees in 000)-----				
Deductible temporary differences on					
- Post retirement employee benefits	107,401	6,642	-	-	114,043
- Accelerated tax depreciation	(4,321)	8,835	-	-	4,514
- Credit loss allowance / provision against advances, off balance sheet etc.	753,978	31,572	-	-	785,550
- Provision for taxation (minimum)	4,284,169	(880,235)	-	-	3,403,934
	<u>5,141,227</u>	<u>(833,186)</u>	<u>-</u>	<u>-</u>	<u>4,308,041</u>
Taxable temporary differences on					
- Surplus on revaluation of investments	(1,597,830)	(4,571)	509,711	-	(1,092,690)
- Finance lease arrangements	(103,456)	25,884	-	-	(77,572)
	<u>(1,701,286)</u>	<u>21,313</u>	<u>509,711</u>	<u>-</u>	<u>(1,170,262)</u>
	<u>3,439,941</u>	<u>(811,873)</u>	<u>509,711</u>	<u>-</u>	<u>3,137,779</u>
	December 31, 2024 (Audited)				
	At January 1, 2024	Recognised in P&L A/C	Recognised in OCI	Recognised in SOCIE	At December 31, 2024
	------(Rupees in 000)-----				
Deductible temporary differences on					
- Post retirement employee benefits	77,974	28,463	964	-	107,401
- Credit loss allowance / provision against advances, off balance sheet etc.	789,438	(35,460)	-	-	753,978
- Provision for taxation (minimum)	2,355,887	1,928,282	-	-	4,284,169
	<u>3,223,299</u>	<u>1,921,285</u>	<u>964</u>	<u>-</u>	<u>5,145,548</u>
Taxable temporary differences on					
- Surplus on revaluation of investments	(1,276,298)	8,859	(330,391)	-	(1,597,830)
- Accelerated tax depreciation	3,395	(7,716)	-	-	(4,321)
- Finance lease arrangements	(135,822)	32,366	-	-	(103,456)
	<u>(1,408,725)</u>	<u>33,509</u>	<u>(330,391)</u>	<u>-</u>	<u>(1,705,607)</u>
	<u>1,814,574</u>	<u>1,954,794</u>	<u>(329,427)</u>	<u>-</u>	<u>3,439,941</u>

	Note	March 31, 2025 (Un-Audited)	December 31, 2024 (Audited)
------(Rupees in '000)-----			
14 OTHER ASSETS			
Income / mark-up / profit accrued in local currency		10,504,798	13,614,652
Advances, deposits, advance rent and other prepayments		99,420	142,561
Advance taxation		8,242,007	9,471,906
Dividend Receivable		3,789,258	4,690
Other receivables	14.1	56,618	57,410
Deferred fair value loss on derecognition of financial asset	14.2	-	441,885
Prepaid staff cost		138,458	141,485
		<u>22,830,559</u>	<u>23,874,589</u>
Less: Provision held against other assets	14.3	(46,259)	(46,259)
Less: Credit loss allowance held against other assets	14.4	(74)	(464)
Other assets (net of credit loss allowance)		<u>22,784,226</u>	<u>23,827,866</u>

14.1 These include receivable from Pakistan Kuwait Takaful Company Limited amounting Rs. 20.771 million (December 31, 2024: Rs. 20.771 million) that has been fully provided.

14.2 As per the privatization initiative approved by the Government of Pakistan (GoP), a new public limited company, Pakistan International Airlines Holding Company Limited (PIAHCL), has been formed by GoP to succeed specified assets and liabilities of Pakistan International Airlines Corporation Limited (PIACL). In this regard, during the year 2024, the Company recorded deferred fair value loss, at a benchmark rate corresponding to the tenor of the loan, arising from the restructuring of syndicated exposure to PIACL in accordance with the guidance issued by the SBP vide letter NO. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024. The impact of deferred loss recognition during the current period is disclosed in note 24.1 to these unconsolidated condensed interim financial statements.

	March 31, 2025 (Un-Audited)	December 31, 2024 (Audited)
------(Rupees in '000)-----		
14.3 Provision held against other assets		
Other receivables	46,259	46,259
14.3.1 Movement in provision held against other assets		
Opening balance	46,259	70,243
Charge for the period / year	-	-
Reversals for the period / year	-	(23,984)
Closing balance	<u>46,259</u>	<u>46,259</u>

14.4 Credit loss allowance held against other assets		
Income / mark-up / profit accrued in local currency	<u>74</u>	<u>464</u>

14.4.1 Movement in credit loss allowance held against other assets		
Opening balance	464	1,559
Charge for the period / year	-	169
Reversals for the period / year	(390)	(1,264)
Closing balance	<u>74</u>	<u>464</u>

15 BORROWINGS			
Secured			
Borrowings from the State Bank of Pakistan			
Under Long Term Finance Facility (LTFF)	15.2	5,174,421	5,458,556
Under Financing Scheme for Renewable Energy (FSRE)	15.3	2,586,095	2,642,766
Under Temporary Economic Refinance Facility (TERF)	15.4	2,101,756	2,151,589
		<u>9,862,272</u>	<u>10,252,911</u>
Repurchase agreement borrowings	15.5	5,137,271	-
Term finance facility	15.6	<u>329,750,000</u>	<u>431,750,000</u>
Total secured		<u>344,749,543</u>	<u>442,002,911</u>
Unsecured			
Letter of placement	15.7	<u>4,875,000</u>	<u>14,000,000</u>
Total unsecured		<u>4,875,000</u>	<u>14,000,000</u>
		<u>349,624,543</u>	<u>456,002,911</u>

	March 31, 2025 (Un-Audited)	December 31, 2024 (Audited)
	------(Rupees in '000)-----	
15.1 Particulars of borrowings with respect to currencies		
In local currency	<u>349,624,543</u>	<u>456,002,911</u>
15.2 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, 2024: maximum of 7% per annum) payable on quarterly basis with maturities within a maximum period of 10 years (December 31, 2024: 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.		
15.3 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, 2024: maximum of 3% per annum) payable on quarterly basis with maturities within a maximum period of 12 years (December 31, 2024: 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.		
15.4 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, 2024: maximum of 1% per annum) payable on quarterly basis with maturities within a maximum period of 10 years (December 31, 2024: 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.		
15.5 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 12.11% and 12.9% per annum (December 31, 2024: Nil) with maturities in three days and four days (December 31, 2024: Nil).		
15.6 Term finance facility		
The Company has availed long term borrowings from commercial banks. The interest rates on these facilities are between 10.23% and 14.75% per annum (December 31, 2024: 11.26% and 20.16% per annum) and have maturities between September 30, 2025 and December 29, 2028 (December 31, 2024: March 14, 2025 and December 29, 2028).		
15.7 Letter Of Placement (LOP)		
The interest rate on this LOP is 12.04% and 12.9% per annum (December 31, 2024: 13.00% and 13.5% per annum). These LOPs have maturities on April 03, 2025 and April 04, 2025 (December 31, 2024: January 02, 2025 and January 20, 2025).		

16 DEPOSITS AND OTHER ACCOUNTS

	Note	March 31, 2025 (Un-audited)			December 31, 2024 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
		(Rupees in '000)					
Customers							
Certificates of Investment (COI)	16.2	9,035,954	-	9,035,954	13,888,068	-	13,888,068
Financial Institutions							
Certificates of Investment (COI)	16.2	861,952	-	861,952	12,917,966	-	12,917,966
Certificates of Islamic Investment (COII)	16.3	12,200,000	-	12,200,000	12,200,000	-	12,200,000
		13,061,952	-	861,952	25,117,966	-	25,117,966
		22,097,906	-	22,097,906	39,006,034	-	39,006,034

	March 31, 2025	December 31, 2024
16.1 Composition of deposits	----- (Rupees in '000) -----	
	(Un-Audited)	(Audited)
- Government	3,609,000	7,814,000
- Public Sector Entities	-	12,000,000
- Non-Banking Financial Institutions / Mutual Funds	13,061,952	12,917,966
- Private Sector Entities	5,426,954	6,274,068
	<u>22,097,906</u>	<u>39,006,034</u>

16.2 The profit rates on these Certificates of Investments (COI) range between 9.50% and 20.00% (December 31, 2024: 10.00% and 21.06%). These COIs have maturities between April 03, 2025 and March 20, 2026 (December 31, 2024: January 02, 2025 and December 01, 2025).

16.3 The profit rate on this Certificates of Islamic Investments (COII) is 11.5% (December 31, 2024: 11.5%). This COII have maturities between April 30, 2025 and May 12, 2025 (December 31, 2024: April 30, 2025 and May 12, 2025).

	Note	March 31, 2025 (Un-Audited)	December 31, 2024 (Audited)
		----- (Rupees in '000) -----	
17	OTHER LIABILITIES		
	Mark-up / return / profit payable in local currency	8,231,371	9,336,942
	Accrued expenses	625,240	630,564
	Dividend payable	1,500,000	-
	Payable to defined benefit plan	188,077	170,276
	Security deposits against lease	73,499	73,499
	Payable against employees' compensated absences	51,345	52,113
	Payable to share brokers on account of purchase of marketable securities	243,428	87,286
	Unearned Income	5,486	5,635
	Payable against workers welfare fund	1,242,036	1,095,881
	Others	86,483	143,531
	Credit loss allowance against off-balance sheet obligations	17.1 1,082	1,231
		<u>12,248,047</u>	<u>11,596,958</u>

17.1 Credit loss allowance against off-balance sheet obligations

Opening balance	1,231	1,446
Charge for the period / year	-	714
Reversals for the period / year	(149)	(929)
	(149)	(215)
Closing balance	<u>1,082</u>	<u>1,231</u>

	Note	March 31, 2025 (Un-Audited)	December 31, 2024 (Audited)
		------(Rupees in '000)-----	
18 SURPLUS ON REVALUATION OF ASSETS - NET			
Surplus on revaluation of:			
- Securities measured at FVOCI - debt	9.1	2,314,751	3,615,230
- Securities measured at FVOCI - equity	9.1	1,064,169	1,048,828
		<u>3,378,920</u>	<u>4,664,058</u>
Deferred tax on surplus on revaluation of:			
- Securities measured at FVOCI - debt		(904,495)	(1,410,215)
- Securities measured at FVOCI - equity		(189,116)	(193,107)
		<u>(1,093,611)</u>	<u>(1,603,322)</u>
		<u>2,285,309</u>	<u>3,060,736</u>
19 CONTINGENCIES AND COMMITMENTS			
-Guarantees	19.1	3,363,235	3,363,235
-Commitments	19.2	14,798,893	15,935,653
		<u>18,162,128</u>	<u>19,298,888</u>
19.1 Guarantees:			
Financial guarantees		<u>3,363,235</u>	<u>3,363,235</u>
19.2 Commitments			
Undisbursed sanctions against:			
- Loans and advances		14,198,709	15,335,469
- Term finance certificates and sukuku		432,844	432,844
Commitment for acquisition of:			
- fixed assets		77,696	77,696
- intangible assets		89,644	89,644
		<u>14,798,893</u>	<u>15,935,653</u>
19.3 Tax contingencies			
The status of the tax contingencies remain unchanged as disclosed in the note 21.3 of the annual audited financial statements for the year ended December 31, 2024.			
		March 31, 2025	March 31, 2024
		------(Un-audited)-----	
		------(Rupees in '000)-----	
20 MARK-UP / RETURN / INTEREST / PROFIT EARNED			
Loans and advances		1,523,134	2,495,520
Investments		16,492,517	49,543,370
Lendings to financial institutions		63,784	31,377
Balances with banks		1,608	4,177
		<u>18,081,043</u>	<u>52,074,444</u>
20.1 Interest income (calculated using effective interest rate method) recognised on:			
Financial assets measured at amortised cost		1,886,706	3,195,747
Financial assets measured at FVPL		229,530	255,156
Financial assets measured at FVOCI		15,964,807	48,623,541
		<u>18,081,043</u>	<u>52,074,444</u>

		March 31, 2025	March 31, 2024
	Note	----- (Un-audited) -----	----- (Rupees in '000) -----
21 MARK-UP / RETURN / INTEREST / PROFIT EXPENSED			
Deposits		1,064,143	979,774
Borrowings		12,199,781	4,805,891
Securities sold under repurchase agreements - government securities		477,836	50,359,381
		<u>13,741,760</u>	<u>56,145,046</u>
21.1 Interest expense calculated using effective interest rate method		<u>13,741,760</u>	<u>56,145,046</u>
22 FEE AND COMMISSION INCOME			
Participation fee		3,050	83,734
Commitment fee		244	337
Commission on guarantees		4,487	5,162
Commission on letter of comfort		-	22
Arrangement fee		5,200	4,965
Advisory income		-	750
		<u>12,981</u>	<u>94,970</u>
23 GAIN / (LOSS) ON SECURITIES			
Realised gain / (loss)	23.1	112,758	(70,304)
Unrealised loss on investments - measured at FVPL	9.1	(3,225)	(1,489)
		<u>109,533</u>	<u>(71,793)</u>
23.1 Realised gain / (loss) on:			
Shares		19,832	(8,746)
Federal government securities		92,926	(61,558)
		<u>112,758</u>	<u>(70,304)</u>
23.2 Net gain / (loss) on financial assets			
Net gain on financial assets measured at FVPL		53,190	(10,235)
Net gain on financial assets measured at FVOCI		56,343	(61,558)
		<u>109,533</u>	<u>(71,793)</u>
24 NET LOSS ON FINANCIAL ASSETS / LIABILITIES MEASURED AT AMORTISED COST			
Loss on derecognition of financial assets measured at amortised cost	24.1	(441,885)	-
		<u>(441,885)</u>	<u>-</u>
24.1 This amount includes deferred fair value loss arising from the restructuring of Pakistan International Airlines Corporation Limited (PIACL). SBP through its Circular Letter No. BPRD / BRD / PIAHCL / 733688 – 2024 dated August 01, 2024 has allowed staggering of such fair value impact over a period of 06 years at rates 5%, 10%, 15%, 20%, 25% and 25% from year 01 to year 06, however the banks/DFI, at their own discretion, are allowed to recognize the losses earlier than permissible period of 6 years. Accordingly, the Company had recognized proportionate amount of 1st year's 5% of loss in year 2024. Remaining loss of 95% amounting Rs. 441.885 million has been recognized fully in quarter ended March 31, 2025.			
25 OTHER INCOME		March 31, 2025	March 31, 2024
		----- (Un-audited) -----	----- (Rupees in '000) -----
Nominee directors fee		4,040	3,965
Rent on property		13,897	12,764
Gain on sale of property and equipment - net		5,508	-
Gain on sale of non current assets 'Held for Sale'		-	47
Late payment charges		-	2,803
Early encashment charges		5,127	152
		<u>28,572</u>	<u>19,731</u>

		March 31, 2025	March 31, 2024
	Note	------(Un-audited)----- ------(Rupees in '000)-----	
26 OPERATING EXPENSES			
Total compensation expense		487,696	191,471
Property expense			
Rent and taxes		4,573	4,187
Insurance		836	1,119
Utilities cost		5,728	4,763
Repairs and maintenance		13,030	11,199
Depreciation		2,353	2,335
		26,520	23,603
Information technology expenses			
Software maintenance		14,492	533
Hardware maintenance		60	59
Depreciation		4,999	4,964
Amortisation		2,496	1,337
Network charges		1,034	1,574
		23,081	8,467
Other operating expenses			
Directors' fees and allowances		7,150	6,175
Legal and professional charges		9,474	6,684
Outsourced services costs		18,346	11,958
Travelling and conveyance		2,820	2,872
Depreciation		40,497	40,361
Training and development		1,091	1,095
Postage and courier charges		218	259
Communication		3,142	3,546
Stationery and printing		2,586	4,192
Marketing, advertisement and publicity		1,800	1,230
Donations		73,077	-
Auditors' remuneration		6,072	14,776
Newspaper, periodicals and subscription dues		5,593	3,575
Repairs and maintenance (others)		1,894	1,972
Bank charges		91	53
Entertainment expense		2,829	3,144
Motor vehicle running expense		16,057	16,530
Others		8,453	7,399
		201,190	125,821
		<u>738,487</u>	<u>349,362</u>
27 OTHER CHARGES			
Penalty imposed by the State Bank of Pakistan		-	6,395
28 REVERSAL OF PROVISION / CREDIT LOSS ALLOWANCE - NET			
Credit loss allowance against cash and balances with banks	6	6	27
Credit loss allowance against lending to financial institutions	8.3	(2,599)	-
Reversal of provision on unlisted shares		(91,454)	-
Reversal of provision on non government debt securities		(33,638)	-
Charge / (reversal) of credit loss allowance for diminution in value of investments including accrued interest	9.2	33,587	(199)
Charge / (reversal) of credit loss allowance against loans and advances - net		83,746	(4,189)
Reversal of credit loss allowance against contingencies and commitments	17.1	(149)	(549)
		<u>(10,501)</u>	<u>(4,910)</u>
29 TAXATION			
Current		1,630,253	1,814,988
Deferred		811,873	(1,913,848)
		<u>2,442,126</u>	<u>(98,860)</u>

30 BASIC / DILUTED EARNINGS PER SHARE

Profit for the period	4,865,607	221,897
	(Numbers in '000)	
Weighted average number of ordinary shares	640	640
	-----Rupees-----	
Basic / diluted earnings per share	7,603	347

31 FAIR VALUE MEASUREMENTS

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:

31.1 On balance sheet financial instruments

March 31, 2025 (Un-audited)				
Carrying value	Fair value			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				

Financial assets - measured at fair value

Investments

- Market Treasury Bills	-	-	-	-	-
- Pakistan Investment Bonds	320,772,720	-	320,772,720	-	320,772,720
- GOP Ijarah sukuks	2,509,500	-	2,509,500	-	2,509,500
- Shares of listed companies	2,940,205	2,940,205	-	-	2,940,205
- Unlisted shares	81,476	-	-	81,476	81,476
- Listed sukuks / term finance certificates	3,581,418	-	3,581,418	-	3,581,418
- Unlisted sukuks / term finance certificates	3,235,746	-	3,235,746	-	3,235,746

Financial assets - disclosed but not measured at fair value

Investments

- Pakistan Investment Bonds	13,005,709	-	12,516,720	-	12,516,720
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December 31, 2024 (Audited)				
Carrying value	Fair Value			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				

Financial assets - measured at fair value
Investments

- Market Treasury Bills	-	-	-	-
- Pakistan Investment Bonds	421,320,530	-	421,320,530	421,320,530
- GOP Ijarah sukuks	2,553,750	-	2,553,750	2,553,750
- Shares of listed companies	2,864,693	2,864,693	-	2,864,693
- Listed preference shares	-	-	-	-
- Unlisted sukuk / term finance certificates	3,250,515	-	3,250,515	3,250,515

December 31, 2024 (Audited)				
Carrying value	Fair Value			
	Level 1	Level 2	Level 3	Total
(Rupees in '000)				

Financial assets - disclosed but not
measured at fair value

Investments				
- Pakistan Investment Bonds	12,969,232	-	12,412,464	12,412,464
- Unlisted shares	12,572	-	12,572	12,572

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

Valuation techniques used in determination of fair values

Listed securities	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.
Unlisted sukuks / term finance certificates	Since these are unquoted sukuks therefore for the valuation perpetuity formula was used for the purpose of valuation

The valuation of non-current assets held for sale, mentioned above, is conducted by the valuation expert appointed by the Company. The valuation expert use a market based approach to arrive at the fair value of the non-current asset. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable or similar properties. This value is adjusted to reflect the current condition of the asset. The effect of changes in the unobservable inputs used in the valuation cannot be determined with certainty, accordingly a quantitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

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.

32 SEGMENT INFORMATION

32.1 Segment details with respect to business activities

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

For the three months period ended March 31, 2025 (Un-audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Islamic Finance Division	Others	Total

(Rupees in '000)

Unconsolidated statement of profit and loss account

Net mark-up / return / interest / profit	(612,424)	4,702,484	-	-	241,480	7,743	4,339,283
Inter segment revenue - net	732,903	(1,104,754)	(196,155)	(48,927)	(223,748)	840,681	-
Non mark-up / return / interest / profit income	7,566	92,926	4,081,539	69,296	(432,183)	23,447	3,842,591
Total income	128,045	3,690,656	3,885,384	20,369	(414,451)	871,871	8,181,874

Segment direct expenses	(23,410)	(19,092)	(3,865)	(7,466)	(7,538)	(179,361)	(240,732)
Segment indirect expenses	(202,578)	(28,940)	(14,470)	(14,470)	-	(383,452)	(643,910)
Total expenses	(225,988)	(48,032)	(18,335)	(21,936)	(7,538)	(562,813)	(884,642)
Credit loss allowance (charge) / reversal	(78,384)	2,594	91,454	-	(5,164)	1	10,501
(Loss) / profit before tax	(176,327)	3,645,218	3,958,503	(1,567)	(427,153)	309,059	7,307,733

March 31, 2025 (Un-audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Islamic Finance Division	Others	Total

(Rupees in '000)

Unconsolidated statement of financial position

Cash and bank balances	-	482,204	-	-	238,896	150	721,250
Investments	3,965,603	333,778,430	6,827,095	2,940,206	5,361,060	-	352,872,394
Lendings to financial institutions	-	388,048	-	-	-	-	388,048
Advances - performing	38,435,628	-	-	-	13,899,531	222,777	52,557,936
Advances - non-performing	13,812	-	-	-	-	-	13,812
Others	1,416,814	8,421,727	8,795	3,612,267	483,114	12,976,070	26,918,787
Total assets	43,831,857	343,070,409	6,835,890	6,552,473	19,982,601	13,198,997	433,472,227

Borrowings	39,612,272	310,012,271	-	-	-	-	349,624,543
Deposits and other accounts	9,897,906	-	-	-	12,200,000	-	22,097,906
Net inter segment borrowing	(7,146,159)	26,779,504	6,835,890	6,306,838	4,153,978	(36,930,051)	-
Others	1,467,838	6,278,634	-	245,635	967,631	3,288,309	12,248,047
Total liabilities	43,831,857	343,070,409	6,835,890	6,552,473	17,321,609	(33,641,742)	383,970,496
Equity	-	-	-	-	2,660,992	46,840,739	49,501,731
Total equity and liabilities	43,831,857	343,070,409	6,835,890	6,552,473	19,982,601	13,198,997	433,472,227

Contingencies and commitments

12,741,654	-	-	-	5,253,135	167,339	18,162,128
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For the three months period ended March 31, 2024 (Un-audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Islamic Finance Division	Others	Total

(Rupees in '000)

Unconsolidated statement of profit and loss account

Net mark-up / return / profit	(421,782)	(3,650,100)	-	-	(5,664)	6,944	(4,070,602)
Non mark-up / return / interest income	94,334	(61,558)	4,444,225	54,318	(1,300)	16,928	4,546,947
Total income	(327,448)	(3,711,658)	4,444,225	54,318	(6,964)	23,872	476,345

Segment direct expenses	(24,393)	(16,805)	(7,091)	(1,792)	(5,302)	(186,595)	(241,978)
Segment indirect expenses	(21,408)	(5,352)	(4,014)	(2,676)	-	(82,790)	(116,240)
Total expenses	(45,801)	(22,157)	(11,105)	(4,468)	(5,302)	(269,385)	(358,218)
Credit loss allowance reversal / (charge)	7,269	(27)	-	-	(2,346)	14	4,910
(Loss) / profit before tax	(365,980)	(3,733,842)	4,433,120	49,850	(14,612)	(245,499)	123,037

December 31, 2024 (Audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Islamic Finance Division	Others	Total

(Rupees in '000)

Unconsolidated statement of financial position

Cash and bank balances	-	806,372	-	-	168,021	150	974,543
Investments	3,966,639	434,289,760	5,070,692	2,864,694	5,533,031	-	451,724,816
Lendings to financial institutions	-	21,140,182	-	-	-	-	21,140,182
Advances - performing	36,945,817	-	-	-	14,004,401	227,843	51,178,061
Advances - non-performing	92,562	-	-	-	-	-	92,562
Others	1,413,935	10,734,536	4,690	(109,552)	1,162,157	15,025,346	28,231,112
Total assets	42,418,953	466,970,850	5,075,382	2,755,142	20,867,610	15,253,339	553,341,276

Borrowings	56,002,911	400,000,000	-	-	-	-	456,002,911
Deposits and other accounts	26,806,034	-	-	-	12,200,000	-	39,006,034
Net inter segment borrowing	(41,488,133)	58,868,751	5,075,382	2,665,091	5,070,136	(30,191,227)	-
Others	1,098,141	8,102,099	-	90,051	602,339	1,704,328	11,596,958
Total liabilities	42,418,953	466,970,850	5,075,382	2,755,142	17,872,475	(28,486,899)	506,605,903
Equity	-	-	-	-	2,995,135	43,740,238	46,735,373
Total equity and liabilities	42,418,953	466,970,850	5,075,382	2,755,142	20,867,610	15,253,339	553,341,276

Contingencies and commitments

13,172,815	-	-	-	5,958,734	167,339	19,298,888
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32.2 Segment details with respect to geographical locations

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

33 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:

[illegible]

	March 31, 2025 (Un-audited)					December 31, 2024 (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	-	-	-	-	12,917,966	-	-	-	-	679,469
Received during the period / year	-	-	-	-	861,952	-	-	-	-	13,763,966
Withdrawn during the period / year	-	-	-	-	(717,965)	-	-	-	-	(1,525,469)
Closing balance	-	-	-	-	13,061,953	-	-	-	-	12,917,966
Other Liabilities										
Interest / mark-up payable	-	-	-	-	580,525	-	-	-	-	354,132
Payable to staff gratuity fund	-	-	-	-	188,077	-	-	-	-	170,276
Payable to National Clearing Company of Pakistan Limited	-	-	-	145	-	-	-	-	158	-
Payable to Arabean Sea Enterprises	-	-	-	-	113	-	-	-	-	113
Payable to FTC Management Company (Private) Limited	-	-	-	-	72,962	-	-	-	-	94,000
Security deposit against lease from TCC Management Company	-	-	-	-	7,500	-	-	-	-	7,500
Payable to TCC Management Company Limited	-	-	-	-	300	-	-	-	-	242
	-	-	-	145	849,477	-	-	-	158	626,263
Contingencies and Commitments										
Other contingencies	-	-	-	-	2,886,624	-	-	-	-	2,886,624

RELATED PARTY TRANSACTIONS

	Three months period ended									
	March 31, 2025 (Un-audited)					March 31, 2024 (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 / profit earned	-	1,649	-	1,821	105,057	-	1,167	-	2,910	657
Fee and commission income	-	-	-	-	-	-	-	-	-	77,049
Dividend income	-	-	-	4,081,539	-	-	-	-	4,440,975	-
Other income										
- Nominee director fee	-	-	2,850	4,700	340	-	-	-	4,850	65
Expense										
Mark-up / return / interest paid / profit accrued	-	-	-	-	369,986	-	-	-	1,673,208	42,843
Operating expenses										
- Directors fee	7,150	-	-	-	-	6,175	-	-	-	-
- Remuneration to key management personnel (including retirement benefits)	-	277,570	-	-	-	-	367,163	-	-	-
- Nominee director fee payment	-	-	-	-	3,850	-	-	-	-	950
- NCCPL charges	-	-	-	967	-	-	-	-	609	-
- FMCL office maintenance charges	-	-	-	-	15,152	-	-	-	-	13,176
- Contribution made to staff provident fund	-	-	-	-	16,222	-	-	-	-	13,638
- Contribution made to staff gratuity fund	-	-	-	-	17,800	-	-	-	-	16,902
- TCC Management Company office maintenance charges	-	-	-	-	1,219	-	-	-	-	685
- Travelling and accomodation charges - Arabean Sea Enterprises	-	-	-	-	355	-	-	-	-	251

34 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	March 31, 2025 (Un-audited)	December 31, 2024 (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	41,595,854	38,296,547
Eligible tier 2 capital	2,678,677	3,296,296
Total eligible capital (tier 1 + tier 2)	44,274,531	41,592,843
Risk weighted assets (RWAs):		
Credit risk	55,038,179	54,325,375
Market risk	17,452,328	20,818,958
Operational risk	25,686,324	25,686,326
Total	98,176,831	100,830,659
Common equity tier 1 capital adequacy ratio	42.37%	37.98%
Tier 1 capital adequacy ratio	42.37%	37.98%
Total capital adequacy ratio	45.10%	41.25%

The Basel III Framework for capital adequacy is applicable to the Company. The Company monitors its capital adequacy ratio and endeavors to maintain it at a level sufficiently higher than the minimum regulatory requirement. The Company calculates capital requirement as per Basel III regulatory framework, using the Standardized Approach for Credit Risk and Market Risk whereas Basic Indicator Approach for Operational Risk.

Objectives of Capital Management

The capital management objectives of the Company are as follows:

- To maintain sufficient capital to support overall business strategy, expansion and growth;
- To integrate capital allocation decisions with the strategic and financial planning process;
- To meet the regulatory capital adequacy ratios as defined by SBP;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide adequate return to shareholders; and
- To have a prudent buffer to protect the Company under different economic and stress scenarios caused by unexpected and unforeseeable events.

Capital Management

The regulatory capital as managed by the Company is analysed into following tiers:

- Common Equity Tier 1 Capital (CET1), which includes fully paid up capital, general reserves, statutory reserves as per the financial statements and net un-appropriated profits after all regulatory adjustment applicable on CET1.
- Tier 2 Capital, which includes general provisions, surplus on revaluation of FVOCI securities after all regulatory adjustments applicable on Tier 2.

The Company also stress tests its capital adequacy to various risks as per the SBP stress testing guidelines.

Capital adequacy ratio

	March 31, 2025 (Un-audited)		December 31, 2024 (Audited)	
	Required	Actual	Required	Actual
CET1 to total RWA	6.00%	42.37%	6.00%	37.98%
Tier 1 capital to total RWA	7.50%	42.37%	7.50%	37.98%
Total capital to total RWA	11.50%	45.10%	11.50%	41.25%

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
	----- (Rupees in '000) -----	
Leverage ratio (LR):		
Eligible tier-1 capital	41,595,854	38,296,547
Total exposures	539,418,642	974,121,290
Leverage ratio	7.71%	3.93%
Liquidity coverage ratio (LCR):		
Total high quality liquid assets	42,468,197	43,266,249
Total net cash outflow	14,317,885	28,884,055
Liquidity coverage ratio	296.61%	149.79%
Net stable funding ratio (NSFR):		
Total available stable funding	233,298,358	315,367,038
Total required stable funding	213,059,905	287,777,698
Net stable funding ratio	109.50%	109.59%

The Company operates an Islamic Finance Division as at March 31, 2025. Summarized Financial Statements of PKIC Islamic Finance Division is presented below:

STATEMENT OF FINANCIAL POSITION

		March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
	Notes	------(Rupees in '000)-----	
ASSETS			
Cash and balances with treasury banks		237,870	166,802
Balances with other MFBs / Banks / NBFIs		1,026	1,219
Due from financial institutions		-	-
Investments	35.1	5,361,060	5,533,030
Islamic financing and related assets - net	35.2	13,899,531	14,004,401
Property and equipment		13,450	14,252
Right-of-use assets		-	-
Intangible assets		-	-
Due from head office		-	-
Deferred Tax Assets		15,232	2,406
Other assets		454,432	1,145,500
Total assets		19,982,601	20,867,610
LIABILITIES			
Bills payable		-	-
Due to financial institutions		-	-
Deposits and other accounts	35.3	12,200,000	12,200,000
Due to head office		4,153,978	5,070,136
Lease liabilities		-	-
Subordinated debt		-	-
Deferred Tax Liabilities		-	-
Other liabilities		967,631	602,339
		17,321,609	17,872,475
NET ASSETS		2,660,992	2,995,135
REPRESENTED BY			
Islamic banking fund		2,237,077	2,237,077
Reserves		-	-
(Deficit) / surplus on revaluation of assets		(10,143)	28,009
Unappropriated / Unremitted Profit	35.4	434,058	730,049
		2,660,992	2,995,135
CONTINGENCIES AND COMMITMENTS			
	35.5		

STATEMENT OF PROFIT AND LOSS ACCOUNT

		For the three months period ended March 31, 2025	For the period from February 27, 2024 to March 31, 2024
		------(Rupees in '000)-----	
Profit / Return earned	35.6	588,620	159,096
Profit / Return expensed	35.7	347,140	164,760
Net profit / return / (loss)		241,480	(5,664)
Other income			
Fee and commission income		4,575	-
Dividend income		-	-
Foreign exchange income		-	-
Loss on securities		-	(1,300)
Loss on derecognition of financial assets at amortized cost		(441,885)	-
Other income/(loss)		5,127	-
Total other loss		(432,183)	(1,300)
Total loss		(190,703)	(6,964)
Other expenses			
Operating expenses		7,538	5,302
Workers welfare fund		-	-
Other charges		-	-
Total other expenses		7,538	5,302
Loss before credit loss allowance		(198,241)	(12,266)
Charge of credit loss allowance and write offs - net		5,164	2,346
Loss before taxation		(203,405)	(14,612)
Taxation		92,585	-
Loss after taxation		(295,991)	(14,612)

March 31, 2025 (Un-audited)				December 31, 2024 (Audited)				
Cost / Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance for diminution	Surplus / (Deficit)	Carrying Value	
<div>(Rupees in '000)</div>								
35.1 Investments by segments:								
Classified / Measured at FVOCI								
Federal Government securities								
-Ijarah Sukuks	2,553,021	-	(43,521)	2,509,500	2,560,625	-	(6,875)	2,553,750
Non Government debt securities	2,372,781	(212)	18,342	2,390,910	2,486,218	(262)	32,674	2,518,630
	4,925,801	(212)	(25,179)	4,900,410	5,046,843	(262)	25,799	5,072,380
Classified / Measured at FVPL								
Non Government debt securities	460,000	-	650	460,650	460,000	-	650	460,650
	460,000	-	650	460,650	460,000	-	650	460,650
Total investments	5,385,801	(212)	(24,529)	5,361,060	5,506,843	(262)	26,449	5,533,030

March 31, 2025 (Un-audited)				December 31, 2024 (Audited)			
Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
(Rupees in '000)							
35.1.1 Particlurs of credit loss allowance							
Non Government debt securities	(212)	-	-	(212)	(262)	-	(262)

		March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		Rupees in '000	
35.2 Islamic financing and related assets			
Musharaka		1,000,000	700,000
Diminishing Musharaka		10,329,740	10,817,253
Tijarah		198,408	351,101
Advances for Diminishing Musharaka		2,008,092	1,400,748
Asset acquired against Diminishing Musharaka		-	607,344
Advances against Islamic assets mandatorily classified / measured at FVPL		-	-
Advances for Tijarah		-	-
Advances for Istisna		74,889	-
Inventories against Tijarah		296,110	130,354
Gross Islamic financing and related assets		13,907,239	14,006,801
Less: Credit loss allowance against Islamic financings			
Stage 1		(7,709)	(2,400)
Stage 2		-	-
Stage 3		-	-
		(7,709)	(2,400)
Islamic financing and related assets - net of credit loss allowance		13,899,531	14,004,401

35.3	Deposits	March 31, 2025 (Un-audited)			December 31, 2024 (Audited)		
		In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
		(Rupees in '000)					
	Financial institutions						
	Certificates of Islamic Investment (COII)	12,200,000	-	12,200,000	12,200,000	-	12,200,000
		12,200,000	-	12,200,000	12,200,000	-	12,200,000

		March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
		Rupees in '000	
35.3.1 Composition of deposits			
- Non-Banking financial institutions		12,200,000	12,200,000

35.4 Islamic banking business unappropriated profit			
Opening balance		730,049	-
Add: Islamic banking profit for the period / year		(203,405)	1,200,096
Less: Taxation		(92,585)	(470,047)
Closing balance		434,058	730,049

35.5 Contingencies and commitments			
-Guarantees		750,000	750,000
-Commitments		4,503,135	5,208,734
		5,253,135	5,958,734

35.6 Profit/Return earned of financing, investments and placement

	For the three months period ended March 31, 2024	For the period from February 27, 2024 to March 31, 2024
	(Un-audited)	(Un-audited)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Profit earned on:		
Financing	446,551	106,344
Investments	142,069	52,752
	<u>588,620</u>	<u>159,096</u>

35.7 Profit on deposits and other dues expensed

Profit expensed on:
Deposits and other accounts
Due to financial institutions

	347,140	-
	-	164,760
	<u>347,140</u>	<u>164,760</u>

35.8 Pool management**35.8.1 The Pools, their key features & risk and rewards characteristics:**

The Company's Islamic Finance Division operates special pools for deposits and inter-bank funds accepted / acquired under Mudarabah and Musharakah modes.

35.8.2 Equity Pool:

Equity pool is being managed for those assets which are currently not generating income and are 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 the Company's Islamic Finance Division 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 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 are given at the sole discretion of the Company's Islamic Finance Division without any contractual commitment with the depositors.

The Mudarib's share on deposits for the period ended March 31, 2025 is Rs. 167.076 Million (40.03% of distributable profit of Mudarabah Pool), of this an amount of Rs. 95.618 Mn (57.23% of Mudarib share) was distributed back to depositors as Hiba. The rate of profit earned on average earning assets was 13.88% per annum and the rate of profit paid on average deposits was 11.50% per annum.

35.8.3 Special Mudaraba Pool(s)

Separate pool(s) are created where the customers desire to invest in high yield assets. These pool(s) rates 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.

35.8.4 Treasury Pool(s)

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 comprise of Musharakah / Wakalah/ Mudarabah from financial institutions. These pools are created to meet the liquidity requirements of the Company's Islamic Finance Division.

35.8.5 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.

35.8.6 Avenues/Sectors where Mudaraba/Musharaka based FI Funds/deposits have been deployed:

	March 31, 2025 (Un-audited)	December 31, 2024 (Audited)
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Construction	4,546,220	4,546,219
Fertilizers	937,500	937,500
Food	325,000	350,000
Pharmaceuticals	400,152	943,595
Power (Electricity)	2,546,276	2,449,648
Sugar	600,000	600,000
Telecommunication	1,339,082	1,339,082
Textile	494,518	481,455
Transport	1,816,921	1,810,676
Others	901,570	548,626
Total Gross Islamic Financing and Related Assets	<u>13,907,239</u>	<u>14,006,801</u>
Total Gross Investments (at cost)	<u>5,385,801</u>	<u>5,506,843</u>
Total Invested Funds	<u>19,293,041</u>	<u>19,513,644</u>

35.8.7 The Parameters used for allocation of profit, expenses and provisions to the Pool

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

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

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

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

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

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

35.8.8 Mudarib/ Musharik Share (in amount and percentage of distributable income)

March 31, 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	Mudarbaha	As Required	13.88%	40.03%	167,076.67	11.50%	57.23%	95,618.50

36 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on April 29, 2025 .

37 GENERAL

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

38 CORRESPONDING FIGURES

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



Chief Executive Officer




Chief Financial Officer



Director



Director



Director