Annual Report | 2024

From Strategy to Success

pakbrunei
INVESTMENT COMPANY

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Pak Brunei provides unique Non-Financial Advisory Services (NFAs) aimed at making SMEs bankable. About 90% of PBICL's SME clients are New to Bank (NTB) clients who benefited from these services. This initiative has enhanced financial inclusion, allowing these clients to access services from other financial institutions. SBP consistently commends PBICL for its role in promoting NFAs and financial inclusion.

Anisa Baloch

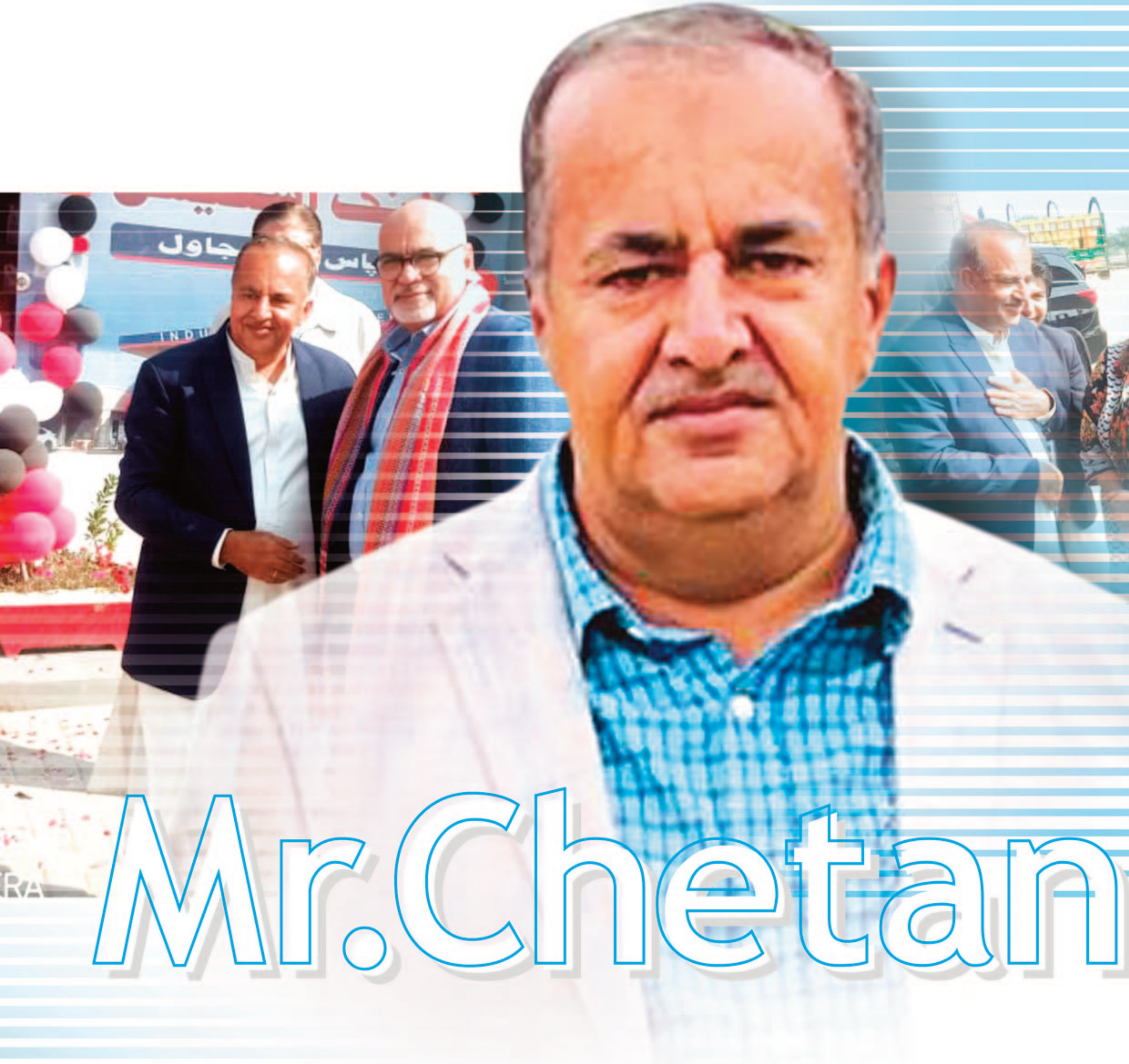
From Balochistan, She Rises

"As an entrepreneur from one of the underserved areas of Balochistan, I have always believed in the power of resilience and the potential of my community. Growing up, I witnessed the challenges faced by local businesses and the limited opportunities available to us. However, I also saw immense talent, creativity, and determination within my community. This inspired me to take the leap into entrepreneurship and create a business that not only serves my needs but also uplifts those around me.

With the support of Pak Brunei Investment Company, I was able to secure the financing necessary to turn my vision into reality. This financing has empowered me to expand my business, create job opportunities, and contribute to the local economy. I am committed to using my platform to support other aspiring entrepreneurs in our area, especially women, who often face additional barriers. My journey is not just about personal success; it's about building a brighter future for Balochistan. I believe that with the right resources and support, we can transform our communities and create sustainable growth. I am grateful for the opportunity to share my story and for the belief that others have placed in me. Together, we can pave the way for future generations to thrive."

Anisa Baloch

Proprietor
King Mobile Zone
Lasbela



Mr.Chetan

When a Business Becomes an Empire

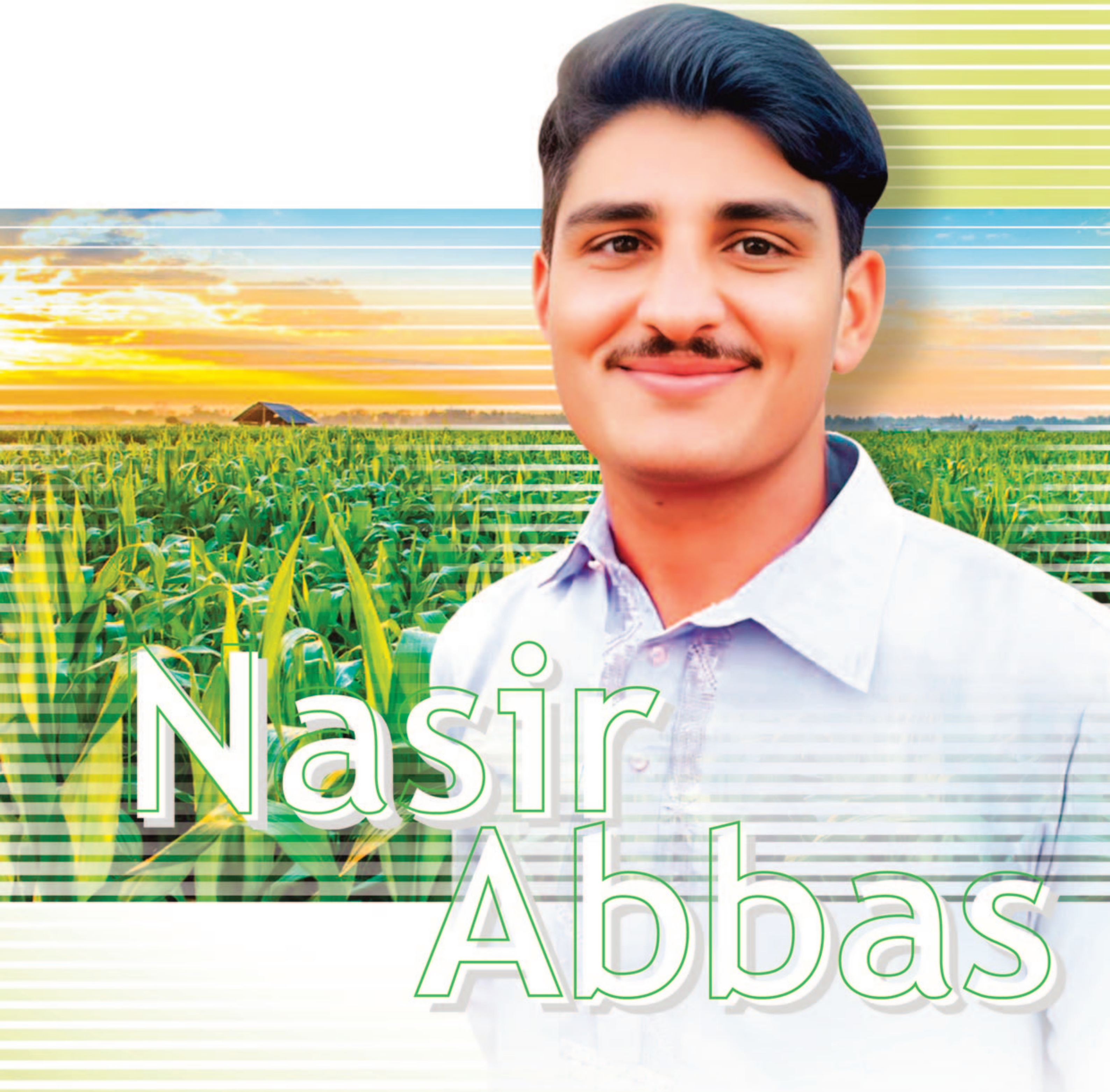
"I am truly grateful for the support and partnership I have received from Pak Brunei Investment Company. When I first embarked on my journey with a modest renting unit, I had a vision of establishing a rice husking mill that could not only serve my community but also provide employment and opportunities for others. With the financial backing and guidance from Pak Brunei's SME team, that dream became a reality.

Their belief in my potential and unwavering support allowed me to expand beyond my initial goals. Today, I proudly own multiple industries, each contributing to our local economy and creating jobs for countless families. Pak Brunei Investment Company didn't just finance my business; they invested in my vision and my future.

Their expertise and understanding of the challenges faced by small and medium enterprises were instrumental in my growth. I can confidently say that without their support, I would not be where I am today. I encourage other aspiring entrepreneurs to seek out Pak Brunei and take the leap into their own dreams. Together, we can build a brighter future for our communities and beyond."

Chetan Mal

Proprietor
CM Agro & Food Industries



Nasir Abbas

From Struggle to Strength A Special Person's Journey

My name is Nasir Abbas, and I am a proud member of my community who happens to have a disability. While I face unique challenges, I believe that my determination and resilience define who I am, not my circumstances. With the support of Pak Brunei Investment Company, I have been able to turn my passion for farming into a viable source of income.

Recently, I had the incredible opportunity to acquire a tractor, which has transformed my life in ways I never thought possible. This tractor is more than just a piece of machinery; it represents my dreams, my hard work, and my commitment to achieving independence. With it, I can cultivate my own land, growing crops that contribute not only to my livelihood but also to the local economy.

Moreover, I am excited to share that I can now offer my tractor for rent to fellow farmers in our community. This venture not only generates additional income for me but also fosters collaboration and support among local farmers. I understand the struggles many faces, and I am eager to help others succeed while also empowering myself.

Nasir Abbas

Proprietor
Nasir Agriculture Farm

Shafi Nagori

A Farmer's Journey Beyond Borders

"As a farmer, I've always believed in the power of innovation and hard work to transform my business. When I first approached Pak Brunei Investment Company, I had a vision of expanding my operations and elevating the quality of my farming business. I wanted to cultivate Rhodes grass along with processing and packaging facilities. With their support, guidance and team work I was able to acquire the latest machinery available in the region, which has revolutionized my production capabilities.

The new equipment not only streamlined my processing but also enhanced the quality of my product, allowing me to meet international standards. Thanks to Pak Brunei's investment in my future, I have grown from a local farmer to one of the major exporters in the industry. This journey has not only changed my business but has also positively impacted my community by creating job opportunities and contributing to the local economy. I was the first farmer in Umerkot and vicinity to cultivate this crop, and currently with PBICL's investment in advanced machinery, thousands of acres are being cultivated and exported to middle east countries. I am incredibly grateful for the trust and support from Pak Brunei Investment Company.

Shafi Nagori

Farmer
Nagori Agriculture Farm
Umerkot-Tharparkar

Content

15 Corporate Information

16 Code of Ethics and Business Practices

20 Board of Directors' Profile

23 Our Cultural Framework

24 Green Banking at Pak Brunei

26 Chairperson's Review

28 Directors' Report

42 15 Years Performance at a Glance

44 Independent Auditor's Review Report

45 Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

48 Statement of Internal Control

49 Independent Auditor's Report

Unconsolidated Financial Statements

52 Unconsolidated Statement of Financial Position

53 Unconsolidated Profit and Loss Account

54 Unconsolidated Statement of Comprehensive Income

55 Unconsolidated Statement of Changes in Equity

56 Unconsolidated Cash Flow Statement

57 Notes to the Unconsolidated Financial Statements

Corporate Information

Board of Directors

Ms. Dk Noorul Hayati Pg Julaihi	Chairperson
Mr. Nasir Mahmood Khosa	Director
Ms. Norakerteni Muhammad	Director
Mr. S. M. Aamir Shamim	Director / Managing Director

Audit Committee

Mr. Nasir Mahmood Khosa	Chairman
Ms. Dk Noorul Hayati Pg Julaihi	Member
Ms. Norakerteni Muhammad	Member

Human Resource Committee

Ms. Dk Noorul Hayati Pg Julaihi	Chairperson
Mr. Nasir Mahmood Khosa	Member
Ms. Norakerteni Muhammad	Member

Credit and Risk Management Committee

Mr. Nasir Mahmood Khosa	Chairman
Ms. Dk Noorul Hayati Pg Julaihi	Member
Mr. S. M. Aamir Shamim	Member

Company Secretary

Ms. Misbah Asjad

Statutory Auditors

Yousuf Adil — Chartered Accountants

Tax Consultant

Yousuf Adil — Chartered Accountants

Legal Advisor

Liaquat Merchant & Associates — Advocate and Corporate Legal Consultants

Registered Head Office

Horizon Vista, Commercial 10,
Scheme No. 5, Block-4, Clifton, Karachi.
Tel: (+92-21) 35361215-19, 35839917
Fax: (+92-21) 35361213

Website

www.pakbrunei.com.pk

Statement of Ethics and Business Practices

1. Integrity

I shall:

- Perform my work honestly with diligence and responsibility;
- Not knowingly be a party to any illegal activity or engage in any acts that are discreditable to the company;
- Not participate in any activity or relationship that may impair or be presumed to impair my unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the company;
- Not accept any gift or consideration that may impair or be presumed to impair my professional judgement;
- Exercise maximum caution to ensure that information provided to customers is accurate, truthful & free of errors.

2. Objectivity

I shall:

- Ensure that all operational activities and decision making processes focus on achievements of the company's objectives and are in line with the mission statement of the Company;
- Disclose all material facts known to me in which if not disclosed, may distort the reporting of business proposal under review.
- Disclose any potential conflicts of interest that may compromise the objectivity of decision making process.

3. Confidential and Proprietary Information

I shall:

- Protect against the disclosure of sensitive and confidential information about my customers and employees unless disclosure is authorized and within law;
- Safeguard against the unauthorized disclosure of sensitive and confidential information about fellow employees and the company as a whole.

- Not disclose to a customer or any other quarter that a suspicious transaction is being or has been reported to any authority, unless disclosure is required by law.

4. Improper Influence

I shall:

- Be strictly prohibited from giving, soliciting or accepting business courtesies or gifts intended to unduly influence business decisions;
- Make all business decisions on the merit of the transaction and in compliance with any legal and regulatory requirements.

5. Unfair Business Practices

I shall:

- Refrain from unfair and deceptive business practices e.g. unauthorized and counterproductive use of the company's resources, the misuse of proprietary information or the misrepresentation and concealment of material facts.

6. Insider Trading

I shall:

- Be prohibited from disclosing "Inside Information" to others or use for my own benefits;
- Abide by the "insider trading" laws that prohibit from buying and selling stock with advance knowledge of important company information not available to the general public. Such information may include proposed mergers or acquisitions, new equity or debt offering.

7. Recording and Reporting of the Company

I shall:

- Ensure that all business related information / transactions are recorded and reported accurately, honestly and in a timely manner. Ensure the accuracy of all Company records including financial statements, loan documents and reports submitted to regulatory bodies and government agencies;
- Ensure that no funds or accounts should be established for a purpose that is not fully reflected in the books and records of Pak Brunei whether pertaining to receipts or disbursements.

8. Compliance with Laws, Rules and Regulations

I shall:

- Comply with all applicable laws, rules and regulations.
- Stay informed about changes in applicable laws and regulations.

9. Protection and Proper use of Company Assets

I shall:

- Ensure that all the Company's assets are used for authorized and legitimate business purposes.
- Protect the Company's assets (e.g. computer equipment and software Intellectual property etc.) and ensure that those assets are efficiently and properly used in respect of all Company related activities.

10. Professional Conduct and Workplace Decorum

I shall:

- Treat all colleagues, superiors, and subordinates with courtesy, respect, and fairness, fostering a collaborative and inclusive workplace.
- Avoid any form of discrimination, harassment, or bullying based on race, gender, age, religion, disability, or any other protected characteristic.
- Uphold a positive and cooperative attitude, promoting teamwork and effective communication within the Company.
- Dress in a manner consistent with the Company's professional standards and any applicable dress code policies.
- Refrain from engaging in any activities during work hours that are unrelated to job responsibilities, which may interfere with productivity.
- Maintain a harmonious work environment and uphold the reputation and values of the company.

11. Participation in Political Activities

No employee shall take part in, subscribe to, aid or assist in any way, any political movement in or outside Pakistan. Nor shall any employee canvas or otherwise interfere or use their influence in connection with or take part in any election to a legislative or local body, whether in Pakistan or elsewhere provided that an employee who is qualified to vote at such election may exercise his right to vote but if he does so, shall give no indication of the manner in which he proposes to vote or has voted.

Employees are required to observe restrictions on the sharing of political content on their personal social media accounts, reinforcing our commitment to maintaining a work environment that prioritizes professionalism, inclusivity, and a focus on shared organizational goals.

12. Authority to Sign Documents

Employees cannot sign any document on behalf of PBICL or in any way commit PBICL to any agreement unless they are properly authorized in writing by the Competent Authority to do so.

13. Propogation of Sectarian Creed

No employee shall propagate such sectarian creeds or take part in such sectarian partiality or favoritism as are likely to affect his integrity in the discharge of their duties or to embarrass the Competent Authority or create feelings of discontent or displeasure amongst other employees of the Company.

Within the workplace, it is imperative that employees foster an environment of mutual respect for each other's diverse religious beliefs without any bias or discrimination whatsoever.

14. Nepotism, Favouritism & Victimization

No employee shall indulge in provincialism, parochialism, favoritism, victimization and abuse of office.

Board of Directors'
PROFILE

Dk Noorul Hayati Pg Julaihi

Chairperson

Ms. Noorul is a Portfolio Manager in the Absolute Return Strategy in Brunei Investment Agency, the Sovereign Wealth Fund of the Government of Brunei. Ms. Noorul has been with the Brunei Investment Agency for 18 years, her prior positions have included Assistant Portfolio Manager for Fixed Income Internal Fund Management and Analyst for Macro and Fixed Income Group. While with the Fixed Income Group, she was posted to the London Office for almost 4 years, where she managed the European Fixed Income Portfolio. Before moving on to her current role, she was co-leading the Private Equity team, previously managing the Buyout, Infrastructure and Private Debt portfolios. In her current role, she is now leading a team of 5 professionals focused on hedge fund investments across the globe. She previously served as Director in Audley Insurance Company, a Brunei-based captive insurance company wholly owned by BIA with a majority of its business for BIA and other Government entities-owned assets. She holds a degree with a major in Economics from Universiti Brunei Darussalam.

Nasir Mahmood Khosa

Mr. Nasir Mahmood Khosa is a retired Pakistani civil servant from Dera Ghazi Khan who belonged to the Pakistan Administrative Service and served in BPS-22 grade, the highest attainable rank for a serving officer. He was promoted to the rank of Federal Secretary in 2010.

Mr. Khosa has an outstanding civil service record, having held the most coveted bureaucratic assignments in the country. He served as the 22nd Principal Secretary to the Prime Minister of Pakistan, as well as the administrative head of two provinces as Chief Secretary Punjab and Chief Secretary Balochistan. Mr. Khosa also served as executive director at the World Bank from 2013-2017.

Mr. Khosa holds three Master Degrees: Master of Arts (M.A.) in English Literature from BZ University, Multan, Master of Public Administration (M.P.A.) from Pennsylvania State University, USA; and a Master of Science (M.Sc.) in Defense and Strategic Studies from Quaid-e-Azam University, Islamabad, Pakistan. He earned a Bachelor of Laws (LL.B.) and Bachelor of Arts from the University of the Punjab, Lahore, Pakistan.

In recognition of his contributions to public service, he has also been awarded with prestigious Pakistan Civil Award Hilal-i-Imtiaz on March 23, 2024.

Norakerteni Muhammad

Ms. Norakerteni is a Portfolio Manager in the Private Equity Strategy in Brunei Investment Agency, the Sovereign Wealth Fund of the Government of Brunei. Ms. Norakerteni has been with the Brunei Investment Agency for 14 years, started as analyst for Macro and Fixed Income Strategy for 3 years before moving to Counterparty Management, Middle Office. In Middle Office, she managed the performance reporting across the investment portfolio as well as data management. She got the opportunity to co-lead a project on onboarding Futures Trading across the Firm.

She also acted as the Portfolio Advisory Committee's secretary for about 5 years. Ms. Norakerteni has been with Private Equity team for 4 years, initially managing Buyout and Venture Growth portfolios as well as Directs portfolio. Just recently, she has also been appointed as Board member of Oman-Brunei Investment Company (OBIC) including the Audit Committee. She holds a degree with a major in Mathematics from Universiti Brunei Darussalam.

S. M. Aamir Shamim

Mr. S.M. Aamir Shamim, a seasoned banking and finance professional with over 31 years of experience, currently holds the position of Managing Director (MD) and Chief Executive Officer (CEO) at Pak Brunei Investment Company Limited. Before stepping into his current role at Pak Brunei, Mr. Aamir served in various high-ranking roles across international and local financial institutions, acquiring substantial experience in conventional, Islamic, and investment banking. These roles include his time as Senior Executive Vice President (SEVP) and Group Head of Treasury & Financial Institutions at BankIslami Pakistan Limited, SVP & Islamic Banking Specialist at the Islamic Bank of Thailand, and AGM & Head of Treasury & International Division at Tadhamon International Islamic Bank Limited, among others.

Our Cultural Framework

The cultural framework of any organization defines a company's vision and the guidelines it has established to achieve that vision. Our organizational culture revolves around diversity, equal opportunity, team work and competition.

Pak Brunei Investment Company is an equal opportunity organization, and welcomes people from all backgrounds, irrespective of gender and ethnicity.

The cultural and gender mix of the workforce facilitates greater diversity. With a strong performance record, the Company is prepared to achieve higher goals and embrace bigger opportunities. This is only possible in an environment that nurtures healthy competition and promotes fair practices.

Green Banking at Pak Brunei

In order to detect and manage environmental hazards, as well as to lessen their carbon footprint and associated socially harmful acts, Pak Brunei aids in the promotion of environmentally friendly practices known as “green banking”. Through implementation of green banking activities, Pak Brunei strive to improve the efficiency and ecological footprint of its operations, IT use, and physical infrastructure. We are aware of our responsibility to protect against environmental threats and to contribute appropriately to the transition of the nation to a low-carbon and climate-resilient economy through the implementation of the SBP's Green Banking Guidelines and the BOD’s approved Green Banking Policy.

Some of the measures carried out by Pak Brunei with regards to promotion of green banking & mitigating environmental risk are as follows:

Paper-Less Environment

To reduce the use of paper in daily operations, Pak Brunei is pursuing various options. We have shifted our internal MIS reports in soft form, using paper only where crucial. For the ultimate transition to paperless operations, certain endeavors/steps to be taken are indispensable. These initiatives include the installation of application-based workflow systems. Communication across the company was initiated to promote a paperless working environment by suggesting tips and recommendations to reduce paper usage and highlight the benefits of paperless working. Further, we are migrating to a paperless environment and looking forward for development of IT systems accordingly for archiving and retrieval of data electronically.

Green Banking Awareness

In order to implement green banking guidelines, green banking office constantly educates employees about environmental challenges and responsible resource use, runs campaign within company to raise awareness of environmental issues. Also, awareness on No Cost Low Impact Reduction Measures for All Employees is also disseminated through electronic mails pertaining to prudent usage of electricity, water, paper, and fuel, among other things.

Green Financing

Pak Brunei is contributing in green financing through environmentally sound projects in the energy sector. We aim to ensure our active participation to the solar energy space & acted as syndicate members in various green energy projects. Further, we are offering multiple small sized renewable loans to SME segment as well. We are actively involved in utilizing the State Bank of Pakistan's (SBP) renewable energy refinance facility to Corporate & Commercial business segments.

Resource Efficiency and Own Impact Reduction

Pak Brunei is actively pursuing its objective of lowering carbon emissions by:

- Promoting the usage of renewable energy to conserve natural resources. Employees will be incentivized for installations of Solar Photo Voltaic solutions at their homes.
- Deploying light management systems at our premises, aimed towards reducing the energy usage during peak/off-peak hours.
- We are also moving towards sustainable procurement practices. This includes the adoption of a total life cycle cost approach instead of upfront acquisition cost. We opt for products that are environmental-friendly and inverter-based technology is considered for all air conditioners.
- Normal bulbs have been replaced by LED bulbs. This transition is aimed at curtailing the energy costs and ultimately reducing carbon footprints.
- Covering of working areas to contain the cooling of Air conditioners in order to minimize number of operating ACs.

Environmental & Social Risk Management (ESRM) Implementation

Further, SBP has also issued Environmental & Social Risk Management (ESRM) Implementation Manual for Financial Institutions to ensure compliance of minimum standard for environmental & social risk management in the financial sector under Green Banking Guidelines (GBGs). The Manual provides tools and procedures to strengthen and accelerate the implementation of the risk management section of GBGs. Accordingly, we are working on:

- Incorporating social and climatic risks (in addition to environmental risks) in our vigilance ambit, which are becoming relevant and crucial for the nation.
- Building a comprehensive Environmental & Social Management System (ESMS) under systematic guidance by SBP on assessing and managing environmental and social risks.
- Integrating robust, quantitative risk rating system, E&S Due Diligence (ESDD) Checklist for performing E&S due diligence.
- Ensuring reporting of GBGs implementation progress including ESRM activities to SBP, on annual basis.

Chairperson's Review

For the Year ended December 31, 2024

On behalf of the Board of Directors, it is my privilege to present the Annual Report of Pak Brunei Investment Company Limited for the year ended December 31, 2024, on overall performance of the Company and effectiveness of the role played by the Board of Directors in achieving Company's objectives.

The Company has achieved another year of stellar performance, proving the effectiveness of our strategies and good governance. I am immensely proud of the resilience and dedication exhibited by our Company in navigating through the challenges. The Board also extended full support and advice to the management in tackling different strategic and operational challenges faced during the year.

During the year 2024, Pakistan has embarked on a transformative journey towards economic stabilization and growth. Confronted with formidable challenges, decisive reforms are implemented to build a robust foundation for sustainable and inclusive development. The results of these efforts are becoming evident, with the economy demonstrating resilience and renewed potential. A series of necessary reforms have been implemented by the government in stabilizing the exchange rate, tightening fiscal policies, and curbing inflation through targeted monetary interventions. With support from the IMF's Extended Fund Facility (EFF) worth $7 billion, structural improvements in critical sectors such as energy and taxation have been initiated. Central to this effort was "Uraan Pakistan", an economic transformation plan launched in 2024. This initiative aims to achieve sustainable, export-led 6% GDP growth by 2028 through public-private partnerships, enhanced export competitiveness and optimized public finances.

The Board set the Company's strategic aims to uphold and oversee the implementation of its vision, mission and core values and demonstrate high standards of business and professional conduct in supervising and managing the affairs of the Company. During the year, the Board performed an in-house performance evaluation of the Board, its Committees, the Chairperson, the Managing Director & CEO and Individual Directors. Last year, performance evaluation was conducted by external independent evaluator, Institute of Business Administration (IBA), as required once in every three years by the respective regulations.

The Board has made best possible effort in discharging its primary responsibility of setting the overall strategy of the Company and enhancing its long-term strategic value. The Board ensures that the business of the Company is conducted in an efficient and effective manner within an established framework of effective system of internal controls, robust risk management processes and compliance with regulatory requirements. In the course of discharging its responsibilities, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its Shareholders.

Going forward, our management team is fully geared to navigate the challenges and capitalize opportunities and is poised to continue the journey of delivering excellence in financial services, fostering innovation and generating sustainable long-term value for the shareholders, customers and communities.

Dk Noorul Hayati Pg Julaihi
Chairperson of Board of Directors

March 5, 2025

Directors' Report

On behalf of the Board of Directors, we are pleased to present the Audited Financial Statements of Pak Brunei Investment Company Limited ("the Company") for the year ended December 31, 2024.

Economic Review

The year 2024 concluded with economic environment in a considerably better shape compared to last year. During the year, Pakistan successfully completed Stand-By Arrangement and entered into Extended Fund Facility (EFF) of USD7bn which brought much-needed stability and investors' confidence. Multiple macroeconomic indicators showed improvement, including the external account, exchange rate and inflation. Additionally, the year marked the beginning of a monetary easing cycle after a prolonged period of historically high interest rates. SBP reserves have grown consistently since the IMF program began, reaching USD 11.7 billion—the highest level since April 2022. CPI based inflation for December 2024 clocked at 4.1% down from 29.7% in December 2023 mainly due to base effect and stable currency. This was the lowest reading in the past 80 months. Economic activity is expected to continue recovering, with real GDP growth reaching 2.8 percent in FY25, as the economy benefits from the availability of imported inputs, easing domestic supply chain disruptions and lower inflation.

The State Bank cut its key policy rate by 900 basis points to 13% during 2024, bringing borrowing costs to their lowest level since April 2022. Moreover, the stock market emerged as one of the best performers globally, boosting investor confidence to its highest level in three years. Despite these achievements, poverty rates remain alarmingly high at over 40% in the country. The gross domestic product (GDP) growth rate, at 2.5%, remains the lowest in the South Asian region, where the average stands at 6.4%.

Looking ahead, the Asian Development Bank projects Pakistan's GDP growth at 2.8% for 2025. The government's focus on fiscal consolidation, structural reforms, and attracting foreign investment is expected to play a pivotal role in sustaining economic recovery and addressing ongoing challenges.

Despite the positive developments, Pakistan still faces several challenges, including meeting fiscal targets, implementing structural reforms, and addressing the persistent trade deficit. Additionally, political instability, regional conflicts, and a fragile law and order situation pose risks, particularly in the context of fluctuating global commodity prices. Moving forward, it is crucial for Pakistan to focus on executing effective policies to ensure long -term economic stability and sustainable growth.

Company's Performance Overview

Driven by a multi-faceted strategy and concerted efforts of the management team, Pak Brunei capitalized optimum management of economic capital to post a Profit Before Tax (PBT) of Rs1.226 billion; representing a meager growth of 1.33% on year-on-year basis. Profit after tax and levies recorded at Rs. 610.50 million, in comparison of Rs. 847.35 million for the last year. Earnings per share (EPS) reached to Rs. 1.02 in comparison of Rs. 1.41 last year. Net interest income decreased by 268 million i.e. 20.68%, year-on-year, to report at Rs. 1.087 billion. Non-markup income closed at 674.44 million remained at almost par as compare to last year, with notable contributions from fee commission income (Rs. 127.75 million, +10.52%), dividend income (Rs. 493.10 million, +42.69%). In line with its strategy to diversify revenue streams, Pak Brunei saw strong growth in fee-based income across multiple channels, gain on sale of securities and dividend income. Despite the high inflationary environment, the Company managed operating expenses prudently, reporting a meager increase of 1% only over a year, with key expenditure outlays relating to staff costs, utilities, and IT-related upgrades. The Company's cost-to- net income ratio was maintained at an efficient 33.34%, ensuring strong financial discipline while continuing to invest in innovation and human capital.

Navigating a challenging operating and macroeconomic environment, the Company has been addressing asset quality by maintaining discipline in management of its risk return decisions. Diversification of the loan book across customer segments and a robust credit assessment model, effective pre-disbursement evaluation tools and an array of post disbursement monitoring systems has enabled Pak Brunei to effectively manage its credit risk; the non-performing loan (NPLs) base of the Company was reported at Rs. 1.070 billion as at December 31, 2024. The coverage and gross infection ratios of the Company were reported at 90.77% and 4.83% respectively. On the financial position side, total assets' base of the Company was reported at Rs. 202 billion; representing an increase of 7.41% from last year end i.e. December 31, 2023. An analysis of the assets' mix highlights that net investments and gross advances increased by Rs. 10.077 billion (+6.35%) and Rs. 1.48 billion (+7.17%) respectively, over last year. Deposit base stands at 1.17 billion. Return on Assets and Return on Equity reported at 0.31% and 5.20% respectively, whereas the book value per share was reported at Rs. 21.10. While complying with the regulatory capital requirements, the Company's total Capital Adequacy Ratio (CAR) improved to 28.52% against the requirement of 11.5%. Quality of capital is evident from Company's Common Equity Tier-1 (CET1) to total risk weighted assets ratio which comes to 27.48% against the requirement of 6.0%. Company's capitalization also resulted in a Leverage Ratio of 4.43% which is well above the regulatory limit of 3.0%. The Company reported Liquidity Coverage Ratio (LCR) of 94.02% and Net Stable Funding Ratio (NSFR) of 121.18% against requirements of 100%.

Entity Rating

VIS Credit Company Limited has reaffirmed the entity ratings of Pak Brunei Investment Company Limited at 'AA+/A-1+' (Double A Plus/A-One Plus). The long-term rating of 'AA+' signifies high credit quality, protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions. The short-term rating of 'A-1+' signifies highest certainty of timely payment; short-term liquidity, including internal operating factors and/ or access to alternative sources of funds, is outstanding and safety is just below risk-free Government of Pakistan's short-term obligations Outlook on the assigned ratings is 'Stable'.

Corporate Governance

SBP vide BPRD Circular No. 5 dated November 22, 2021 formulated a comprehensive Corporate Governance Regulatory Framework ("CGRF") for Banks/DFIs, to further strengthen the corporate governance regime and to align the same with international standards/principles. Pak Brunei continues to follow the best practices on corporate governance and the board of directors is committed to adopt and adhere to the best practices of good corporate governance.

SBP vide BPRD Circular No. 14 dated October 20, 2016 advised that the requirement in terms of Prudential Regulation G-1 with regards to the applicability of Code of Corporate Governance (CCG) issued by the Securities and Exchange Commission of Pakistan shall not be applicable on DFIs. Pak Brunei has adopted certain provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019, as applicable. Accordingly, the Statement of Compliance prescribed by SECP has been adjusted to the extent the same has been adopted by the Company.

Sustainability Reporting

In line with our commitment to sustainability, Pak Brunei continuously assesses sustainability-related risks that may impact its operations, stakeholders, and the broader financial ecosystem. To address these risks, we have implemented a comprehensive sustainability risk management framework, which includes the integration of Environmental, Social, and Governance (ESG) criteria into credit risk assessments to ensure the financing of environmentally responsible projects, the adoption of green banking principles promoting sustainable financing solutions such as renewable energy and climate-resilient infrastructure, and internal initiatives to reduce our carbon footprint through energy-efficient office operations and paperless workflows.

PBIC also strives to promote diversity, equity, and inclusion (DE&I) within its workforce. We are dedicated to maintaining gender balance in recruitment and encouraging a work environment where all employees feel welcomed, valued, and empowered to reach their full potential. Our recruitment efforts institute inclusive selection procedures and we prioritize diversified talent pools, with a focus on accommodating persons with disabilities (PWDs) and ensuring that employees and job applicants with disabilities are treated fairly in recruitment practices. Furthermore, we are committed to creating a discrimination- and harassment-free workplace. To support this, we have established a dedicated policy for addressing harassment and discrimination complaints, ensuring that all employees are treated with dignity and respect.

Corporate And Financial Reporting Framework

The directors are pleased to declare that:

- The financial statements, prepared by management, present its state of affairs fairly, the results of its operations, cash flows and statement of changes in equity;
- Proper books of accounts have been maintained;
- Appropriate accounting policies are consistently applied in preparing financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;
- The internal control system is sound in design and has been effectively implemented and monitored;
- There are no doubts about the Company's ability to continue as a going concern;
- There are no statutory payments on account of taxes, duties, levies and charges which are overdue outstanding as of 31 December 2024, except as disclosed in the annexed financial statements;
- Details of the aggregate remuneration of executives and non-executives Directors are included in note 37 of the financial statements;
- Following is the fair value of investments and bank balances as at 31 December 2024:
  - Provident Fund: PKR 74.197 million, based on unaudited financial statements.
  - Gratuity Fund: PKR 58.629 million, based on unaudited financial statements.
- Key operating and financial data for the last six years, in a summarized form, is given hereunder;

(Figures in PKR million unless stated otherwise)

	2018	2019	2020	2021	2022	2023	2024
Total Assets	48,793	57,773	40,253	51,450	79,938	188,070	**201,999**
Net Assets	9,961	10,549	10,733	10,232	10,003	10,839	**12,658**
Net Advances	20,330	18,771	19,134	20,300	24,208	19,610	**21,141**
Net Investments	26,117	31,817	17,483	26,247	44,805	158,671	**168,748**
Net Mark-up Income	719	734	768	866	789	1,370	**1,087**
Non-Mark-up Income	222	43	688	340	353	683	**674**
Profit before Tax	503	458	1033	704	744	1,210	**1,226**
Profit after Tax	276	366	718	481	503	847	**610**
Earnings per Share (PKR)	0.46	0.61	1.20	0.80	0.84	1.41	**1.02**
Dividend Pay-out (%)	5.00%	5.00%	5.00%	5.00%	–	5.00%	**5.00%**
Gross Infection Ratio (%)	2.87%	3.10%	5.03%	4.89%	3.56%	5.44%	**4.83%**
NPL Coverage Ratio (%)	52.28%	66.22%	42.99%	53.69%	56.78%	86.35%	**90.77%**

Composition of the Board of Directors

As per the joint venture arrangement between the Government of Pakistan (GoP) and the Government of Brunei, the Company's board of directors comprises of four directors who are nominated by both Governments. At present, the composition of the Board is as follows:

Category	Names	Description
Independent Director	None	The Company has obtained relaxation from the State Bank of Pakistan in respect of the appointment of one independent director on the Board as required under BPRD Circular No. 04 of 2007.
Non-Executive Directors	Ms. Dk Noorul Hayati Pg Julaihi (Chairperson)	Nominated by the Government of Brunei
	Mr. Nasir Mahmood Khosa	Nominated by the Government of Pakistan
	Ms. Norakerteni Muhammad	Nominated by the Government of Brunei
Executive Director	Mr. S. M. Aamir Shamim	Nominated by the Government of Pakistan

Meetings of the Board

The Board of Directors of the Company held five meetings during the year ended December 31, 2024. The following directors attended the meetings:

Name	Meetings Attended
Ms. Dk Noorul Hayati Pg Julaihi	5
Mr. Nasir Mahmood Khosa	5
Ms Norakerteni Muhammad	5
Mr. S. M. Aamir Shamim	5

During the year, there has been no change in the board of directors of the Company.

Board Committees

The Board has the following committees for providing support in strategic direction and enhanced oversight. The board committees function as per their respective Terms of Reference (TORs) approved by the Board. A brief description of the functions of each sub-committee, is as follows:

Board Audit Committee (BAC):

The Board Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment, including financial and operational controls, accounting systems, and reporting structure. The Committee provides oversight of the Company's Internal Audit function; approves and monitors the progress of the annual audit plan; and ensures that the Internal Audit Function has adequate resources and is appropriately placed within the organization structure to maintain its independence. The BAC also reviews the financial statements and associated matters before recommending them to the Board for approval; as part of this process, the Committee also interacts with the External Auditors of the Company and recommends the appointment of the auditors to the Board. The BAC is also responsible for monitoring the implementation of new accounting standards.

Board Risk Management Committee (BRMC):

The Committee is responsible for oversight and advice to the Board on risk-related matters, including governance, with respect to the Company's risk appetite and profile. The BRMC also ensures the structure and completeness of the Company's internal risk framework in relation to the risk profile, and the development and maintenance of an independent, supportive and proactive risk management culture. The Committee also takes a forward-looking approach to ensure that evolving risks are identified and mitigated.

Board Human Resource and Remuneration Committee (BHRRC):

The Committee recommends key Human Resources and Remuneration policies including major terms of employment and benefits, Performance Management and Compensation Plans for all key executives and other staff members. It also reviews and recommends policies for staff training, career development and succession planning in line with relevant regulatory requirements and best practices.

Additionally, the committee is responsible to monitor and review sustainability related risks and opportunities of the company, ensure DE&I practices are in effect at various board committees, oversee compliance of relevant laws pertaining to relevant sustainability related considerations and its appropriate disclosures.

Meetings of the Board Committees

	Audit Committee		HR&R Committee		CRM Committee	
Name	Meeting held	Attendance	Meeting held	Attendance	Meeting held	Attendance
Ms. Dk Noorul Hayati Pg Julaihi	4	4	4	4	2	2
Mr. Nasir Mahmood Khosa	4	4	4	4	2	2
Ms Norakerteni Muhammad	4	4	4	4	N/A	N/A
Mr. S. M. Aamir Shamim	N/A	N/A	N/A	N/A	2	2

Directors' Remuneration

The Company has a policy for Directors' Remuneration. The policy is in line with the Prudential Regulations G-1 and / or BPRD Circular No. 03 of 2019 issued by the SBP.

Boards' Performance Evaluation

The Board has approved a formal process for the performance evaluation to be carried out on an annual basis. In this regard, an in-house approach has been adopted and quantitative techniques are implemented wherein scored questionnaires are used for Board evaluation. A scoring scale has been established in accordance with SBP guidelines. Furthermore, performance evaluations of the Board, its committees and individual directors are also conducted, facilitated by an external independent evaluator, at least every three years.

The scope covers evaluation of the full Board, individual Directors, Board Committees, the Chairman and the Managing Director. Final results of the annual evaluation are compiled and presented to the Board of Directors which it reviews to identify issues, weaknesses and challenges along with discussing an action plan as to how these can be adequately addressed. Recommendations from the evaluation exercise form the basis of the action plan which is agreed by the Board for implementation. Any areas of improvement identified during the evaluation are noted for appropriate action.

Internal Control over Financial Reporting (ICFR)

The Board of Directors hereby endorses the management's evaluation related to ICFR and overall Internal Controls.

Risk Management Framework

During the course of the year, the Company continued to further strengthen its risk management framework which has been developed over the years and continues to be refined and improved.

Credit risk is managed through the policies approved by the Board. These encompass a well-defined credit approval mechanism, use of internal risk ratings, prescribed documentation requirements, post-disbursement administration, monitoring of credit facilities as well as continuing assessment of credit worthiness of borrowers through periodic reviews. Credit Risk Management also established a mechanism for back testing of the credit scoring model which will be refined going forward. Decisions regarding the credit portfolio are taken by the Credit Committee. Credit Risk Management Committee of the Board provides overall guidance in managing the Company's credit risk. Significant risk issues are regularly reviewed to determine their impact on the Company's strategy as well as its subsidiaries given that Credit Risk Management is a shared function.

Market risk and Operational risks are managed through respective policies approved by the Board. In addition, the liquidity risk policy provides guidance in managing the liquidity position of the Company, which is monitored on a daily basis. Credit Risk Management Committee of the Board provides overall guidance in managing the Company's market and liquidity risks, capital adequacy, and integrated risk management all of which are covered under the Enterprise Risk Management function. Assessment of enterprise-wide integrated risk profile of the Company is carried out using the Basel Framework, Internal Capital Adequacy Assessment Process, and Stress Testing.

Corporate Social Responsibility

Pak Brunei remains committed towards proactive contributions to society. Throughout the year, it has undertaken a series of Corporate Social Responsibility (CSR) initiatives. Emphasizing an agile and professional work environment, the Company aims to augment gender diversity and uphold principles of equal opportunity. Another key focus is fostering environmental sustainability through green practices and tree plantations. These activities demonstrate the Company's dedication to promoting socially responsible citizenship

Appointment of Auditors

The Auditors, M/s Yousuf Adil, Chartered Accountants, as the statutory auditor of the Company, have completed their assignment for the year ended December 31, 2024 and being eligible have offered themselves for reappointment. Therefore, the Board on the recommendation of the Audit Committee recommends the appointment of M/s Yousuf Adil, Chartered Accountants as statutory auditors of the Company for the year ending December 31, 2025.

Pattern of Shareholding

Shareholder	Shareholding (%)
Ministry of Finance – Govt. of Pakistan	49.99933%
Brunei Investment Agency	50.00000%
Secretary, Economic Affairs Division - Govt. of Pakistan	0.00067%

Dividend and Appropriation

Keeping in view the financial results of the Company, the Board of Directors of the Company has declared a final cash dividend @ 5% i.e., Re. 0.5 per share for the shareholders of the Company, in its meeting held on March 5, 2025. This is to be approved by shareholders in upcoming Annual General Meeting of the Company.

Subsequent Event

There have not been any material events that occurred subsequent to the date of the Statement of Financial Position that require adjustments to the attached financial statements.

Earning Per Share

Basic and Diluted (loss) /earnings per share have been disclosed in note 32 of the financial statements.

Future Outlook

Looking ahead, we expect inflation to decline further in the coming months, aided by currency stability and favorable base effects, with inflation projected to fall to low single digits. The SBP has already reduced interest rates by a cumulative 900 bps since June 2024, bringing the policy rate down to 13.0% from a peak of 22.0%. Following a further 100 bps cut in January 2025, it is anticipated that SBP may pause its easing cycle to evaluate the impact of lower rates on the economy.

With strengthened economic fundamentals, declining inflation, and growing investors' confidence, Pakistan is well-positioned for continued growth momentum throughout FY2025. Key policy measures, including monetary easing and export facilitation, are creating an environment conducive to private sector-driven growth. Continued fiscal discipline and improved external account, alongside favorable global trends, are expected to sustain this positive momentum. Committed to sustainable growth, the government is focused on overcoming structural challenges and promoting inclusive development. In this regard, recently, the Government has unveiled its homegrown 5-Year Economic Transformation Plan, URAAN Pakistan. The plan underscores inclusivity through a pragmatic, inclusive, and self-reliant approach to address Pakistan's economic challenges.

We at Pak Brunei, look forward to a future of sustained growth for the Company and an ever-increasing role in developing the resources and the capacity building of our people.

Acknowledgement and Appreciation

We appreciate our shareholders' trust and support – Government of Pakistan and Brunei Investment Agency – for their continued guidance and support. We appreciate the role State Bank of Pakistan and Securities & Exchange Commission of Pakistan continue to play in regulating the financial markets of Pakistan while providing us with an accommodating operating environment supportive of our unique business strategy.

We also acknowledge and appreciate the cooperation and valuable support of our employees, stakeholders, financial institutions and members of the Board of Directors. We at Pak Brunei Investment Company Limited, are proud of our commitment to excellence in quality of our services and providing value added solutions to our customers at all times.

For and on behalf of the Board of Directors

S. M. Aamir Shamim
Managing Director

Dk Noorul Hayati Pg Julaihi
Chairperson

Karachi
Date: March 5, 2025

شراکت داری کا نمونہ

شراکت داری (تناسب)	شراکت دار
وزارت خزانہ - حکومت پاکستان	49.99933 فیصد
برونائی انویسٹمنٹ ایجنسی	50.00000 فیصد
سیکرٹری اقتصادی امور ڈویژن - حکومت پاکستان	0.00067 فیصد

ڈیویڈنڈ اور اختصاص

کمپنی کے مالیاتی نتائج کو مدنظر رکھتے ہوئے، کمپنی کے بورڈ آف ڈائریکٹرز نے 5 مارچ 2025 کو ہونے والی میٹنگ میں کمپنی کے شیئر ہولڈرز کے لیے 0.5 فی حصص یعنی @ 5٪ حتمی نقد منافع کا اعلان کیا ہے۔ اس کی منظوری کمپنی کی آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کو دی جائے گی۔

اطلاع

:اسٹیٹمنٹ آف فنانشل پوزیشن کی تاریخ کے بعد کوئی ایسا مادی واقعہ نہیں ہوا ہے جس کے لیے منسلک مالی بیانات میں ایڈجسٹمنٹ کی ضرورت ہو۔

فی شیئر کمائی

بنیادی اور گھٹا ہوا (نقصان) / فی حصص کی آمدنی مالی بیانات کے نوٹ 32 میں ظاہر کی گئی ہے۔

مستقبل کا نقطہ نظر

آگے دیکھتے ہوئے، ہم توقع کرتے ہیں کہ آنے والے مہینوں میں افراط زر میں مزید کمی واقع ہو گی، کرنسی کے استحکام اور سازگار بنیادی اثرات کی مدد سے، افراط زر کم سنگل ہندسوں تک گرنے کا امکان ہے۔ ایس بی پی نے جون 2024 سے پہلے ہی شرح سود میں مجموعی طور پر 900 بی پی ایس کی کمی کر دی ہے، جس سے پالیسی کی شرح 22.0 فیصد کی چوٹی سے کم ہو کر 13.0 فیصد ہو گئی ہے۔ جنوری 2025 میں مزید 100 بی پی ایس کی کٹوتی کے بعد، یہ توقع کی جا رہی ہے کہ SBP معیشت پر کم شرحوں کے اثرات کا جائزہ لینے کے لیے اپنے نرمی کے چکر کو روک سکتا ہے۔

مضبوط اقتصادی بنیادوں، گرتی ہوئی افراط زر، اور سرمایہ کاروں کے بڑھتے ہوئے اعتماد کے ساتھ، پاکستان مالی سال 2025 کے دوران مسلسل ترقی کی رفتار کے لیے اچھی پوزیشن میں ہے۔ کلیدی پالیسی اقدامات، بشمول مالیاتی نرمی اور برآمدی سہولت، نجی شعبے کی ترقی کے لیے سازگار ماحول پیدا کر رہے ہیں۔ سازگار عالمی رجحانات کے ساتھ ساتھ جاری مالیاتی نظم و ضبط اور بہتر بیرونی کھاتوں سے اس مثبت رفتار کو برقرار رکھنے کی توقع ہے۔ پائیدار ترقی کے لیے پرعزم، حکومت ساختی چیلنجوں پر قابو پانے اور جامع ترقی کو فروغ دینے پر مرکوز ہے۔ اس سلسلے میں، حال ہی میں، حکومت نے اپنے آبائی 5 سالہ اقتصادی تبدیلی کے منصوبے، یوآر اے این پاکستان کی نقاب کشائی کی ہے۔ یہ منصوبہ پاکستان کے معاشی چیلنجوں سے نمٹنے کے لیے ایک عملی، جامع اور خود انحصاری کے ذریعے شمولیت پر زور دیتا ہے۔

ہم پاک برونائی میں، کمپنی کے لیے پائیدار ترقی کے مستقبل اور وسائل کی ترقی اور اپنے لوگوں کی صلاحیتوں کی تعمیر میں مسلسل بڑھتے ہوئے کردار کے منتظر ہیں۔

اعتراف اور تعریف

ہم اپنے شیئر ہولڈرز کے اعتماد اور تعاون کی تعریف کرتے ہیں- حکومت پاکستان اور برونائی انویسٹمنٹ ایجنسی- کی مسلسل رہنمائی اور تعاون پر۔ ہم اسٹیٹ بینک آف پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کردار کو سراہتے ہیں جو پاکستان کی مالیاتی منڈیوں کو ریگولیٹ کرنے میں ادا کر رہے ہیں اور ہمیں اپنی منفرد کاروباری حکمت عملی کے لیے موزوں آپریٹنگ ماحول فراہم کرتے ہیں۔

ہم اپنے ملازمین، اسٹیک ہولڈرز، مالیاتی اداروں اور بورڈ آف ڈائریکٹرز کے ممبران کے تعاون اور قابل قدر تعاون کو بھی تسلیم کرتے ہیں اور ان کی تعریف کرتے ہیں۔ ہمیں پاک برونائی انویسٹمنٹ کمپنی لمیٹڈ میں اپنی خدمات کے معیار میں بہترین کارکردگی اور اپنے صارفین کو ہر وقت ویلیو ایڈڈ سلوشنز فراہم کرنے کے عزم پر فخر ہے۔

ہم ہمیشہ شکر گزار ہیں بورڈ آف ڈائریکٹرز کی جانب سے

ایس ایم عامر شمیم
مینجنگ ڈائریکٹر

ڈی کے نور الہیاتی پی جی جولاہی
چیئر پرسن

کراچی
تاریخ: 5 مارچ 2025

ڈائریکٹرز کا معاوضہ

کمپنی کے پاس ڈائریکٹرز کے معاوضے کے لیے ایک پالیسی ہے۔ یہ پالیسی SBP کے جاری کردہ پرڈینشل ریگولیشنز G-1 اور/یا BPRD سرکلر نمبر 03 کے 2019 کے مطابق ہے۔

بورڈز کی کارکردگی کا جائزہ

بورڈ نے سالانہ بنیادوں پر کارکردگی کی جانچ کے لیے ایک رسمی عمل کی منظوری دے دی ہے۔ اس سلسلے میں، اندرون خانہ طریقہ اپنایا گیا ہے اور مقداری تکنیکوں کو لاگو کیا گیا ہے جس میں بورڈ کی تشخیص کے لیے اسکور کیے گئے سوالنامے استعمال کیے جاتے ہیں۔ ایس بی پی کے رہنما خطوط کے مطابق اسکورنگ اسکیل قائم کیا گیا ہے۔ مزید برآں، بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی کارکردگی کا جائزہ بھی کم از کم ہر تین سال بعد ایک بیرونی خودمختار تشخیص کار کے ذریعے کیا جاتا ہے۔

دائرہ کار مکمل بورڈ، انفرادی ڈائریکٹرز، بورڈ کمیٹیوں، چیئرمین اور منیجنگ ڈائریکٹر کی تشخیص کا احاطہ کرتا ہے۔ سالانہ تشخیص کے حتمی نتائج مرتب کیے جاتے ہیں اور بورڈ آف ڈائریکٹرز کو پیش کیے جاتے ہیں جس کا جائزہ لیا جاتا ہے تاکہ مسائل، کمزوریوں اور چیلنجوں کی نشاندہی کے ساتھ ساتھ ایک ایکشن پلان پر بات چیت کی جاسکے کہ ان کو مناسب طریقے سے کیسے حل کیا جاسکتا ہے۔ تشخیصی مشق کی سفارشات ایکشن پلان کی بنیاد بنتی ہیں جس پر عمل درآمد کے لیے بورڈ نے اتفاق کیا ہے۔ تشخیص کے دوران بہتری کے کسی بھی شعبے کی نشاندہی مناسب کارروائی کے لیے کی جاتی ہے۔

مالیاتی رپورٹنگ پر اندرونی کنٹرول (ICFR)

بورڈ آف ڈائریکٹرز اس کے ذریعے ICFR اور مجموعی اندرونی کنٹرول سے متعلق انتظامیہ کی تشخیص کی توثیق کرتا ہے۔

رسک مینجمنٹ فریم ورک

سال کے دوران، کمپنی نے اپنے رسک مینجمنٹ فریم ورک کو مزید مضبوط کرنا جاری رکھا جو کہ سالوں کے دوران تیار کیا گیا ہے اور اسے مزید بہتر اور بہتر بنایا جا رہا ہے۔

کریڈٹ رسک کا انتظام بورڈ کی منظور شدہ پالیسیوں کے ذریعے کیا جاتا ہے۔ ان میں کریڈٹ کی منظوری کا ایک اچھی طرح سے طے شدہ طریقہ کار، اندرونی خطرے کی درجہ بندیوں کا استعمال، دستاویزات کی تجویز کردہ ضروریات، تقسیم کے بعد کی انتظامیہ، کریڈٹ کی سہولیات کی نگرانی کے ساتھ ساتھ وقتاً فوقتاً جائزوں کے ذریعے قرض لینے والوں کی کریڈٹ کی اہلیت کا مسلسل جائزہ شامل ہے۔ کریڈٹ رسک مینجمنٹ نے کریڈٹ سکورنگ ماڈل کی بیک ٹیسٹنگ کے لیے ایک طریقہ کار بھی قائم کیا جسے آگے بڑھ کر بہتر کیا جائے گا۔ کریڈٹ پورٹ فولیو سے متعلق فیصلے کریڈٹ کمیٹی لیتی ہے۔ بورڈ کی کریڈٹ رسک مینجمنٹ کمیٹی کمپنی کے کریڈٹ رسک کے انتظام میں مجموعی رہنمائی فراہم کرتی ہے۔ کمپنی کی حکمت عملی کے ساتھ ساتھ اس کے ذیلی اداروں پر ان کے اثرات کا تعین کرنے کے لیے اہم رسک ایشوز کا باقاعدگی سے جائزہ لیا جاتا ہے کیونکہ کریڈٹ رسک مینجمنٹ ایک مشترکہ کام ہے۔

مارکیٹ کے خطرے اور آپریشنل خطرات کا انتظام بورڈ کی طرف سے منظور شدہ متعلقہ پالیسیوں کے ذریعے کیا جاتا ہے۔ اس کے علاوہ، لیکویڈیٹی رسک پالیسی کمپنی کی لیکویڈیٹی پوزیشن کے انتظام میں رہنمائی فراہم کرتی ہے، جس کی روزانہ کی بنیاد پر نگرانی کی جاتی ہے۔ بورڈ کی کریڈٹ رسک مینجمنٹ کمیٹی کمپنی کی مارکیٹ اور لیکویڈیٹی کے خطرات، سرمائے کی مناسبیت، اور مربوط رسک مینجمنٹ کے انتظام میں مجموعی رہنمائی فراہم کرتی ہے یہ سبھی انٹرپرائز رسک مینجمنٹ فنکشن کے تحت آتے ہیں۔ کمپنی کے انٹرپرائز وائیڈ انٹیگریٹڈ رسک پروفائل کی تشخیص باسل فریم ورک، اندرونی سرمائے کی مناسبیت کی تشخیص کے عمل، اور تناؤ کی جانچ کے ذریعے کی جاتی ہے۔

کارپوریٹ سماجی ذمہ داری

پاک برونائی معاشرے میں فعال کردار ادا کرنے کے لیے پرعزم ہے۔ پورے سال کے دوران، اس نے کارپوریٹ سماجی ذمہ داری (CSR) اقدامات کا ایک سلسلہ شروع کیا ہے۔ چست اور پیشہ ورانہ کام کے ماحول پر زور دیتے ہوئے، کمپنی کا مقصد صنفی تنوع کو بڑھانا اور مساوی مواقع کے اصولوں کو برقرار رکھنا ہے۔ ایک اور اہم توجہ سبز طریقوں اور درخت لگانے کے ذریعے ماحولیاتی پائیداری کو فروغ دینا ہے۔ یہ سرگرمیاں سماجی طور پر ذمہ دار شہریت کو فروغ دینے کے لیے کمپنی کی لگن کو ظاہر کرتی ہیں۔

آڈیٹرز کی تقرری

آڈیٹرز، میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس، کمپنی کے قانونی آڈیٹر کے طور پر، 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے اپنی اسائنمنٹ مکمل کر چکے ہیں اور اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ لہٰذا، بورڈ آڈٹ کمیٹی کی سفارش پر میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹر کے طور پر تقرری کی سفارش کرتا ہے۔

بورڈ کے اجلاس

کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2024 کو ختم ہونے والے سال کے دوران پانچ میٹنگیں کیں۔ مندرجہ ذیل ڈائریکٹرز نے اجلاسوں میں شرکت کی:

نام	اجلاس میں شرکت
محترمہ ڈی کے نور الہیتی پی جی جولاہی	5
جناب ناصر محمود کھوسہ	5
محترمہ نور کرتینی محمد	5
جناب ایس۔ ایم۔ عامر شمیم	5

اس سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں ہوئی۔

بورڈ کمیٹیاں

بورڈ کے پاس اسٹریٹجک سمت اور بہتر نگرانی میں مدد فراہم کرنے کے لیے درج ذیل کمیٹیاں ہیں۔ بورڈ کمیٹیاں بورڈ کی طرف سے منظور شدہ اپنے متعلقہ ٹرمز آف ریفرنس (ٹی او آرز) کے مطابق کام کرتی ہیں۔ ہر ذیلی کمیٹی کے کاموں کی مختصر تفصیل حسب ذیل ہے:

بورڈ آڈٹ کمیٹی (BAC):

بورڈ آڈٹ کمیٹی مالیاتی اور آپریشنل کنٹرولز، اکاؤنٹنگ سسٹمز، اور رپورٹنگ کے ڈھانچے سمیت کمپنی کے اندرونی کنٹرول کے ماحول کی مناسبیت اور تاثیر کا جائزہ لیتی ہے۔ کمیٹی کمپنی کے اندرونی آڈٹ فنکشن کی نگرانی فراہم کرتی ہے۔ سالانہ آڈٹ پلان کی پیشرفت کی منظوری اور نگرانی کرتا ہے؛ اور اس بات کو یقینی بناتا ہے کہ اندرونی آڈٹ فنکشن کے پاس مناسب وسائل ہیں اور اسے تنظیم کے ڈھانچے کے اندر اپنی آزادی کو برقرار رکھنے کے لیے مناسب طریقے سے رکھا گیا ہے۔ BAC بورڈ کو منظوری کے لیے سفارش کرنے سے پہلے مالیاتی گوشواروں اور متعلقہ معاملات کا بھی جائزہ لیتا ہے۔ اس عمل کے حصے کے طور پر، کمیٹی کمپنی کے بیرونی آڈیٹرز کے ساتھ بھی بات چیت کرتی ہے اور بورڈ کو آڈیٹرز کی تقرری کی سفارش کرتی ہے۔ BAC اکاؤنٹنگ کے نئے معیارات کے نفاذ کی نگرانی کے لیے بھی ذمہ دار ہے۔

بورڈ رسک مینجمنٹ کمیٹی (BRMC):

کمیٹی کمپنی کی خطرے کی خواہش اور پروفائل کے حوالے سے بورڈ کو خطرے سے متعلقہ معاملات بشمول گورننس کی نگرانی اور مشورے کی ذمہ دار ہے۔ BRMC رسک پروفائل کے سلسلے میں کمپنی کے اندرونی رسک فریم ورک کی ساخت اور مکمل ہونے کو بھی یقینی بناتا ہے، اور ایک آزاد، معاون اور فعال رسک مینجمنٹ کلچر کی ترقی اور دیکھ بھال کو بھی یقینی بناتا ہے۔ کمیٹی اس بات کو یقینی بنانے کے لیے آگے کی طرف متوجہ ہونے کا طریقہ بھی اپناتی ہے کہ ابھرتے ہوئے خطرات کی نشاندہی اور ان میں تخفیف کی جائے۔

بورڈ انسانی وسائل اور معاوضہ کمیٹی (BHRRC):

کمیٹی اہم انسانی وسائل اور معاوضے کی پالیسیوں کی سفارش کرتی ہے جس میں ملازمت اور فوائد کی اہم شرائط، تمام اہم ایگزیکٹوز اور عملے کے دیگر ارکان کے لیے کارکردگی کا انتظام اور معاوضے کے منصوبے شامل ہیں۔ یہ متعلقہ ریگولیٹری تقاضوں اور بہترین طریقوں کے مطابق عملے کی تربیت، کیریئر کی ترقی اور جانشینی کی منصوبہ بندی کے لیے پالیسیوں کا بھی جائزہ اور سفارش کرتا ہے۔

مزید برآں، کمیٹی کمپنی کے پائیداری سے متعلق خطرات اور مواقع کی نگرانی اور جائزہ لینے کے لیے ذمہ دار ہے، اس بات کو یقینی بنانا کہ مختلف بورڈ کمیٹیوں میں I&DE پریکٹسز لاگو ہوں، پائیداری سے متعلق متعلقہ تحفظات اور اس کے مناسب انکشافات سے متعلق متعلقہ قوانین کی تعمیل کی نگرانی کریں۔

بورڈ کمیٹیوں کے اجلاس

نام	آڈٹ کمیٹی		ہیومن ریسورس اور مشاہرہ کمیٹی		کریڈٹ اینڈ رسک مینجمنٹ کمیٹی	
	منعقدہ اجلاس	حاضری	منعقدہ اجلاس	حاضری	منعقدہ اجلاس	حاضری
مس ڈی کے نور الحیاتی پی جی جولاہی	4	4	4	4	2	2
جناب ناصر محمود کھوسہ	4	4	4	4	2	2
مس نورا کرتینی محمد	4	4	4	4	N/A	N/A
جناب ایس۔ ایم۔ عامر شمیم	N/A	N/A	N/A	N/A	2	2

- بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRS)، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی بیانات کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی روانگی کے بارے میں مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔
- اندرونی کنٹرول سسٹم ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔
- ٹیکسز، ڈیوٹی، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں جو 31 دسمبر 2024 تک واجب الادا ہیں، سوائے اس کے کہ منسلک مالی بیانات میں ظاہر کیا گیا ہو۔
- ایگزیکٹوز اور نان ایگزیکٹیو ڈائریکٹرز کے مجموعی معاوضے کی تفصیلات مالی بیانات کے نوٹ 37 میں شامل ہیں۔
- 31 دسمبر 2024 تک سرمایہ کاری اور بینک بیلنس کی مناسب قیمت درج ذیل ہے:
  - پراویڈنٹ فنڈ: PKR 74.197 ملین، غیر آڈیٹ مالیاتی بیانات پر مبنی۔
  - گریجویٹی فنڈ: PKR 58.629 ملین، غیر آڈیٹ مالیاتی بیانات پر مبنی۔
- گزشتہ چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا، خلاصہ شکل میں، یہاں دیا گیا ہے۔

(پی کے آر ملین میں اعداد و شمار جب تک کہ دوسری صورت میں بیان نہ کیا جائے)

2024	2023	2022	2021	2020	2019	2018	
201,999	188,070	79,938	51,450	40,253	57,773	48,793	مجموعی اثاثے
12,658	10,839	10,003	10,232	10,733	10,549	9,961	خالص اثاثے
21,141	19,610	24,208	20,300	19,134	18,771	20,330	نیٹ ایڈوانس
168,748	158,671	44,805	26,247	17,483	31,817	26,117	خالص سرمایہ کاری
1,087	1,370	789	866	768	734	719	نیٹ مارک اپ آمدنی
674	683	353	340	688	43	222	غیر مارک اپ آمدنی
1,226	1,210	744	704	1033	458	503	منافع قبل از محصول
610	847	503	481	718	366	276	ٹیکس کے بعد منافع
1.02	1.41	0.84	0.80	1.20	0.61	0.46	فی شیئر آمدنی (PKR)
5.00%	5.00%	–	5.00%	5.00%	5.00%	5.00%	ڈیویڈنڈ پے آؤٹ (%)
4.83%	5.44%	3.56%	4.89%	5.03%	3.10%	2.87%	مجموعی انفیکشن کا تناسب (%)
90.77%	86.35%	56.78%	53.69%	42.99%	66.22%	52.28%	NPL کوریج کا تناسب (%)

بورڈ آف ڈائریکٹرز کی تشکیل

حکومت پاکستان (GoP) اور حکومت برونائی کے درمیان مشترکہ منصوبہ بندی کے مطابق، کمپنی کا بورڈ آف ڈائریکٹرز چار ڈائریکٹرز پر مشتمل ہے جو دونوں حکومتوں کی طرف سے نامزد کیے گئے ہیں۔ اس وقت بورڈ کی تشکیل حسب ذیل ہے۔

تفصیل	نام	کیٹیگری
کمپنی نے 2007 کے BPRD سرکلر نمبر 4 کے تحت بورڈ پر ایک آزاد ڈائریکٹر کی تقرری کے سلسلے میں اسٹیٹ بینک آف پاکستان سے نرمی حاصل کی ہے۔	کوئی نہیں	آزاد ڈائریکٹر
برونائی کی حکومت کی طرف سے نامزد کیا گیا	محترمہ ڈی کے نورالبیتی پی جی جولاہی (چیئرپرسن)	نان ایگزیکٹیو ڈائریکٹر
پاکستان کی حکومت کی طرف سے نامزد کیا گیا	جناب ناصر محمود کھوسہ	
برونائی کی حکومت کی طرف سے نامزد کیا گیا	محترمہ نور کرتینی محمد	ایگزیکٹیو ڈائریکٹر
پاکستان کی حکومت کی طرف سے نامزد کیا گیا	جناب ایس۔ ایم۔ عامر شمیم	

مالیاتی محاذ پر، کمپنی کے کل اثاثے 202 بلین روپے تک پہنچ گئے ھیں، جو پچھلے سال، 31 دسمبر، 2023 سے 7.41 فیصد اضافے کی عکاسی کرتا ہے۔ اثاثوں کی ساخت کے تفصیلی تجزیہ سے پتہ چلتا ہے کہ خالص سرمایہ کاری اور مجموعی پیش قدمی میں 10.077 بلین روپے کا اضافہ ہوا۔ جسکا تناسب پچھلے سال کے مقابلے میں (+6.35%) اور، 1.48 روپے بلین +7.17%) ہے۔ جسکی ڈپازٹ کی بنیاد 1.17 بلین روپے ریکارڈ کی گیی ہے۔ اثاثوں پر واپسی اور ایکویٹی پر واپسی بالترتیب 0.31% اور 5.20% رپورٹ کی گئی، جبکہ بک ویلیو فی شیئر 21.10 روپے نوٹ کی گئی۔ ریگولیٹری سرمائے کی ضروریات کی تعمیل میں، کمپنی کا کل کیپٹل ایڈیکیسی ریشو (CAR) بہتر ہو کر 28.52% ہو گیا، جو کہ نمایاں طور پر 11.5% کی کم از کم ضرورت سے زیادہ ہے۔ سرمائے کے معیار کو کمپنی کے کامن ایکویٹی ٹائر-1 (CET1) کے تناسب سے کل رسک ویٹڈ اثاثوں کی طرف اشارہ کیا جاتا ہے جو کہ 27.48% کو پیچھے چھوڑ کر مطلوبہ 6.0% پر کھڑا ہے، مزید برآں، کمپنی کے کیپٹلائزیشن نے 4.43% کے لیوریج ریشو کا باعث بنی ہے، جو کہ 3.0% کی ریگولیٹری حد سے بھی اوپر ہے۔ لیکویڈیٹی کوریج ریشو (94.02% LCR) پر رپورٹ کیا گیا، اور نیٹ اسٹیبل فنڈنگ ریشو (121.18% NSFR) پر تھا، دونوں مطلوبہ کم از کم 100% سے زیادہ ہیں۔

ادارے کی درجہ بندی

VIS کریڈٹ کمپنی لمیٹڈ نے 'AA+/A-1' (ڈبل اے پلس/اے-ون پلس) پر پاک برونائی انویسٹمنٹ کمپنی لمیٹڈ کی ہستی ریٹنگ کی توثیق کی ہے۔ 'AA+' کی طویل مدتی درجہ بندی اعلی کریڈٹ کوالٹی کی نشاندہی کرتی ہے، تحفظ کے عوامل مضبوط ہیں۔ خطرہ معمولی ہے لیکن معاشی حالات کی وجہ سے وقتاً فوقتاً تھوڑا سا مختلف ہو سکتا ہے۔ 'A-1+' کی قلیل مدتی درجہ بندی بروقت ادائیگی کے اعلیٰ ترین یقین کی نشاندہی کرتی ہے۔ قلیل مدتی لیکویڈیٹی، بشمول اندرونی آپریٹنگ عوامل اور / یا فنڈز کے متبادل ذرائع تک رسائی، بقایا ہے اور حفاظت خطرے سے پاک حکومت پاکستان کی قلیل مدتی ذمہ داریوں سے بالکل نیچے ہے تفویض کردہ ریٹنگز پر آؤٹ لک 'مستحکم' ہے۔

کارپوریٹ گورننس

SBP نے BPRD سرکلر نمبر 5 کے ذریعے مورخہ 22 نومبر 2021 کو بینکوں/DFIs کے لیے ایک جامع کارپوریٹ گورننس ریگولیٹری فریم ورک ("CGRF") تیار کیا تاکہ کارپوریٹ گورننس کے نظام کو مزید مضبوط کیا جاسکے اور اسے بین الاقوامی معیارات/اصولوں کے ساتھ ہم آہنگ کیا جاسکے۔ پاک برونائی کارپوریٹ گورننس کے بہترین طریقوں پر عمل پیرا ہے اور بورڈ آف ڈائریکٹرز اچھی کارپوریٹ گورننس کے بہترین طریقوں کو اپنانے اور ان پر عمل کرنے کے لیے پر عزم ہے۔

SBP نے BPRD سرکلر نمبر 14 مورخہ 20 اکتوبر 2016 کے ذریعے مشورہ دیا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس (CCG) کے اطلاق کے حوالے سے پرڈینشل ریگولیشن G-1 کی ضرورت DFIs پر لاگو نہیں ہوگی۔ پاک برونائی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی کچھ شقوں کو اپنایا ہے، جیسا کہ قابل اطلاق ہے۔ اس کے مطابق، SECP کی طرف سے تجویز کردہ تعمیل کے بیان کو اس حد تک ایڈجسٹ کیا گیا ہے جس کو کمپنی نے اپنایا ہے۔

پائیداری کی رپورٹنگ

پائیداری سے متعلق ہماری وابستگی کے مطابق، پاک برونائی پائیداری سے متعلق خطرات کا مسلسل جائزہ لے رہا ہے جو اس کے آپریشنز، اسٹیک ہولڈرز اور وسیع تر مالیاتی ماحولیاتی نظام کو متاثر کر سکتے ہیں۔ ان خطرات سے نمٹنے کے لیے، ہم نے ایک جامع پائیداری کے رسک مینجمنٹ فریم ورک کو نافذ کیا ہے، جس میں ماحولیاتی، سماجی، اور گورننس (ESG) کے معیار کو کریڈٹ رسک اسیسمنٹ میں شامل کرنا شامل ہے تاکہ ماحولیاتی ذمہ دار منصوبوں کی فنانسنگ کو یقینی بنایا جاسکے، پائیدار فنانسنگ کو فروغ دینے والے گرین بینکنگ کے اصولوں کو اپنانا، اور اندرونی توانائی کے شعبے میں توانائی کے حل کے لیے قابل عمل حل۔ توانائی کے موثر دفتری آپریشنز اور پیپر لیس ورک فلو کے ذریعے ہمارے کاربن فوٹ پرنٹ کو کم کرنے کے اقدامات۔

PBIC اپنی افرادی قوت میں تنوع، مساوات اور شمولیت (I&DE) کو فروغ دینے کی بھی کوشش کرتا ہے۔ ہم بھرتی میں صنفی توازن کو برقرار رکھنے اور کام کے ماحول کی حوصلہ افزائی کے لیے وقف ہیں جہاں تمام ملازمین اپنی پوری صلاحیت تک پہنچنے کے لیے خوش آئند، قابل قدر، اور بااختیار محسوس کرتے ہیں۔ ہماری بھرتی کی کوششیں انتخابی طریقہ کار کو شامل کرتی ہیں اور ہم متنوع ٹیلنٹ پولز کو ترجیح دیتے ہیں، جس میں معذور افراد (PWDs) کو جگہ دینے پر توجہ دی جاتی ہے اور اس بات کو یقینی بنانا کہ ملازمین اور ملازمت کے درخواست دہندگان کے ساتھ بھرتی کے طریقوں میں منصفانہ برتاؤ کیا جاتا ہے۔ مزید برآں، ہم امتیازی سلوک اور ہراسانی سے پاک کام کی جگہ بنانے کے لیے پر عزم ہیں۔ اس کی حمایت کرنے کے لیے، ہم نے ہراساں کرنے اور امتیازی سلوک کی شکایات کو دور کرنے کے لیے ایک مخصوص پالیسی قائم کی ہے، اس بات کو یقینی بناتے ہوئے کہ تمام ملازمین کے ساتھ عزت اور احترام کے ساتھ برتاؤ کیا جائے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

ڈائریکٹرز کو یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ:

- انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات، اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کے بیانات کو منصفانہ طور پر پیش کرتے ہیں۔
- کھاتوں کی مناسب کتابیں برقرار رکھی گئی ہیں۔
- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا اطلاق مستقل طور پر کیا جاتا ہے اور اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں۔

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے پاک برونائی انویسٹمنٹ کمپنی لمیٹڈ (کمپنی) کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔

اقتصادی جائزہ

سال 2024 گزشتہ سال کے مقابلے میں کافی بہتر حالت میں معاشی ماحول کے ساتھ اختتام پذیر ہوا۔ سال کے دوران، پاکستان نے کامیابی کے ساتھ اسٹینڈ بائی اریجمنٹ مکمل کیا اور USD7bn کی توسیعی فنڈ سہولت (EFF) میں داخل ہوا جس سے انتہائی ضروری استحکام اور سرمایہ کاروں کا اعتماد بحال ہوا۔ متعدد میکرو اکنامک اشاریوں نے بہتری ظاہر کی، بشمول بیرونی کھاتہ، شرح مبادلہ اور افراط زر شامل ہیں۔ مزید برآں، اس سال میں تاریخی طور پر بلند شرح سود کے طویل عرصے کے بعد مالیاتی نرمی کے دور کا آغاز کیا۔ IMF پروگرام شروع ہونے کے بعد سے SBP کے ذخائر میں مسلسل اضافہ ہوا ہے، جو کہ 11.7 بلین امریکی ڈالر تک پہنچ گیا ہے جو کہ اپریل 2022 کے بعد کی بلند ترین سطح ہے۔ دسمبر 2024 کے لیے CPI کی بنیاد پر افراط زر دسمبر 2023 میں 29.7 فیصد سے کم ہو کر 4.1 فیصد پر آ گیا، بنیادی طور پر بنیادی اثر اور مستحکم کرنسی کی وجہ سے۔ یہ پچھلے 80 مہینوں میں سب سے کم پر تھی۔ مالی سال 25 میں حقیقی جی ڈی پی کی شرح نمو 2.8 فیصد تک پہنچنے کے ساتھ، اقتصادی سرگرمیوں کی بحالی جاری رہنے کی توقع ہے، کیونکہ معیشت کو درآمدگی کی دستیابی، گھریلو سپلائی چین میں رکاوٹوں کو کم کرنے اور افراط زر میں کمی سے فائدہ ہوتا ہے۔

اسٹیٹ بینک نے 2024 کے دوران اپنی کلیدی پالیسی ریٹ میں 900 بیسس پوائنٹس کی کمی کر کے ٪13 کر دی، جس سے قرض لینے کی لاگت اپریل 2022 کے بعد سب سے کم سطح پر آ گئی۔ مزید برآں، اسٹاک مارکیٹ عالمی سطح پر بہترین کارکردگی کا مظاہرہ کرنے والے اداروں میں سے ابھری ہے، جس سے سرمایہ کاروں کا اعتماد تین سالوں میں اپنی بلند ترین سطح پر پہنچ گیا۔ ان کامیابیوں کے باوجود ملک میں غربت کی شرح خطرناک حد تک 40 فیصد سے زیادہ ہے۔ مجموعی گھریلو پیداوار (جی ڈی پی) کی شرح نمو، 2.5 فیصد، جنوبی ایشیائی خطے میں سب سے کم ہے، جہاں اوسطاً 6.4 فیصد ہے۔

آگے دیکھتے ہوئے، ایشیائی ترقیاتی بینک نے 2025 کے لیے پاکستان کی جی ڈی پی کی شرح نمو 2.8 فیصد پر پیش کی ہے۔ حکومت کی جانب سے مالی استحکام، ڈھانچہ جاتی اصلاحات، اور غیر ملکی سرمایہ کاری کو راغب کرنے پر توجہ دینے سے توقع کی جاتی ہے کہ اقتصادی بحالی کو برقرار رکھنے اور جاری چیلنجز سے نمٹنے میں کلیدی کردار ادا کرے گا۔

مثبت پیش رفت کے باوجود، پاکستان کو اب بھی کئی چیلنجز کا سامنا ہے، جن میں مالیاتی اہداف کو پورا کرنا، ڈھانچہ جاتی اصلاحات کا نفاذ، اور مسلسل تجارتی خسارے کو دور کرنا شامل ہیں۔ مزید برآں، سیاسی عدم استحکام، علاقائی تنازعات، اور امن و امان کی نازک صورتحال، خاص طور پر عالمی اجناس کی قیمتوں میں اتار چڑھاؤ کے تناظر میں خطرات لاحق ہیں۔ آگے بڑھتے ہوئے، پاکستان کے لیے طویل مدتی اقتصادی استحکام اور پائیدار ترقی کو یقینی بنانے کے لیے موثر پالیسیوں پر عمل درآمد پر توجہ مرکوز کرنا بہت ضروری ہے۔

کمپنی کی کارکردگی کا جائزہ

ایک جامع حکمت عملی اور اپنی انتظامی ٹیم کی سرشار کوششوں کے ذریعے، پاک برونائی نے اپنے معاشی سرمائے کا موثر طریقے سے انتظام کیا، جس سے 1.226 بلین روپے کا منافع قبل از ٹیکس (PBT) حاصل ہوا، جو کہ 1.33 فیصد کی معمولی سالانہ ترقی کی عکاسی کرتا ہے۔ ٹیکس اور لیویز کے بعد منافع کی رقم 610.50 ملین روپے تھی، جو پچھلے سال میں 847.35 ملین روپے سے کم ریکارڈ کیا گیا تھا جس سے فی شیئر آمدنی (EPS) پچھلے سال 1.02 روپے کے مقابلے میں 1.41 روپے تک پہنچ گئی۔ خالص سود کی آمدنی میں ملین 268 روپے کی کمی، سال بہ سال 20.68 فیصد کمی کی نمائندگی کرتا ہے، کل 1.087 بلین روپے میں سے۔ غیر مارک اپ آمدنی 674.44 ملین روپے پر نسبتاً گزشتہ سال کے مقابلے میں مستحکم رہی ہے، فیس کمیشن کی شراکت کی آمدنی کو نمایاں تقویت ملی، جو بڑھ کر 127.75 ملین روپے ہو گیا (٪10.52 کا اضافہ) ۔ اور منافع بخش آمدنی جو 493.10 ملین روپے تک پہنچ گیا (٪42.69 کا اضافہ)۔ آمدنی کے ذرائع کو متنوع بنانے کی اپنی حکمت عملی کے مطابق، پاک برونائی نے مختلف چینلز میں فیس پر مبنی آمدنی میں خاطر خواہ اضافہ کیا۔ نیز سیکیورٹیز کی فروخت اور ڈیویڈنڈ کی آمدنی سے حاصل ہونے والے فوائد، چیلنجنگ مہنگائی کے باوجود کمپنی نے احتیاط کے ساتھ اپنے آپریٹنگ اخراجات کا انتظام کیا، اور سال بھر میں صرف ٪1 کا معمولی اضافہ رپورٹ کیا، جو کے بنیادی طور پر عملے کے اخراجات، اور آئی ٹی اپ گریڈ سے متعلق اہم اخراجات کے حوالے سے ہوا۔ کمپنی کی لاگت سے خالص آمدنی کے تناسب کو موثر طریقے سے ٪33.34 پر برقرار رکھا گیا، جو جدت اور انسانی وسائل میں سرمایہ کاری جاری رکھتے ہوئے مضبوط مالیاتی نظم و ضبط کی عکاسی کرتا ہے۔

ایک چیلنجنگ آپریشنل اور میکرو اکنامک منظر نامے کا سامنا کرتے ہوئے، کمپنی اپنے رسک ریٹرن فیصلہ سازی کے عمل میں نظم و ضبط کا استعمال کرتے ہوئے اثاثوں کے معیار کا فعال طور پر انتظام کر رہی ہے۔ اپنے قرضے کے پورٹ فولیو کو مختلف صارفین کے حصوں میں متنوع بنا کر اور ایک مضبوط کریڈٹ اسسمنٹ فریم ورک کو فروغ دے کر، قبل از تقسیم کی تشخیص کے موثر ٹولز اور ڈسبرسمنٹ کے بعد جامع نگرانی کے نظام کے ساتھ، پاک برونائی نے اپنے کریڈٹ رسک کو کامیابی سے کم کیا ہے۔ 31 دسمبر 2024 تک، کمپنی نے 1.070 بلین روپے کے غیر فعال قرض (NPL) کے اعداد و شمار میں شائع کیا، جس کا مجموعی تناسب بالترتیب ٪90.77 اور ٪4.83 ہے۔

15 Years Performance at a Glance

	2024	2023	2022	2021	2020	2019
Balance Sheet						
Investments	**168,748**	158,671	44,805	26,247	17,483	31,817
Advances	**21,141**	19,610	24,208	20,300	19,134	18,771
Borrowings	**184,383**	174,594	68,320	40,285	27,763	45,152
Deposits and other accounts	**1,166**	–	55	50	830	620
Total Assets	**201,999**	188,070	79,938	51,450	40,253	57,773
Net Assets	**12,658**	10,839	10,003	10,232	10,733	10,549
Paid up Capital	**6,000**	6,000	6,000	6,000	6,000	6,000
Profit & Loss						
Mark up income	**37,850**	22,150	6,899	3,335	3,681	5,042
Mark up expense	**36,764**	20,780	6,110	2,469	2,913	4,307
Non mark up income	**674**	683	353	340	688	43
Non mark up expense	**612**	606	434	432	388	332
Gross income	**38,525**	22,833	7,252	3,675	4,369	5,085
Profit before provision and tax	**1,149**	1,447	708	774	1,067	445
Provisions	**77**	238	(35)	71	34	(13)
Profit before tax	**1,226**	1,210	744	704	1,033	458
Profit after tax	**610**	847	503	481	718	366
Taxation	**615**	362	241	222	315	–
Dividend paid	**300**	300	–	300	300	300
Investors information						
Profit before tax ratio	**3.18%**	5.30%	10.25%	19.15%	23.64%	9.01%
Gross spread ratio	**2.87%**	6.19%	11.44%	25.97%	20.86%	14.56%
Return on assets	**0.31%**	0.63%	0.77%	1.05%	1.46%	0.69%
Return on equity	**5.20%**	8.13%	4.97%	4.59%	6.75%	3.57%
Earning asset to total asset ratio	**94.06%**	94.92%	94.67%	94.48%	93.28%	95.64%
EPS (Earning per share) PKR	**1.02**	1.41	0.84	0.80	1.20	0.61
Gross Infection Ratio	**4.83%**	5.44%	3.56%	4.89%	5.03%	3.10%
Net Infection Ratio	**0.47%**	0.78%	1.57%	2.32%	2.93%	1.07%
Capital Adequacy Ratio (CAR)	**28.52%**	29.42%	29.42%	29.42%	26.64%	27.27%
Dividend payout	**5.00%**	0.00%	0.00%	5.00%	5.00%	5.00%

PKR in Million

2018	2017	2016	2015	2014	2013	2012	2011	2010
26,117	7,679	16,658	16,850	24,247	27,431	7,121	25,741	9,868
20,330	18,768	13,996	10,237	7,386	6,800	5,776	4,647	2,468
36,890	13,976	20,493	14,544	18,090	26,392	2,417	23,360	5,943
725	4,751	2,913	4,218	5,164	567	2,825	979	844
48,793	29,869	34,391	29,115	32,901	35,508	14,046	32,544	14,369
9,960	10,456	10,429	9,684	9,139	8,246	8,581	7,928	7,343
6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
2,507	1,462	1,591	1,832	2,503	1,407	2,912	2,395	1,698
1,788	908	1,084	1,279	2,036	969	2,045	1,469	778
222	588	1,237	1,230	907	706	406	284	212
341	293	314	304	272	219	201	203	165
2,729	2,050	2,828	3,062	3,410	2,113	3,318	2,679	1,910
599	849	1,430	1,479	1,102	925	1,072	1,007	963
96	178	97	179	(4)	8	(4)	87	81
503	671	1,333	1,300	1,106	917	1,076	920	882
276	470	962	937	905	706	784	604	581
–	–	–	–	–	–	–	–	–
300	300	300	200	200	200	1,000	200	–
18.43%	32.73%	47.14%	42.46%	32.43%	43.40%	32.43%	34.34%	46.18%
28.68%	37.82%	31.87%	30.19%	18.70%	31.13%	29.77%	38.62%	54.18%
0.70%	1.46%	3.03%	3.02%	2.65%	2.85%	3.37%	2.57%	4.38%
2.70%	4.50%	9.57%	9.96%	10.41%	8.39%	9.50%	7.91%	8.51%
95.29%	96.90%	96.21%	94.67%	96.38%	97.06%	94.06%	97.03%	95.27%
0.46	0.78	1.60	1.56	1.51	1.18	1.31	1.01	0.98
2.87%	5.00%	3.17%	3.00%	0.03%	0.04%	0.05%	0.06%	0.27%
1.39%	3.54%	1.54%	1.52%	0.00%	0.00%	0.00%	-0.38%	-0.03%
24.50%	30.62%	25.59%	26.44%	33.80%	35.82%	59.76%	58.47%	84.61%
5.00%	5.00%	5.00%	3.33%	3.33%	3.33%	16.67%	3.33%	–

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Independent Auditor's Review Report to the members of Pak-Brunei Investment Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the best practices of The Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Pak Brunei Investment Company Limited** (the Company) for the year ended December 31, 2024 in accordance with the requirements of the Regulations to the extent as adopted by the Company.

The responsibility for compliance with the Regulations (as adopted) is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations (as adopted) and report if it does not and to highlight any non-compliance with the requirements of the Regulations (as adopted). A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations (as adopted).

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations (as adopted) require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, other than stated above or below, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as adopted by the Company for the year ended December 31, 2024. We draw attention to the following matters described in the enclosed Statement:

- The Regulations are not applicable on Development Financial Institutions (DFIs) vide BPRD Circular No. 14 dated October 20, 2016 issued by the State Bank of Pakistan. However, the Company has voluntarily adopted certain provisions of the Regulations as mentioned in the enclosed statement.

The engagement partner on the review resulting in this independent auditor's review report is **Hena Sadiq.**

Yousuf adil

Chartered Accountants

Place: Karachi
Dated: March 5, 2025
UDIN: CR202410057vwtsi4cJ2

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Pak Brunei Investment Company Limited
Year ended December 31, 2024

SBP vide BPRD Circular No. 14 dated October 20, 2016 has advised that the requirement in terms of Prudential Regulation G-1 with regards to the applicability of Code of Corporate Governance (CCG) issued by the Securities and Exchange Commission of Pakistan shall not be applicable on DFIs. However, it is expected that all DFIs will continue to follow the best practices on corporate governance. Accordingly, the Company has adopted certain provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the 'Regulations'), as applicable.

Accordingly, the Statement of Compliance prescribed by SECP as given below has been adjusted to the extent the same has been adopted by the Company.

1. The total number of directors are four (4) as per the following-
   Male: 02
   Female: 02

2. As per the joint venture arrangement between Government of Pakistan (GoP) and Government of Brunei, the Company's board of directors comprises of four directors who are nominated by both the Governments. At present, the composition of Board is as follows:

Category	Names	Description
Executive Director	Mr. S. M. Aamir Shamim	Nominated by the Government of Pakistan
Non-Executive Directors	Ms. Dk Noorul Hayati Pg Julaihi (Chairperson)	Nominated by the Government of Brunei
	Mr. Nasir Mahmood Khosa	Nominated by the Government of Pakistan
	Ms. Norakerteni Muhammad	Nominated by the Government of Brunei

   The Company has obtained relaxation from the State Bank of Pakistan in respect of the appointment of one independent director on the Board.

   Given that the directors are appointed by their respective governments, the company can fulfill the requirements necessary to constitute Board committees as stipulated in the Regulations to a certain extent only.

   The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

3. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

4. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.

5. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and the Regulations.

6. The meetings of the Board were presided over by the Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.

7. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

8. The Board meets the criteria of requirement of Directors' Training program.

9. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

10. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

11. The Board has formed committees comprising of members given below.-

a) Audit Committee

Name of Director	Category
Mr. Nasir Mahmood Khosa	Chairman
Ms. Dk Noorul Hayati Pg Julaihi	Member
Ms. Norakerteni Muhammad	Member

b) Human Resource & Remuneration Committee

Name of Director	Category
Mr. Dk Noorul Hayati Pg Julaihi	Chairperson
Mr. Nasir Mahmood Khosa	Member
Ms. Norakerteni Muhammad	Member

c) Risk and Credit Management Committee

Name of Director	Category
Mr. Nasir Mahmood Khosa	Chairman
Mr. Dk Noorul Hayati Pg Julaihi	Member
Mr. S. M. Aamir Shamim	Member

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

13. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

S. No.	Name of the Committee	Frequency of the meetings held during the year
a)	**Audit Committee**	Four times during the year prior to the approval of the quarterly, half-yearly and annual financial statements of the Company by the Board.
b)	**Human Resource and Remuneration Committee**	Four times during the year
c)	**Risk and Credit Management Committee**	Twice during the year

14. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

15. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance

with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

17. We confirm that all requirements of regulations 3, 7, 8, 32, 33 and 36 of the Regulations have been complied with.

Dk Noorul Hayati Pg Julaihi

Karachi
Date: March 05, 2025

Statement of Internal Controls

The Board of Directors is ultimately responsible for the internal control system. It is the responsibility of the Company's management to establish and maintain an effective internal control system for an efficient working environment and to evaluate its efficacy by identifying control objectives, reviewing significant policies and procedures and monitoring its operating effectiveness.

The Company's internal control system has been designed to provide reasonable assurance regarding the effectiveness and efficiency of the Company's operations, reliability of financial information and compliance with applicable laws and regulations. All internal control systems have inherent limitations that they may not be able to prevent or detect material misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. However, control activities are ongoing processes that include identification, evaluation and management of significant risks faced by the Company.

The control activities are being closely monitored across the Company by Internal Audit Department, working independent of line management. In addition, Compliance Department is also in place to monitor control activities related to regulatory compliance. Internal Audit Department covers all activities in general and key risks areas in particular. The Audit Committee of the Board regularly reviews all significant and material findings of the internal and external auditors. Regular follow up reporting upon the audit finding is done by Compliance Department to the Audit Committee which ensures timely implementations to mitigate identified risks and to safeguard the interest of the Company.

An Annual Assessment on internal controls over financial reporting was conducted by the Internal Audit Department of the company, which was duly endorsed by Audit Committee of the Board. The observations identified and controls recommended in the report will be taken care of and necessary steps are being taken for their timely resolution.

The Company endeavors to follow the State Bank of Pakistan's guidelines on Internal Controls. The Company is continuously making efforts to ensure that an effective and efficient Internal Control System remains active and implemented. Based upon the results achieved from reviews and audits conducted during the year, management considers that the existing Internal Control System, including Internal Controls over Financial Reporting, is adequate and has been effectively implemented and monitored. The Board also endorses the above evaluation.

Ahmed Nooruddin Virani	**Humaira Siddique**	**S. M. Aamir Shamim**
Head – Internal Audit	Chief Financial Officer	Managing Director

YOUSUF ADIL

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Independent Auditor's Report

To the members of Pak Brunei Investment Company Limited

Report on the Audit of the unconsolidated financial statements

Opinion

We have audited the annexed unconsolidated financial statements of **Pak Brunei Investment Company Limited ('the Company'),** which comprise the unconsolidated statement of financial position as at **December 31, 2024,** the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement for the year then ended, along with notes to the unconsolidated financial statements, including a summary of material accounting policy information and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan, and, give the information required by the Companies Act, 2017(XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2024 and of the profit, the comprehensive income, the changes in equity and its cash flow for the year then ended.

Basis for Opinion

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

Information Other than the unconsolidated financial statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Director's report for the year ended December 31, 2024, but does not include the unconsolidated financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and the Board of Directors for the unconsolidated financial statements

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

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

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

Auditor's Responsibilities for the Audit of the unconsolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017(XIX of 2017) and are in agreement with the books of account;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Hena Sadiq.**

Yousuf adil

Chartered Accountants

Place: Karachi
Dated: March 5, 2025
UDIN: AR202410057Njl3o8isq

Unconsolidated
Statement of Financial Position

As at December 31, 2024

2024	2023		Note	2024	2023
(US Dollars in '000)				(Rupees in '000)	
		ASSETS			
2,859	2,472	Cash and balances with treasury banks	5	**796,300**	688,559
387	861	Balances with other banks	6	**107,838**	239,927
–	–	Lendings to financial institutions		**–**	–
605,809	569,632	Investments	7	**168,748,062**	158,671,066
75,898	70,400	Advances	8	**21,141,357**	19,609,901
169	191	Property and equipment	9	**47,071**	53,320
195	61	Right-of-use assets	10	**54,278**	16,863
28	45	Intangible assets	11	**7,893**	12,521
873	4,055	Deferred tax assets	12	**243,419**	1,129,621
38,359	26,408	Other assets	13	**10,684,829**	7,356,144
606	1,049	Assets classified as held-for-sale	14	**168,904**	292,279
725,183	675,174	**Total assets**		**201,999,951**	188,070,201
		LIABILITIES			
–	–	Bills payable		**–**	–
661,940	626,796	Borrowings	15	**184,383,470**	174,593,998
4,185	–	Deposits and other accounts	16	**1,165,705**	–
135	10	Lease liabilities	17	**37,194**	2,765
–	–	Subordinated debt		**–**	–
–	–	Deferred tax liabilities		**–**	–
13,481	9,458	Other liabilities	18	**3,755,209**	2,634,490
679,741	636,264	**Total liabilities**		**189,341,578**	177,231,253
45,442	38,910	**NET ASSETS**		**12,658,373**	10,838,948
		REPRESENTED BY			
21,540	21,540	Share capital	19	**6,000,000**	6,000,000
9,017	8,578	Reserves		**2,512,191**	2,390,092
2,094	(2,945)	Surplus / (Deficit) on revaluation of assets	20	**583,165**	(820,467)
12,791	11,737	Unappropriated profit		**3,563,017**	3,269,323
45,442	38,910			**12,658,373**	10,838,948
		CONTINGENCIES AND COMMITMENTS	21		

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

President/Chief Executive	Chief Financial Officer	Director	Director	Director

Unconsolidated

Statement of Profit and Loss Account

For the Year ended December 31, 2024

2024	2023		Note	2024	2023
(US Dollars in '000)				(Rupees in '000)	
135,884	79,519	Mark-up / return / interest earned	22	**37,850,478**	22,150,090
131,982	74,600	Mark-up / return / interest expensed	23	**36,763,666**	20,779,898
3,902	4,919	Net mark-up / interest income		1,086,812	1,370,192
		Non mark-up / interest income			
459	415	Fee and commission income	24	**127,748**	115,591
1,770	1,241	Dividend income		**493,100**	345,572
–	–	Foreign exchange income		**–**	–
–	–	Income / (loss) from derivatives		**–**	–
248	442	Gain on sale of securities	25	**69,074**	123,238
		Net gains / (losses) on derecognition of			
–	–	financial assets measured at amortised cost		**–**	–
(56)	354	Other (loss) / income	26	**(15,478)**	98,532
2,421	2,452	Total non mark-up / interest income		**674,444**	682,933
6,323	7,371	**Total income**		**1,761,256**	2,053,125
		Non mark-up / interest expenses			
2,108	2,087	Operating expenses	27	**587,265**	581,208
–	–	Other charges		**–**	–
90	89	Workers' Welfare Fund	28	**25,012**	24,685
2,198	2,176	Total non mark-up / interest expenses		**612,277**	605,893
4,125	5,195	Profit before credit loss allowance		**1,148,979**	1,447,232
275	(853)	Credit loss allowance and write offs - net	29	**76,662**	(237,648)
–	–	Other income / expense		**–**	–
4,400	4,342	**Profit before levies and taxation**		**1,225,641**	1,209,584
1,927	1,153	Levies	30	**536,799**	321,063
2,473	3,189	Profit before taxation		**688,842**	888,521
281	148	Taxation	31	**78,347**	41,167
2,192	3,041	Profit after taxation		**610,495**	847,354
(US Dollars)				(Rupees)	
0.00365	0.00507	Basic and diluted earnings per share	32	**1.02**	1.41

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

President/Chief Executive | **Chief Financial Officer** | **Director** | **Director** | **Director**

Unconsolidated

Statement of Comprehensive Income

For the Year ended December 31, 2024

2024	2023		2024	2023
(US Dollars in '000)			(Rupees in '000)	
2,192	3,041	Profit after taxation for the year	**610,495**	847,354
		Other comprehensive income		
		Items that may be reclassified to unconsolidated profit and loss account in subsequent periods:		
4,916	254	Movement in surplus on revaluation of debt 'investments through FVOCI - net of tax	**1,369,268**	70,868
		Items that will not be reclassified to unconsolidated profit and loss account in subsequent periods:		
2	12	- Remeasurement gain on defined benefit plan - net of tax	**498**	3,314
123	–	Movement in surplus on revaluation of equity investments - net of tax	**34,364**	610,257
376	(1,610)	Gain / (loss) on disposal of securities classified as fair value through other comprehensive income - net of tax	**104,800**	(448,365)
7,609	1,697	**Total comprehensive income**	**2,119,425**	1,083,428

The annexed notes 1 to 46 and annexures I form an integral part of these unconsolidated financial statements.

President/Chief Executive	Chief Financial Officer	Director	Director	Director

Unconsolidated

Statement of Changes in Equity

For the Year ended December 31, 2024

	Share capital	Capital reserve	Revenue reserve	Deficit / surplus on revaluation of assets	Unappropriated profit	Total
		Statutory reserve*	General reserve**			
	(Rupees in '000)					
As at January 1, 2023	6,000,000	1,820,621	300,000	(1,501,592)	3,384,198	10,003,227
Impact of first time adoption of IFRS 9	–	–	–	–	(247,707)	(247,707)
Total comprehensive income for the year						
Profit after taxation for the year ended December 31, 2023	–	–	–	–	847,354	847,354
Other comprehensive loss						
- Remeasurement loss on defined benefit plan - net of tax	–	–	–	–	3,314	3,314
- Loss on disposal of securities classified as fair value through other comprehensive income - net of tax	–	–	–	–	(448,365)	(448,365)
- Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	–	–	–	70,868	–	70,868
- Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	–	–	–	610,257	–	610,257
	–	–	–	681,125	402,303	1,083,428
Transfer to statutory reserve	–	169,471	–	–	(169,471)	–
Transfer to general reserve	–	–	100,000	–	(100,000)	–
Transactions with owners, recorded directly in equity						
Balance as at December 31, 2023	6,000,000	1,990,092	400,000	(820,467)	3,269,323	10,838,948
Total comprehensive income for the year						
Profit after taxation for the year ended December 31, 2024	–	–	–	–	610,495	610,495
Other comprehensive loss						
- Remeasurement gain on defined benefit plan - net of tax	–	–	–	–	498	498
- Gain on disposal of securities classified as fair value through other comprehensive income - net of tax	–	–	–	–	104,800	104,800
- Movement in surplus on revaluation of investments in debt instruments - net of tax	–	–	–	1,369,268	–	1,369,268
- Movement in surplus on revaluation of investments in equity instruments - net of tax	–	–	–	34,364	–	34,364
	–	–	–	1,403,632	715,793	2,119,425
Transfer to statutory reserve	–	122,099	–	–	(122,099)	–
Transfer to general reserve	–	–	–	–	–	–
Transactions with owners, recorded directly in equity						
Final cash dividend paid for the year ended December 31, 2023 @ Re. 0.50 per share	–	–	–	–	(300,000)	(300,000)
Balance as at December 31, 2024	**6,000,000**	**2,112,191**	**400,000**	**583,165**	**3,563,017**	**12,658,373**

* This reserve is created under the requirement of section of 42(2) of SBP Act, 1956.
** This reserve is created under the requirement of Companies Act, 2017 for future losses and other contingencies.

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

President/Chief Executive	Chief Financial Officer	Director	Director	Director

Unconsolidated
Cash Flow Statement

For the Year ended December 31, 2024

2024	2023		Note	2024	2023
(US Dollars in '000)				(Rupees in '000)	
		CASH FLOWS FROM OPERATING ACTIVITIES			
4,400	4,343	Profit before taxation		**1,225,641**	1,209,584
1,770	1,241	Less: dividend income		**493,100**	345,572
2,630	3,102			**732,541**	864,012
		Adjustments:			
71	34	Depreciation	27	**19,916**	9,394
105	93	Depreciation on right-of-use assets		**29,131**	25,871
18	7	Amortisation	27	**4,984**	2,059
10	14	Interest expense on lease liability against right-of-use assets	17	**2,751**	3,848
90	89	Provision for Workers' Welfare Fund	28	**25,012**	24,685
(275)	853	Credit loss allowance and write-offs	29	**(76,662)**	237,648
(19)	45	Unrealised gain on revaluation of investments classified as fair value through profit and loss - net		**(5,400)**	12,432
57	(347)	Gain on sale of assets classified as held-for-sale	26	**15,865**	(96,626)
(1)	(7)	Gain on sale of property and equipment	26	**(387)**	(1,906)
56	781			**15,210**	217,405
2,686	3,883			**747,751**	1,081,417
		(Increase) / decrease in operating assets			
–	23,550	Lendings to financial institutions		**–**	6,559,967
(5,128)	(11,483)	Net investments in securities held at fair value as classified FVPL		**(1,428,390)**	(3,198,495)
(5,317)	14,406	Advances		**(1,481,078)**	4,012,727
1,171	(15,168)	Others assets (excluding advance taxation, non banking assets and dividend receivable)		**326,182**	(4,225,148)
(9,274)	11,305			**(2,583,286)**	3,149,051
		Increase / (decrease) in operating liabilities			
35,144	381,525	Borrowings from financial institutions		**9,789,472**	106,273,763
4,185	(197)	Deposits		**1,165,705**	(54,768)
239	–	Lease liabilities		**66,546**	–
3,874	3,827	Other liabilities (excluding lease liability)		**1,078,894**	1,065,941
43,442	385,155			**12,100,617**	107,284,936
(1,927)	(1,153)	Levies paid		**(536,799)**	(321,063)
(13,404)	(2,526)	Income tax paid		**(3,733,774)**	(703,293)
21,523	396,664	Net cash flow from operating activities		**5,994,509**	110,491,049
		CASH FLOWS FROM INVESTING ACTIVITIES			
(22,336)	(396,837)	Net investments in securities classified as FVOCI		**(6,221,636)**	(110,539,058)
1,775	1,235	Dividends received		**494,453**	344,219
(50)	(176)	Investments in property and equipment		**(13,798)**	(49,068)
(239)	–	Right-of-use assets		**(66,546)**	–
(1)	(41)	Investments in operating intangible assets		**(356)**	(11,313)
2	16	Disposal of property and equipment		**518**	4,296
443	1,018	Proceeds from sale of assets classified as held-for-sale		**123,375**	283,521
(20,406)	(394,785)	Net cash flow (used in) investing activities		**(5,683,990)**	(109,967,403)
		CASH FLOWS FROM FINANCING ACTIVITIES			
(1,077)	–	Dividend paid		**(300,000)**	–
(128)	(116)	Payments of lease obligations against right-of-use assets		**(34,868)**	(32,382)
(1,205)	(116)	Net cash used in financing activities		**(334,868)**	(32,382)
(88)	1,763	**Increase in cash and cash equivalents**		**(24,349)**	491,264
3,334	1,570	Cash and cash equivalents at beginning of the year		**928,488**	437,224
3,246	3,333	**Cash and cash equivalents at end of the year**	33	**904,139**	928,488

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

President/Chief Executive **Chief Financial Officer** **Director** **Director** **Director**

Notes to the Financial Statements

For the Year ended December 31, 2024

1 STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) is a Development Finance Institution (DFI) which was incorporated in Pakistan as an unlisted public limited company on November 28, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The State Bank of Pakistan (SBP) granted the approval for commencement of business with effect from August 20, 2007. The Company is a joint venture between the Government of Pakistan (GoP) and the Brunei Investment Agency (BIA). The Company's objectives interalia include making investments in the industrial and agro-based industrial fields in Pakistan on a commercial basis through carrying out industrial and agro-based industrial projects and marketing of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the Company is situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan. The Company is in operation with 2 offices (2023: 2) of which one located in Karachi and the other in Lahore.

2 BASIS OF PRESENTATION

2.1 These unconsolidated financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 13 of 2024 dated July 01, 2024 effective from the accounting year ended December 31, 2024.

2.2 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

2.3 The SBP through its BSD Circular letter No. 11 dated September 11, 2002 has deferred the implementation of IAS 40 ‘Investment Property’ for Non-Banking Financial Institutions (NBFIs) in Pakistan. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.

2.4 Standards and Amendments to the accounting and reporting standards that are effective in the current year:

The following amendments are effective for the year ended December 31, 2024. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants

- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements

2.5 Standard and amendments to the accounting and reporting standards that are not yet effective:

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standard, interpretations or amendments	Effective date (annual periods beginning on or after)
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – 'First Time Adoption of International Financial Reporting Standards'
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

2.6 Critical accounting estimates and judgments

The preparation of the unconsolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. The estimates and judgments that have a significant effect on the unconsolidated financial statements are in respect of the following:

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

i) classification, valuation and provisioning of investments (notes 4.2 and 7)
ii) classification and credit loss allowance against non performing loans and advances (notes 4.2, 8 and 29)
iii) provision for defined benefit plan (notes 4.11 and 35)
iv) lease liability and right-of-use assets (notes 4.6.2 and 10)

v) taxation (notes 4.9 and 31)
vi) Classification and valuation of non current assets held-for-sale (notes 14)
vii) Credit loss allowance against off balance sheet obligations and contingent liabilities (note 21 and 18.1).
viii) Contingencies and commitments (note 21); and
ix) Depreciation, amortization and residual value of fixed asset and intangibles (note 9 and 11)

2.7 Separate financial statements

These unconsolidated financial statements represent the separate financial statements of the Company in which investment in subsidiaries and associates are stated at cost. The consolidated financial statements of the Company and its subsidiaries are presented separately.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except for the following:

- Non-current assets classified as held for sale are valued at lower of carrying amount and fair value less cost to sell;
- Certain investments are marked to market and carried at fair value;
- Obligation in respect of staff retirement benefit is carried at present value of defined benefit obligation; and
- Lease liability against right-of-use assets is carried at present value of rentals.
- Certain advances disbursed at lower than market rate have been carried at fair value in accordance with the requirements of IFRS - 9.

3.2 US Dollar equivalent

The US dollar amounts shown in the unconsolidated statement of financial position, unconsolidated statement of profit and loss account, unconsolidated statement of comprehensive income and unconsolidated cash flow statement are provided as additional information solely for the convenience of users of financial statements. For the purpose of conversion to US Dollars, the rate of Rs. 278.55 to US Dollars has been used for 2024 and 2023 as it was the prevalent rate on December 31, 2024.

3.3 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pakistan Rupee which is the Company's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except for those mentioned in note no 4.1.

4.1 Adoption of New Accounting Policy

4.1.1 Accounting for minimum taxes and final taxes

During May 2024, The Institute of Chartered Accountants of Pakistan (ICAP) issued a guide 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the Guide) to provide guidance on accounting of minimum tax and final tax, as mentioned in the Income Tax Ordinance, 2001, under the requirements of relevant IFRS Accounting Standards and provide appropriate approaches to account for minimum taxes and final taxes in compliance with the requirements of IFRS Accounting Standards.The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the guide).

In view of the clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12 (as these are not based on taxable profits), hence, it should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The Guide issued by ICAP provides approaches to account for minimum and final regime taxes according to the facts and circumstances as applicable to the Company. Accordingly, the Company has adopted the following approach:

The Company first designates the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 ‘Income Taxes’ and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21 'Levies/IAS 37' Provisions, Contingent Liabilities and Contingent Assets.

Therefore, the effective rate of income tax is equal to the enacted rate of income tax and and the deferred tax will be calculated at such rate.

Similarly, any amount deducted as final taxes will be classified as a levy in the unconsolidated statement of profit and loss account and there would be no deferred tax liability / (asset) recognised in case of final taxes.

Super tax charged to entities as per provisions of Income Tax Ordinance, 2001, will be classified as either ‘Income Tax’ or ‘levy’ in accordance with guidance provided in the guide [i.e. if super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as ‘income tax’ otherwise such super tax shall qualify for recognition as ‘levy’ as per IFRIC 21 / IAS 37].

Advance taxes paid under any section of the Income Tax Ordinance, 2001, except minimum taxes paid under section 113, which are termed as levy as per the above guide will be classified as 'prepaid assets'.

The above changes have been accounted for in these unconsolidated financial statements as per the requirements of IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’. The adoption of this policy did not result in re-statement of financial statements since deferred tax liability recognised in the year ended December 31, 2023 was already at enacted rate and the application of this guide did not result any material differences except for reclassifications which are presented as below:

	Current Classification	Previous Classification
	(Rupees in ‘000)	
Effect on statement of profit and loss account:		
For the year ended December 31, 2023		
Taxation:		
- Current year	**41,167**	362,230
Levies:		
- Final tax	**42,740**	–
- Minimum tax	**278,323**	–
	362,230	362,230

4.2 IFRS 9 - 'Financial Instruments'

4.2.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Company purchase or sell the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is completed when underlying asset is purchased. The Company will recognise, due to customer and financial institution balances when these funds reach the Company.

Amortised cost
Financial assets and liabilities under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction cost. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the unconsolidated statement of profit and loss account. Interest income / expense on these assets / liabilities are recognised in the unconsolidated statement of profit and loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognised in the unconsolidated profit and loss account.

Fair value through other comprehensive income
Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction cost. These assets are subsequently measured at fair value with changes recorded in OCI. An expected credit loss allowance (ECL) is recognised for these financial assets in the unconsolidated statement of profit and loss account. Interest / dividend income on these assets are recognised in the unconsolidated statement of profit and loss account. On derecognition of these financial assets, capital gain / loss is recognised in the other comprehensive income.

Fair value through profit or loss
Financial assets under FVTPL category are initially recognised at fair value. Transaction costs are directly recorded in the unconsolidated profit and loss account. These assets are subsequently measured at fair value with changes recorded in the unconsolidated statement of profit and loss account. Interest / dividend income on these assets are recognised in the unconsolidated statement of profit and loss account. On derecognition of these financial assets, capital gain / loss is recognised in the unconsolidated statement of profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

4.2.2 Interest free / below market rate loans to employees

Initial recognition
The company recognise interest free/ below market rate loan to employee at its fair value by discounting the future loan repayments using the rate that the employee would pay to an unrelated lender for a loan with similar conditions and accordingly charging differential to the unconsolidated statement profit and loss account between nominal value and fair value of loan. "

Subsequent measurement
The company calculates and recognises imputed interest on these loans. Imputed interest represents the forgone interest that employees would have paid if they had borrowed funds from external sources at prevailing market rates. The difference between the actual interest charged, if any and the imputed interest is recognised as interest income by the Company over the term of the loan."

4.2.3 Derecognition

Financial assets
The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its unconsolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the unconsolidated statement of profit and loss account.

4.2.4 Modification

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of financing to its customers. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Company recalculate the gross carrying amount of the financial asset and shall recognise a modification gain or loss in the unconsolidated statement of profit and loss account. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective profit rate (or credit-adjusted effective profit rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

4.2.5 Off setting

Financial assets and financial liabilities are only offset and the net amount is reported in the financial statements when there is a legally enforceable right to set-off the recognised amount and the Company intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.2.6 Financial assets and liabilities

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provision of the instrument. Financial assets are de-recognised when the contractual right future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognised when obligation specific in the contract discharge, cancel or expire. Any gain or loss on derecognition of the financial asset and liability is recognised in the unconsolidated statement of profit and loss account of the current year.

4.2.7 Derivative financial instruments

Derivative financial instruments are initially recognised at their fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivative financial instruments are carried as asset when fair value is positive and liabilities when fair value is negative. Any change in the value of derivative financial instruments is taken to the unconsolidated statement of profit and loss account.

4.2.8 Overview of the ECL principles

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with all advances and other debt financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments hereinafter referred to as "Financial Instruments". The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at individual customer level.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject customer. The Company also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. However, for certain portfolios, the Company may rebut 60 DPD presumption based on behavioural analysis of its borrowers. When estimating ECLs on a collective basis for a group of similar assets, the Company applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, the Company groups its financial instruments into Stage 1, Stage 2, Stage 3 and purchased or originated credit impaired (POCI), as described below:

Stage 1: When financial instruments are first recognised, the Company recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and they have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast exposure at default (EAD) and multiplied by the expected loss given default (LGD) and discounted by an approximation to the original effective interest rate (EIR). This calculation is made for all the scenarios.

Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but probability of defaults (PDs) are applied over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original effective interest rate (EIR).

Stage 3: For financial instruments considered credit-impaired, the Company recognises the lifetime expected credit losses for these instruments. The Company uses a probability of default (PD) of 100% and loss given default (LGD) as computed for each portfolio or as prescribed by the SBP under the prudential regulations which ever is higher.

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and profit / rental is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

Undrawn financing When estimating LTECLs for undrawn financings commitments, the Company estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the financings is drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both a financings and an undrawn commitment, ECLs are calculated and presented within other liabilities.

Guarantee and letters of credit contracts The Company estimates ECLs based on the BASEL driven credit conversion factor (CCF) for Guarantee and letter of credit contracts. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liability.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability

The calculation of ECLs

The Company calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to a Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on statistical technique such as Markov's Chain Process – Transition Matrix Approach which are based on the Company's internal risk ratings (i.e. from 1 to 12). PDs for Non advances portfolio, the Company has used PDs prescribed by Standard and Poor's (S&Ps) against each risk rating. PDs are then adjusted using Vasicek Model for IFRS 9 ECL calculations to incorporate forward looking information.

EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Company has the legal right to call it earlier. The Company's product offering includes a variety of corporate facilities, in which the Company has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behavior, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The discount rate used to discount the ECLs is based on the effective profit rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective profit rate (at reporting date), the Company uses an approximation e.g. contractual rate (at reporting date).

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The Company considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability
- History of enforceability and recovery.

When estimating the ECLs, the Company considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

Forward looking information
In its ECL models, the Company relies on a range of forward looking information as economic inputs, such as:

- GDP growth
- Consumer price index

Definition of default
The Company defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

- The customer is more than 90 days past due on its contractual payments.

Further the following criteria has been determined for assessment of default:

- The Company makes a charge-off or account-specific provision resulting from a perceived decline in credit quality subsequent to the Company taking on the exposure,
- The Company sells the credit obligation at a material credit-related economic loss,
- The Company consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees,
- The Company has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the industry group, and
- The obligor has sought or has been placed in Bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation to the industry group.

4.2.9 Write-offs
The Company's accounting policy under IFRS 9 remains the same as it was under SBP regulations.

4.2.10 Impairment
The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets from Prudential Regulations issued by SBP with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECL for all financial assets other than debt instruments classified as FVTPL and equity instruments classified as FVTPL or FVOCI.

Impairment of investments in subsidiaries and associates
The Company considers that a decline in the recoverable value of its investments in subsidiaries and associates below their cost may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognised when the recoverable amount falls below the carrying value and is charged to the unconsolidated statement of profit and loss account. Any subsequent reversal of an impairment loss, up to the cost of the investment in subsidiaries and associates is credited to the unconsolidated statement of profit and loss account.

Impairment of non-financial assets (excluding deferred tax)
The carrying amounts of non-financial assets (other than deferred tax asset) are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists and where the carrying value exceeds the estimated recoverable amounts, assets are written down to their recoverable amounts and any resultant impairment losses are recognised immediately in the unconsolidated statement of profit and loss account.

4.3 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement represent cash in hand, balances with treasury banks, balances with other banks in current and deposit accounts and short-term highly liquid investments with original maturities of three months or less.

4.4 Lendings to / borrowings from financial and other institutions

The Company enters into repurchase agreements (repo) and reverse repurchase agreements (reverse repo) at contracted rates for a specified period of time. These are recorded as under:

(a) Sale of securities under repurchase agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the unconsolidated financial statements and are measured in accordance with accounting policies for investment securities. The counterparty liability for amounts received under these agreements is included in borrowings. The difference between sale and repurchase price is treated as mark-up / return / interest expense and accrued over the life of the repo agreement using effective interest rate method.

(b) Purchase of securities under resale agreements

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the unconsolidated financial statements as the Company does not obtain control over the securities. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is treated as mark-up / return / interest income and accrued over the life of the reverse repo agreement using effective interest rate method.

4.5 Investments in subsidiaries and associates

Investments in subsidiaries and associates are valued at cost less impairment, if any. A reversal of an impairment loss on subsidiaries and associates is recognised to the extent that the increased carrying value does not exceed cost.

Gains and losses on disposal of investments in subsidiaries and associates are included in the unconsolidated statement of profit and loss account in the period in which disposal is made.

4.6 Property and equipment and depreciation

4.6.1 Tangible assets - owned

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to the unconsolidated statement of profit and loss account using the straight line method at the rates stated in note 9 after taking into account residual values, if any. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged from the date when the asset is available for use while no depreciation is charged on the date the asset is disposed of.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All other repair and maintenance expenditure are charged to the unconsolidated statement of profit and loss account as and when incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain / loss on disposal of fixed assets is recognised in the unconsolidated statement of profit and loss account in the period in which disposal is made.

4.6.2 Lease liability and right-of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the day on which leases are entered into. No depreciation is charged from the day on which the leases mature or are terminated.

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as an adjustment to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the unconsolidated statement of profit and loss account as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.6.3 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during the installation and construction / development period is carried under this head. These are transferred to the relevant categories of assets as and when assets become available for use.

4.6.4 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised using the straight line method at the rate stated in note 11.1. The residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each reporting date. Amortisation is charged from the date the asset is available for use while no amortisation is charged on the date the asset is disposed of.

Subsequent costs are included in the asset’s carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposals, if any, are taken to the unconsolidated statement of profit and loss account in the period in which these arise.

4.7 Assets classified as held-for-sale

The Company classifies an asset as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A held-for-sale asset is carried at the lower of its carrying amount and the fair value less costs to sell. Impairment losses are recognised in the unconsolidated statement of profit and loss account for any initial or subsequent write down of the asset to fair value less costs to sell. Subsequent gains in fair value less costs to sell are recognised to the extent these do not exceed the cumulative impairment losses previously recorded. An asset is not depreciated while classified as held for sale.

4.8 Assets acquired in satisfaction of claims

The Company occasionally acquires assets in settlement of certain advances. These are stated at the lower of the net realisable value of the related advances or the fair value of such assets.

4.9 Taxation

i. Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

ii. Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at average tax rate that are expected to apply to the period when the asset is realised or the liability is settled.

4.9.1 Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

(a) those outflows of resources that are within the scope of other standards.

(b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid assets'[It can be changed depending on entity's specific cases].

i. Revenue taxes

Revenue taxes includes amount representing excess of :

a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;

b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'.

ii. Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

4.10 Borrowings / deposits

Borrowings / deposits are recorded at the time when proceeds are received. The cost of borrowings / deposits is recognised as an expense in the period in which it is incurred using the effective interest rate method.

4.11 Staff retirement benefits

Defined benefit plan - staff gratuity fund

The Company operates a funded gratuity scheme for its eligible permanent employees. The liability recognised in the unconsolidated statement of financial position in respect of defined benefit gratuity scheme, is the present value of the defined benefit obligation as at the reporting date less the fair value of plan assets. Contributions to the fund are made on the basis of actuarial recommendations. The Projected Unit Credit Method is used for actuarial valuations. Valuations are conducted by an independent actuary with the last valuation conducted as at December 31, 2024.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period and recognised as an expense to the unconsolidated statement of profit and loss account. Past service cost is the change in the present value of defined benefit obligation resulting from a plan amendment or curtailment and is recognised as an expense in the unconsolidated statement of profit and loss account when the plan amendment or curtailment occurs. Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income with no subsequent recycling through the unconsolidated statement of profit and loss account.

Defined contribution plan - staff provident fund

The Company operates a provident fund scheme for its employees. Equal monthly contributions are made into the fund both by the Company and the employees at the rate of 10% of basic salary.

4.12 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

4.13 Commitments

Commitments contracted for but not incurred are disclosed in the unconsolidated financial statements at committed amounts.

4.14 Revenue recognition

Revenue is recognised to the extent that the economic benefits associated with the transaction will flow to the Company and the amount can be measured reliably.

- Mark-up / return / interest income on advances and investments is recognised on a time proportion basis taking into account effective yield on the instruments except in case of advances and investments classified as non-performing under the SBP's Prudential Regulations on which mark-up / return / interest is recognised on a receipt basis.
- Dividend income is recognised when the Company's right to receive dividend is established.
- Fee, commission and brokerage income and remuneration for trustee and advisory services are recognised as services are rendered.
- Premium or discount on debt securities is amortised using the effective interest rate method.
- Gains and losses on disposal of assets are recognised in the period in which these arise.
- Return on bank deposits is recognised on a time proportion basis using the effective interest rate method.
- Rental income is recognised on accrual basis.

4.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.16 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the unconsolidated statement of profit and loss account.

4.17 Proposed dividends and transfers between reserves

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the unconsolidated financial statements in the period in which such dividends are declared / transfers are made.

4.18 Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing product or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Chief Executive Officer has been identified as the chief operating decision-maker who is responsible for allocating resources and assessing the performance of the operating segments.

4.18.1 Business segments

Corporate finance

Corporate finance includes services provided in connection with mergers and acquisitions, underwriting, privatisation, securitisation, research, debts (government, high yield corporate bonds, etc.), equity, syndication, initial public offering (IPO) and secondary private placements.

Trading and sales

This includes fixed income, equity, foreign exchange, commodities, credit, funding, lending, repos and brokerage activities.

Commercial banking
Commercial banking includes project finance, real estate, export finance, trade finance, factoring, leasing, lending, guarantees, bill of exchange and deposits.

4.18.2 Geographical segments
The operations of the Company are currently based only in Pakistan.

5 CASH AND BALANCES WITH TREASURY BANKS

	Note	2024	2023
		(Rupees in '000)	
Cash in hand		–	–
With State Bank of Pakistan in:			
Local currency current account	5.1	**796,300**	688,559
Credit loss allowance held against cash and balances with treasury banks		–	–
Cash and balances with treasury banks - net of credit loss allowance		**796,300**	688,559

5.1 This includes Rs. 533.23 million (2023: Rs. 225.825 million) held as minimum cash reserve required to be maintained with the SBP in accordance with the requirements issued from time to time.

6 BALANCES WITH OTHER BANKS

	Note	2024	2023
		(Rupees in '000)	
In Pakistan			
In deposit accounts	6.1	**107,739**	239,829
In current accounts		**100**	100
Less: Credit loss allowance held against balances with other banks		**(1)**	(2)
Balances with other banks - net of credit loss allowance		**107,838**	239,927

6.1 These carry mark-up rates of 5.02% to 13.50% per annum (2023: 20.50% to 20.51% per annum).

7 INVESTMENTS

7.1 Investments by type:

(Rupees in '000)

	Note	2024				2023			
		Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
DEBT INSTRUMENTS									
Classified / Measured at FVPL									
Federal government securities		2,438,340	–	10,660	2,449,000	999,932	–	(1,232)	998,700
Non Government debt securities		2,188,545	–	(17,692)	2,170,853	2,198,563	–	(11,200)	2,187,363
		4,626,885	–	(7,032)	4,619,853	3,198,495	–	(12,432)	3,186,063
Classified / Measured at FVOCI									
Federal government securities		159,681,183	–	490,282	160,171,465	154,083,594	–	(1,754,419)	152,329,175
Non-government debt securities		821,780	(227,786)	–	593,994	541,655	(255,515)	–	286,140
		160,502,963	(227,786)	490,282	160,765,459	154,625,249	(255,515)	(1,754,419)	152,615,315
		165,129,848	(227,786)	483,250	165,385,312	157,823,744	(255,515)	(1,766,851)	155,801,378
EQUITY INSTRUMENTS									
Classified / Measured at FVOCI (Non -Reclassifiable)									
Shares									
Listed companies		979,472	–	366,571	1,346,043	639,085	–	322,231	961,316
Subsidiaries									
Primus Leasing Limited	7.3	1,000,000	–	–	1,000,000	1,000,000	–	–	1,000,000
Awwal Corporate Restructuring Company Limited	7.3	1,016,707	–	–	1,016,707	908,372	–	–	908,372
		2,016,707	–	–	2,016,707	1,908,372	–	–	1,908,372
Total investments		168,126,027	(227,786)	849,821	168,748,062	160,371,201	(255,515)	(1,444,620)	158,671,066

* The Company has shares of Pakistan Mercantile Exchange Limited which were acquired at a cost of Rs. 21.3 million were fully provided, On adoption of IFRS 9, the cost has been net off by provision.

7.1.1 This includes privately placed Corporate Sukuks and Term Finance Certificates (TFCs) amounting to Rs. 2,061.95 million (2023: Rs. 1,791.84 million) which are carried at cost as their market value is not readily available from Mutual Fund Association of Pakistan (MUFAP).

7.2 Investments by segments:

(Rupees in '000)

	2024				2023			
	Cost / amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value	Fair value / amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value
Federal government securities								
Market Treasury Bills	2,844,230	–	17,566	2,861,796	17,728,104	–	3,417	17,731,521
Pakistan Investment Bonds	159,275,293	–	483,376	159,758,669	137,355,422	–	(1,759,068)	135,596,354
	162,119,523	–	500,942	162,620,465	155,083,526	–	(1,755,651)	153,327,875
Shares								
Listed companies	979,472	–	366,571	1,346,043	639,085	–	322,231	961,316
Non-government debt securities								
Listed	962,736	(14,361)	–	948,375	1,248,841	(14,361)	(11,200)	1,223,280
Unlisted	2,047,589	(213,425)	(17,692)	1,816,472	1,491,377	(241,154)	–	1,250,223
	3,010,325	(227,786)	(17,692)	2,764,847	2,740,218	(255,515)	(11,200)	2,473,503
Subsidiaries								
Primus Leasing Limited	1,000,000	–	–	1,000,000	1,000,000	–	–	1,000,000
Awwal Corporate Restructuring Company Limited	1,016,707	–	–	1,016,707	908,372	–	–	908,372
	2,016,707	–	–	2,016,707	1,908,372	–	–	1,908,372
Total investments	168,126,027	(227,786)	849,821	168,748,062	160,371,201	(255,515)	(1,444,620)	158,671,066

*Investment in Awwal Modaraba Management Limited is classified as asset held for sale refer note 14.

7.2.1 Investments given as collateral

(Rupees in '000)

	2024			2023		
	Cost / amortised cost	**Surplus / (deficit)**	**Carrying value**	Cost / amortised cost	Surplus / (deficit)	Carrying value
Pakistan Investment Bonds	**18,703,613**	**(141,083)**	**18,562,530**	131,100,838	(1,671,341)	129,429,497
Term finance certificates / sukuks certificates	**569,818**	**–**	**569,818**	699,826,000	(49,213)	699,776,787
Ordinary shares	**149,050**	**156,734**	**305,784**	73,718	43,372	117,090
	19,422,481	**15,651**	**19,438,132**	831,000,556	(1,677,182)	829,323,374

Above debt securities are pledged against the repurchase borrowings, while shares are pledged with National Clearing Company Pakistan Limited (NCCPL) against ready market exposure.

Market Treasury Bills carry effective yield of 17.69% to 23.10% (2023: Nil) per annum and will mature on 12 months. (2023: Nil). Pakistan Investment Bonds carry mark-up ranging between 8.75% to 24.79% (2023: 7.00% to 16.97%) per annum on a semi-annual basis and will mature within 16 years (2023: 16 years). Certain government securities are kept with the SBP to meet the statutory liquidity requirement calculated on the basis of demand and time liabilities.

7.3 Summary of financial information of subsidiaries

(Rupees in '000)

	2024							
	Percentage of holding	**Country of incorporation**	**Total assets**	**Total liabilities**	**Revenue**	**Profit / (loss) after tax**	**Total comprehensive income / (loss)**	**Cost**
Investment in subsidiaries								
Primus Leasing Limited	**100**	**Pakistan**	**3,370,395**	**2,066,170**	**543,381**	**177,848**	**177,607**	**1,000,000**
Awwal Corporate Restructuring Company Limited	**100**	**Pakistan**	**1,148,435**	**47,905**	**187,504**	**64,652**	**65,247**	**1,016,707**
								2,016,707

(Rupees in '000)

	2023							
	Percentage of holding	Country of incorporation	Total assets	Total liabilities	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	Cost
Investment in subsidiaries								
Primus Leasing Limited	100	Pakistan	2,886,680	1,760,063	512,411	187,145	187,145	1,000,000
Awwal Corporate Restructuring Company Limited	100	Pakistan	1,125,383	32,551	169,646	63,075	63,024	908,372
								1,908,372

7.4 Credit loss allowance for diminution in value of investments

7.4.1 Investments - exposure

(Rupees in '000)

	2024			2023		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
Opening balance	**160,030,792**	**–**	**340,409**	46,835,762	–	394,120
New investments	**1,074,467,681**	**–**	**–**	393,250,797	–	–
Investments derecognised or repaid	**(1,066,704,154)**	**–**	**(8,700)**	(280,055,767)	–	(7,818)
Transfer to stage 1	**–**	**–**	**–**	–	–	–
Transfer to stage 2	**–**	**30,569**	**(30,569)**	–	–	–
Transfer to stage 3	**–**	**–**	**–**	–	–	–
	7,763,527	**30,569**	**(39,269)**	113,195,030	–	(7,818)
Amounts written off / charged Off	**–**	**–**	**–**	–	–	(45,893)
Closing balance	**167,794,319**	**30,569**	**301,140**	160,030,792	–	340,409

7.4.2 Investments - Credit loss allowance

(Rupees in '000)

	2024			2023		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
Gross carrying amount - Current year	**7**	**–**	**255,508**	–	–	289,647
Impact of Adoption of IFRS 9	**–**	**–**	**–**	–	–	–
New investments	**70**	**–**	**–**	7	–	–
Investments derecognised or repaid	**–**	**–**	**(8,700)**	–	–	(7,818)
Transfer to stage 1	**–**	**–**	**–**	–	–	–
Transfer to stage 2	**–**	**10,719**	**(29,818)**	–	–	–
Transfer to stage 3	**–**	**–**	**–**	–	–	–
	70	**10,719**	**(38,518)**	7	–	(7,818)
Amounts written off / charged off	**–**	**–**	**–**	–	–	(26,321)
Closing balance - Current year	**77**	**10,719**	**216,990**	7	–	255,508

7.4.3 Particulars of credit loss allowance against debt securities

(Rupees in '000)

		2024		2023	
		Outstanding amount	**Credit loss allowance held**	Outstanding amount	Credit loss allowance held
Performing	Stage 1	**164,828,708**	**77**	157,483,335	7
Underperforming	Stage 2	**–**	**10,719**	–	–
Non-Performing	Stage 3				
Substandard		**–**	**–**	–	–
Doubtful		**–**	**–**	–	–
Loss		**301,140**	**216,990**	340,409	255,508
		165,129,848	**227,786**	157,823,744	255,515

7.5 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model

(Rupees in '000)

	2024	2023
	Cost	
7.5.1 Federal government securities - Government guaranteed		
Market Treasury Bills	**2,844,230**	17,728,104
Pakistan Investment Bonds	**159,275,293**	137,355,422
	162,119,523	155,083,526
7.5.2 Ordinary shares		
Listed companies		
Oil and gas marketing / exploration companies	**152,863**	–
Commercial banks	**469,017**	48,977
Power generation and distribution	**167,342**	590,108
Cement	**190,250**	–
Engineering	**–**	–
Textile composite	**–**	–
	979,472	639,085

All shares are ordinary shares of Rs. 10.

(Rupees in '000)

	2024		2023	
	Cost	**Breakup value**	Cost	Breakup value
Unlisted companies				
Pakistan Mercantile Exchange Limited*	**–**	**–**	–	–

* This investment has been fully provided.

(Rupees in '000)

	2024	2023
	Cost	
7.5.3 Non-government debt securities		
Listed		
- AAA	**–**	286,105
- AA+, AA, AA-	**948,375**	948,375
- A+, A, A-	**–**	–
- CCC and below	**14,361**	14,361
	962,736	1,248,841
Unlisted		
- AAA	**100,000**	–
- AA+, AA, AA-	**1,240,169**	1,099,765
- A+, A, A-	**475,000**	150,422
- CCC and below	**126,920**	135,690
- Unrated	**105,500**	105,500
	2,047,589	1,491,377
7.5.4 Equity securities Cost		
Listed		
Oil and gas marketing / exploration companies		
Pak Oilfields Limited	**152,863**	–
Commercial banks		
Meezan Bank Limited	**–**	14,575
National Bank of Pakistan	**82,123**	–
Bank Al-Falah Limited	**125,384**	–
United Bank Limited	**149,050**	–
Bank Al-Habib Limited	**112,460**	–
BankIslami Pakistan Limited	**–**	34,402
Power generation and distribution		
The Hub Power Company Limited	**–**	234,875
Kot Addu Power Company Limited	**133,726**	148,659
Nishat Power Limited	**33,616**	206,574
Fertilizer		
Fauji Fertilizer Company Limited	**190,250**	–
	979,472	639,085
Unlisted		
Pakistan Mercantile Exchange Limited	**–**	–

8 ADVANCES

(Rupees in '000)

	Note	Performing 2024	Performing 2023	Non-performing 2024	Non-performing 2023	Total 2024	Total 2023
Loans, cash credits, running finances, etc.	8.1	**21,070,870**	19,534,991	**1,069,645**	1,124,446	**22,140,515**	20,659,437
Advances - gross		**21,070,870**	19,534,991	**1,069,645**	1,124,446	**22,140,515**	20,659,437
Credit loss allowance against advances							
- Stage 1		**61,619**	58,874	**–**	–	**61,619**	58,874
- Stage 2		**19,723**	19,736	**–**	–	**19,723**	19,736
- Stage 3		**–**	–	**917,816**	970,926	**917,816**	970,926
		81,342	78,610	**917,816**	970,926	**999,158**	1,049,536
Advances - net of credit loss allowance		**20,989,528**	19,456,381	**151,829**	153,520	**21,141,357**	19,609,901

8.1 This includes net investment in finance lease as disclosed below:

(Rupees in '000)

	2024 Not later than one year	2024 Later than one year and less than five years	2024 Over five years	2024 Total	2023 Not later than one year	2023 Later than one year and less than five years	2023 Over five years	2023 Total
Lease rentals receivable	**98,676**	**285,237**	**–**	**383,913**	410,151	154,001	–	564,152
Residual value	**170,764**	**110,697**	**–**	**281,461**	153,905	117,626	–	271,531
Minimum lease payments	**269,440**	**395,934**	**–**	**665,374**	564,056	271,627	–	835,683
Financial charges for future periods	**(258)**	**(51,431)**	**–**	**(51,689)**	(66,745)	(15,981)	–	(82,726)
Present value of minimum lease payments	**269,182**	**344,503**	**–**	**613,685**	497,311	255,646	–	752,957

8.1.1 These leases are executed for a term of 1 to 5 years. Security deposits have been obtained within a range of 10% to 50% (2023: 10% to 50%) of the cost of investment at the time of disbursement and have been recorded in other liabilities. The rate of return ranges from 9.43% to 24% per annum (2023: 9.22% to 29.08% per annum). Lease rentals are receivable in monthly / quarterly / half yearly instalments. The assets are pledged in favor of the Company.

8.2 Particulars of advances (gross)

	2024	2023
	(Rupees in '000)	
In local currency	**22,140,515**	20,659,437
In foreign currencies	**–**	–
	22,140,515	20,659,437

8.2.1 Advances to Women, Women-owned and Managed Enterprises

	2024	2023
Women	**–**	–
Women Owned and Managed Enterprises	**413,756**	233,599
	413,756	233,599

8.2.2 Gross loans disbursed to women, women-owned and managed enterprises during the year Rs. 293.73 million (2023: Rs.173.95 million)

8.3 Particulars of credit loss allowance

8.3.1 Advances - Exposure

(Rupees in '000)

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening	19,150,504	384,487	1,124,446	20,659,437	23,461,928	364,922	881,635	24,708,485
New advances	17,959,089	50,950	1,307	18,011,346	18,423,382	20,305	138,073	18,581,760
Advances derecognised or repaid	(16,363,562)	(40,341)	(126,365)	(16,530,268)	(22,503,057)	(74,966)	(34,687)	(22,612,710)
Transfer to stage 1	29,200	(29,200)	–	–	95,140	(95,140)	–	–
Transfer to stage 2	(785,775)	785,775	–	–	(302,624)	302,624	–	–
Transfer to stage 3	(19,385)	(50,872)	70,257	–	(24,265)	(133,258)	157,523	–
	819,567	716,312	(54,801)	1,481,078	(4,311,424)	19,565	260,909	(4,030,950)
Amounts written off / charged off	–	–	–	–	–	–	(18,098)	(18,098)
Closing balance	19,970,071	1,100,799	1,069,645	22,140,515	19,150,504	384,487	1,124,446	20,659,437

8.3.2 Advances - Credit loss allowance

(Rupees in '000)

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	58,874	19,736	970,926	1,049,536	–	–	500,622	500,622
Impact of Adoption of IFRS 9	–	–	–	–	76,434	14,018	223,284	313,736
New Advances	38,851	1,340	943	41,134	33,570	4,077	138,073	175,720
Advances derecognised or repaid	(31,983)	(1,148)	(131,803)	(164,934)	(30,865)	(5,675)	(9,783)	(46,323)
Transfer to stage 1	185	(185)	–	–	957	(957)	–	–
Transfer to stage 2	(2,369)	2,369	–	–	(936)	936	–	–
Transfer to stage 3	(237)	(9,116)	9,353	–	(270)	(4,459)	4,729	–
	4,447	(6,740)	(121,507)	(123,800)	2,456	(6,078)	133,019	129,397
Changes in risk parameters (PDs/LGDs/EADs)	(1,702)	6,727	68,397	73,422	(20,016)	11,796	114,001	105,781
Closing balance	61,619	19,723	917,816	999,158	58,874	19,736	970,926	1,049,536

8.3.3 Advances - Credit loss allowance details Internal / External rating / stage classification

(Rupees in '000)

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Outstanding gross exposure								
Performing - Stage 1	19,970,071	–	–	19,970,071	19,150,504	–	–	19,150,504
Under Performing - Stage 2	–	1,100,799	–	1,100,799	–	384,487	–	384,487
Non-performing - Stage 3								
Other Assets Especially Mentioned	–	–	4,900	4,900	–	–	600	600
Substandard	–	–	32,821	32,821	–	–	29,967	29,967
Doubtful	–	–	8,008	8,008	–	–	133,776	133,776
Loss	–	–	1,023,916	1,023,916	–	–	960,103	960,103
	–	–	1,069,645	1,069,645	–	–	1,124,446	1,124,446
Total	19,970,071	1,100,799	1,069,645	22,140,515	19,150,504	384,487	1,124,446	20,659,437
Corresponding ECL								
Stage 1 and stage 2	61,619	19,723	–	81,342	58,874	19,736	–	78,610
Stage 3	–	–	917,816	917,816	–	–	970,926	970,926
	19,908,452	1,081,076	151,829	21,141,357	19,091,630	364,751	153,520	19,609,901

8.3.3.1 Advances include Rs. 1,069.645 million (2023: Rs. 1,124.446 million) which have been placed under the non-performing status.

(Rupees in '000)

Category of classification in stage 3	2024 Non Performing Loans	2024 Credit loss allowance	2023 Non Performing Loans	2023 Credit loss allowance
Domestic				
Other Assets Especially Mentioned	**4,900**	**3,114**	600	400
Substandard	**32,821**	**20,868**	29,967	19,995
Doubtful	**8,008**	**5,091**	133,776	98,321
Loss	**1,023,916**	**888,743**	960,103	852,210
Total	**1,069,645**	**917,816**	1,124,446	970,926

8.4 Particulars of Credit loss allowance against advances

(Rupees in '000)

	Note	2024 Stage 3	2024 Stage 1 & 2	2024 Total	2023 Stage 3	2023 Stage 1 & 2	2023 Total
Opening balance		**970,926**	**78,610**	**1,049,536**	500,622	–	500,622
Impact of Adoption of IFRS 9		**–**	**–**	**–**	223,284	90,452	313,736
Charge for the year		**70,365**	**2,746**	**73,111**	292,776	5,718	298,494
Reversals		**(123,475)**	**(14)**	**(123,489)**	(27,658)	(17,560)	(45,218)
		(53,110)	**2,732**	**(50,378)**	265,118	(11,842)	253,276
Amounts written off	8.6	**–**	**–**	**–**	(18,098)	–	(18,098)
Closing balance		**917,816**	**81,342**	**999,158**	970,926	78,610	1,049,536

8.5 Particulars of credit loss allowance against advances

(Rupees in '000)

	2024 Stage 1 & 2	2024 Stage 3	2024 Total	2023 Stage 1 & 2	2023 Stage 3	2023 Total
In local currency	**81,342**	**917,816**	**999,158**	78,610	970,926	1,049,536
In foreign currencies	**–**	**–**	**–**	–	–	–
	81,342	**917,816**	**999,158**	78,610	970,926	1,049,536

Forced Sale Value (FSV) benefit amounting to Rs. 292.44 million (2023: Rs. 371.28 million) is available with the Company against certain mortgaged properties held as collateral against non-performing advances. However, the same has not been considered while computing credit loss allowance as at year end, as credit loss allowance has been computed under IFRS 9 - Financial Intruments.

8.6 Particulars of write offs:

	2024	2023
	(Rupees in '000)	
8.6.1 Against credit loss allowance	–	18,098
Directly charged to profit and loss account	–	–
	–	18,098
8.6.2 Write offs of Rs. 500,000 and above		
- Domestic	–	18,098
- Overseas	–	–
Write offs of Below Rs. 500,000	–	–
	–	18,098

9 PROPERTY AND EQUIPMENT

	Note	2024	2023
		(Rupees in '000)	
Property and equipment	9.2	**46,447**	53,320
Capital work in progress	9.1	**624**	–
		47,071	53,320

9.1 Capital work-in-progress

	2024	2023
Civil works	**624**	–

9.2 Property and equipment

(Rupees in '000)

	2024						
	Leasehold improvements	Furniture and fixtures	Electrical and office equipment	Computer equipment	Vehicles	Mobile phones	Total
At January 1, 2024							
Cost	44,017	16,240	9,934	35,658	41,116	–	146,965
Accumulated depreciation	(43,409)	(15,247)	(6,666)	(25,538)	(2,785)	–	(93,645)
Net book value	608	993	3,268	10,120	38,331	–	53,320
Year ended December 31, 2024							
Opening net book value	608	993	3,268	10,120	38,331	–	53,320
Additions	1,561	764	749	5,342	4,760	–	13,176
Disposals							
Cost	(18)	(406)	(1,338)	(640)	–	–	(2,402)
Accumulated depreciation	8	370	1,315	576	–	–	2,269
	(10)	(36)	(23)	(64)	–	–	(133)
Depreciation charge	(229)	(243)	(1,307)	(4,980)	(13,157)	–	(19,916)
Closing net book value	1,930	1,478	2,687	10,418	29,934	–	46,447
At December 31, 2024							
Cost	45,560	16,598	9,345	40,360	45,876	–	157,739
Accumulated depreciation	(43,630)	(15,120)	(6,658)	(29,942)	(15,942)	–	(111,292)
Net book value	1,930	1,478	2,687	10,418	29,934	–	46,447
Rate of depreciation (percentage)	20%	20%	20%	33%	25%	50%	–

(Rupees in '000)

	2023						
	Leasehold improvements	Furniture and fixtures	Electrical and office equipment	Computer equipment	Vehicles	Mobile phones	Total
At January 1, 2023							
Cost	46,942	17,553	16,380	28,935	42,244	409	152,463
Accumulated depreciation	(46,384)	(17,115)	(14,006)	(24,915)	(33,597)	(409)	(136,426)
Net book value	558	438	2,374	4,020	8,647	–	16,037
Year ended December 31, 2023							
Opening net book value	558	438	2,374	4,020	8,647	–	16,037
Additions	512	904	2,095	10,521	35,036	–	49,068
Disposals							
Cost	(3,437)	(2,217)	(8,541)	(3,798)	(36,164)	(409)	(54,566)
Accumulated depreciation	3,437	2,217	8,529	3,650	33,933	409	52,175
	–	–	(12)	(148)	(2,231)	–	(2,391)
Depreciation charge	(462)	(349)	(1,189)	(4,273)	(3,121)	–	(9,394)
Closing net book value	608	993	3,268	–	38,331	–	53,320
At December 31, 2023							
Cost	44,017	16,240	9,934	35,658	41,116	–	146,965
Accumulated depreciation	(43,409)	(15,247)	(6,666)	(25,538)	(2,785)	–	(93,645)
Net book value	608	993	3,268	10,120	38,331	–	53,320
Rate of depreciation (percentage)	20%	20%	20%	33%	25%	50%	–

9.2.1 Details of disposal made to related parties

(Rupees in '000)

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particular of purchaser
2024						
Laptop	**151**	**151**	**–**	**–**	As per the terms of employment	Abdul Jaleel Shaikh (Ex Chief Risk Officer)
2023						
BMW 530W Car	19,350	17,260	2,090	2,090	As per the terms of employment	Ayesha Aziz (Ex Managing Director)
Laptop	280	156	124	124	As per the terms of employment	Ayesha Aziz (Ex Managing Director)

9.2.2 The cost of fully depreciated fixed assets that are still in the Company's use is as follows:

	2024	2023
	(Rupees in '000)	
Leasehold improvements	**43,167**	43,167
Furniture and fixtures	**14,776**	15,116
Electrical, office and computer equipment	**27,077**	24,253
Vehicles	**176**	70
	85,196	82,606

10 RIGHT-OF-USE ASSETS

	Note	Building 2024	Building 2023
		(Rupees in '000)	
At January 01,			
Cost		**156,771**	154,306
Accumulated Depreciation		**(139,908)**	(114,037)
Net Carrying amount at January 01,		**16,863**	40,269
Additions / reassessment during the year		**66,546**	2,465
Deletions during the year			
Cost		**(68,650)**	–
Accumulated Depreciation		**68,650**	–
Depreciation Charge for the year		**(29,131)**	(25,871)
Net Carrying amount at December 31,		**54,278**	16,863

11 INTANGIBLE ASSETS

	Note	2024	2023
Intangible assets	11.1	**7,893**	12,521
Capital work-in-progress		**–**	–
		7,893	12,521

11.1 Intangible assets

	Note	Computer software 2024	Computer software 2023
		(Rupees in '000)	
At January 1,			
Cost		**33,725**	22,412
Accumulated amortisation		**(21,204)**	(19,145)
Net book value		**12,521**	3,267
Year ended December 31,			
Opening net book value		**12,521**	3,267
Additions		**356**	11,313
Amortisation charge		**(4,984)**	(2,059)
Closing net book value		**7,893**	12,521
At December 31,			
Cost	11.1.1	**34,081**	33,725
Accumulated amortisation		**(26,188)**	(21,204)
Net book value		**7,893**	12,521
Rate of amortisation (percentage)		**33.33%**	33.33%
Useful life (in years)		**3**	3

11.1.1 The cost of fully amortised intangible assets still in use amounts to Rs. 19.05 million (2023: Rs. 18.99 million).

12 DEFERRED TAX ASSETS

(Rupees in '000)

	2024			
	At January 1, 2024	Recognised in unconsolidated statement of profit and loss account	Recognised in OCI	At December 31, 2024
Deductible temporary differences on:				
- Lease liability	**1,078**	**13,428**	**–**	**14,506**
- Provision for Bonus	**37,831**	**(4,681)**	**–**	**33,150**
- Provision for diminution in the value of investments	**99,652**	**(10,815)**	**–**	**88,837**
- Provision against advances, other assets, etc.	**417,753**	**(28,081)**	**–**	**389,672**
- Deficit on revaluation of investments	**684,223**	**–**	**(875,433)**	**(191,210)**
- Unrealised loss on debt investment (FVPL)	**4,848**	**(2,106)**	**–**	**2,742**
- Payable against post retirement employee benefits	**172**	**1,052**	**–**	**1,224**
- Provision for off balance sheet obligations	**5,186**	**564**	**–**	**5,750**
	1,250,743	**(30,639)**	**(875,433)**	**344,671**
Taxable temporary differences on:				
- Net investment in finance lease	**(23,670)**	**54,220**	**–**	**30,550**
- Right-of-use assets	**(6,577)**	**(14,592)**	**–**	**(21,169)**
- Accelerated tax depreciation	**(6,544)**	**3,408**	**–**	**(3,136)**
- Unrealised loss / (gain) on equity investments	**(72,502)**	**–**	**(9,976)**	**(82,478)**
- Amortisation of Premium on investments	**(9,271)**	**(13,042)**	**–**	**(22,313)**
- Lease receivable against sub lease	**(170)**	**170**	**–**	**–**
- Post retirement employee benefits	**(2,388)**	**–**	**(318)**	**(2,706)**
	(121,122)	**30,164**	**(10,294)**	**(101,252)**
	1,129,621	**(475)**	**(885,727)**	**243,419**

(Rupees in '000)

	2023					
	At January 1, 2023	Impact on Retained Earnings on Adoption of IFRS 9	Re-stated balance at January 1, 2023	Recognised in unconsolidated statement of profit and loss account	Recognised in OCI	At December 31, 2023
Deductible temporary differences on:						
- Lease liability	9,515	–	9,515	(8,437)	–	1,078
- Provision for Bonus	19,470	–	19,470	18,361	–	37,831
- Provision for diminution in the value of investments	94,761	–	94,761	4,891	–	99,652
- Provision against advances, other assets, etc.	165,205	118,811	284,016	133,737	–	417,753
- Deficit on revaluation of investments	633,259	–	633,259	–	50,964	684,223
- Unrealised loss on debt investment (FVPL)	–	–	–	4,848	–	4,848
- Payable against post retirement employee benefits	–	–	–	172	–	172
- Provision for off balance sheet obligations	–	3,194	3,194	1,992	–	5,186
	922,210	122,005	1,044,215	155,564	50,964	1,250,743
Taxable temporary differences on:						
- Net investment in finance lease	(48,524)	–	(48,524)	24,854	–	(23,670)
- Right-of-use assets	(13,289)	–	(13,289)	6,712	–	(6,577)
- Accelerated tax depreciation	2,602	–	2,602	(9,146)	–	(6,544)
- Unrealised loss / (gain) on equity investments	170	–	170	(170)	(72,502)	(72,502)
- Amortisation of Premium on investments	21,094	–	21,094	(30,365)	–	(9,271)
- Lease receivable against sub lease	–	–	–	(170)	–	(170)
- Post retirement employee benefits	(269)	–	(269)	–	(2,119)	(2,388)
	(38,216)	–	(38,216)	(8,285)	(74,621)	(121,122)
	883,994	122,005	1,005,999	147,278	(23,657)	1,129,621

13 OTHER ASSETS

	Note	2024	2023
		(Rupees in '000)	
Income / mark-up accrued in local currency		**5,180,291**	5,493,259
Advances, deposits, advance rent and other prepayments		**149,436**	10,168
Advance taxation (payments less provisions)		**5,350,393**	1,694,173
Dividend receivable		**–**	1,353
Advance against subscription of privately placed term finance certificates		**–**	122,845
Receivable against sale of shares		**–**	27,261
Receivable from related parties	13.1	**4,709**	6,648
Lease receivable under IFRS-16		**–**	437
		10,684,829	7,356,144
Less: Credit loss allowance held against other assets		**–**	–
		10,684,829	7,356,144

13.1 Receivable from related parties

Receivable from Awwal Corporate Restructuring Company Limited (subsidiary)		**948**	985
Receivable from other Modarabas managed by Awwal		**–**	–
Modaraba Management Limited (related parties)		**–**	770
Receivable from Primus Leasing Company Limited (subsidiary)		**3,761**	3,050
Receivable from Awwal Modaraba Management Limited (subsidiary)		**–**	1,843
		4,709	6,648

14 ASSETS CLASSIFIED AS HELD-FOR-SALE

Land, building and machinery acquired from:			
Sufi Steel Industries (Private) Limited		**–**	–
Lion Steel Industries (Private) Limited	14.1	**168,904**	168,904
Awwal Modaraba Management Limited-Investment	14.2	**–**	105,000
Advance against investment in right shares -related party		**–**	40,000
Impairment loss		**–**	(21,625)
		–	123,375
Total assets classified as held-for-sale		**168,904**	292,279

14.1 These represent land, building and machinery which have been classified as 'non-current assets as held for sale' as at December 31, 2021. The Company acquired these assets by settling total outstanding principal and mark-up of Rs 135 million and Rs. 34 million respectively. It is expected that the process of sale of these assets will be completed in the near future.

14.2 The Board of Directors of the Company decided to proceed with divestment of its total interest in Awwal Modaraba Management Limited (AMML). In light of this decision, the Board of Directors of AMML in their meeting held on September 30, 2023 directed to disseminate this significant development to relevant authorities and stakeholders in a timely and transparent manner.

The material information was sent to the Pakistan Stock Exchange (PSX) and Securities and Exchange Commission of Pakistan (SECP) of Pakistan on October 02, 2023.

On October 12, 2023, invitation for expression of Interest was published in the newspaper for complete acquisition of AMML including management rights of the modaraba.

On November 21, 2023, the Company informed the Registrar Modaraba, SECP about the receipt of indicative bids from various parties. The SECP vide letter dated November 28, 2023, advised to apply to the Registrar Modaraba for the transfer of shares of the Modaraba Company along with management rights of the modaraba to the proposed acquirer, who is fit and proper under the Modaraba Law.

On May 09, 2024, the Company informed SECP that it had entered into a Share Purchase Agreement (SPA) dated April 03, 2024 for divestment of 100% of its shareholding in AMML subject to the approval of the SECP and other necessary approvals. On September 19, 2024, Registrar Modaraba, SECP granted approval regarding the transfer of 100% shareholding of AMML from Pak Brunei Investment Company to buyer. The shares of AMML, along with the management rights of the Modaraba have been transferred to the buyer on November 26, 2024, after completion of applicable corporate formalities.

14.3 Movement of assets classified as held for sale:

	Note	2024	2023
		(Rupees in '000)	
Opening		**292,279**	355,799
Additions		**–**	145,000
Disposals	14.3	**(123,375)**	(186,895)
Impairment loss		**–**	(21,625)
Closing		**168,904**	292,279
14.4 Gain / (loss) on disposal of assets classified as held-for-sale			
Disposal proceeds		**123,375**	283,521
Less:			
Carrying amount of investment		**123,375**	186,895
Other expenses / adjustments		**15,865**	–
		139,240	186,895
		(15,865)	96,626

15 BORROWINGS

	Note	2024	2023
Secured			
Borrowings from State Bank of Pakistan under:			
- Long-Term Finance Facility (LTFF) scheme	15.2	**2,274,222**	3,163,088
- Power Plants Using Renewable Energy (PPRE) scheme	15.3	**135,894**	167,025
- Temporary Economic Refinance Facility (TERF)	15.4	**646,902**	743,556
- Finance for Storage of Agriculture Produce (FSAP) scheme	15.5	**288,355**	188,230
- Credit Guarantee (CGS) Scheme	15.6	**210,852**	152,265
- Special Persons (SP) Scheme	15.7	**2,790**	2,690
- Working Capital (WCF) Scheme	15.8	**1,252,279**	901,142
- Balancing, Modernisation & Replacement (BMR) scheme	15.9	**866,224**	553,863
		5,677,518	5,871,859
Repurchase agreement borrowings	15.10	**18,542,005**	110,142,757
Borrowings from banks	15.11	**106,438,333**	32,496,667
Total secured		**130,657,856**	148,511,283
Unsecured			
Letters of placement:	15.12	**53,725,614**	26,082,715
		184,383,470	174,593,998

15.1 Particulars of borrowings with respect to currencies

	2024	2023
	(Rupees in '000)	
In local currency	**184,383,470**	174,593,998
In foreign currencies	**–**	–
	184,383,470	174,593,998

15.2 The Company has entered into agreements for financing with the SBP for Long-Term Financing under export oriented projects to customers. According to the terms of the respective agreements, the SBP has the right to receive the outstanding amount from the Company at the due date by directly debiting the current account maintained by the Company with the SBP. The rate of return ranges from 2% to 11% per annum (2023: 2% to 11% per annum). These are secured against demand promissory notes and are repayable within 7 years (2023: 8 years).

15.3 These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00% to 5.00% per annum (2023: 2.00% to 5.00% per annum) and are due to mature latest by June 30, 2029. As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.4 These represent borrowings from the SBP under scheme for temporary economic refinance facility. The mark-up rate applicable on these facilities is 1% to 2% per annum (2023: 1% to 2% per annum) payable on quarterly basis, with maturities upto May, 2032 (2023: May 2032). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.5 These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at rate of 2% to 4% per annum (2023: 2% to 4% per annum) and are due to be matured by February 28, 2030 (2023: June 02, 2029)

15.6 These represent borrowings from the SBP under scheme for refinance and credit guarantee schemes. The mark-up rate applicable on these facilities is 0% to 2% per annum (2023: 0% per annum) payable on quarterly basis, with maturities upto November, 2029 (2023: November, 2028). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.7 These represent financing facilities to special persons to meet credit needs for setting up of new business enterprises or for expansion of existing ones and claim refinance from State Bank of Pakistan up to 100% of finance extended by them. The spread is capped at 5% per annum (2023: 5% per annum) by SBP whereas SBP's refinance rate for this facility is 0% per annum (2023: 0% per annum) with maturities upto September 2029 (2023: September 2027). In case of default of the counterparty, upto 60% of principal is covered by SBP. As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.8 These represent borrowings from the SBP under scheme for working capital facilities. The mark-up rate applicable on these facilities is 2% per annum (2023: 2% per annum) payable on quarterly basis, with maturities upto May 2028 (2023: May 2028). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.9 These represent borrowings from the SBP under scheme for balancing, modernisation & replacement scheme. The mark-up rate applicable on these facilities is 2% per annum (2023: 1% to 2% per annum) payable on quarterly basis, with maturities upto September 2030 (2023: June 2029). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.10 These represent borrowings from various financial institutions at mark-up rates ranging from 13.06% to 13.50% per annum (2023: 22.07% to 22.11% per annum). Pakistan Investment Bonds having a face value of Rs. 18,704 million (2023: 111,600 million) have been given as collateral against these borrowings respectively.

15.11 These borrowings carry mark-up at rates ranging from 11.00% to 19.06% per annum (2023: 21.49% to 23.26% per annum) and are repayable within 3 years (2023: 4 years). These are secured against hypothecation of receivables, PIBs having a face value of Rs. 101.26 billion (2023: Rs. 21.39 billion) and floating charge over term finance certificates having a face value of Rs. 569.86 million (2023: 699.78 million).

15.12 Particulars of borrowings

	2024		
	Minimum (%)	**Maximum (%)**	**Tenor**
Letters of placement:			
- Others	11.00	15.00	3 months

	2023		
	Minimum (%)	Maximum (%)	Tenor
Letters of placement:			
- Others	20.70	22.35	5 months

16 DEPOSITS AND OTHER ACCOUNTS

(Rupees in '000)

		2024			2023		
	Note	**In local currency**	**In foreign currencies**	**Total**	In local currency	In foreign currencies	Total
Customers							
- Certificate of investments (COIs)	16.1	**1,165,705**	**–**	**1,165,705**	–	–	–
Financial institutions							
- Certificate of investments (COIs)		**–**	**–**	**–**	–	–	–
	16.1	**1,165,705**	**–**	**1,165,705**	–	–	–

16.1 These Certificate of Investments (COIs) carry mark-up rate of 14.50% to 21.50% per annum (2023: Nil) with maturities upto June 2025 (2023: Nil)

16.2 Composition of deposits

	2024	2023
	(Rupees in '000)	
- Public sector entities	**500,000**	–
- Private sector	**665,705**	–
	1,165,705	–

17 LEASE LIABILITIES

	Note	2024	2023
		(Rupees in '000)	
Outstanding amount at the start of the year		**2,765**	28,834
Addition / Reassessment of lease		**66,546**	2,465
Interest expense		**2,751**	3,848
Payments of lease rental		**(34,868)**	(32,382)
Closing balances		**37,194**	2,765
Contractual maturity of lease liabilities			
Short-term lease liabilities - within one year		**35,906**	1,451
Long-term lease liabilities			
- 1 to 5 years		**1,288**	1,314
- 5 to 10 years		**–**	–
- More than 10 years		**–**	–
		1,288	1,314
Total lease liabilities		**37,194**	2,765

18 OTHER LIABILITIES

	Note	2024	2023
Mark-up / return / interest payable in local currency		**3,012,740**	1,925,144
Unearned commission and income on bills discounted		**28,432**	32,359
Accrued expenses		**111,102**	126,275
Brokerage / commission payable		**6,933**	2,695
Payable to defined benefit plan - related party	35	**3,139**	443
Security deposits against advances		**298,606**	288,177
Provision for Worker's Welfare Fund		**198,692**	173,680
Provision for off balance sheet obligations	18.1	**14,744**	13,298
Others		**80,821**	72,419
		3,755,209	2,634,490

18.1 Credit loss allowance against off-balance sheet obligations

	2024	2023
Opening balance	**13,298**	9,679
Exchange adjustment	**–**	–
Charge for the year	**1,446**	3,619
Reversals	**–**	–
	1,446	3,619
Amount written off		
Closing balance	**14,744**	13,298

19 SHARE CAPITAL

19.1 Authorised capital

2024	2023		2024	2023
(Number of shares)			(Rupees in '000)	
600,000,000	600,000,000		**6,000,000**	6,000,000

19.2 Issued, subscribed and paid-up capital

2024	2023		Note	2024	2023
(Number of shares)				(Rupees in '000)	
		Ordinary shares			
600,000,000	600,000,000	Fully paid in cash	19.2.1	**6,000,000**	6,000,000

19.2.1 As at December 31, 2024, the Ministry of Finance and Secretary Economic Affairs Division, Government of Pakistan, holds 299,995,999 and 4,001 shares (2023: 299,995,999 and 4,001 shares) respectively on behalf of the Government of Pakistan and remaining 300,000,000 shares (2023: 300,000,000 shares) are held by the Brunei Investment Agency.

20 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

	Note	2024	2023
		(Rupees in '000)	
Surplus / (Deficit) on revaluation of			
- Securities measured at FVOCI-Debt	7.1	**490,282**	(1,754,419)
- Securities measured at FVOCI-Equity		**366,571**	322,231
		856,853	(1,432,188)
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI-Debt		**(191,210)**	684,223
- Securities measured at FVOCI-Equity		**(82,478)**	(72,502)
		583,165	(820,467)

20.1 Movement in revaluation of assets

	2024	2023
Deficit on revaluation as at January 01	**(1,432,188)**	(2,134,851)
Revaluation deficit recognised during the year	**2,289,041**	702,663
Deficit on revaluation as at December 31	**856,853**	(1,432,188)
Less: related deferred tax asset on		
–Revaluation as at January 01	**611,721**	633,259
–Revaluation recognised during the year	**(885,409)**	(21,538)
	(273,688)	611,721
Deficit on revaluation of assets - net of tax	**583,165**	(820,467)

21 CONTINGENCIES AND COMMITMENTS

	Note	2024	2023
		(Rupees in '000)	
- Guarantees	21.1	–	200,000
- Commitments	21.2	**24,878,925**	122,973,308
- Other contingent liabilities	21.3	–	–
		24,878,925	123,173,308

21.1 Guarantees

Financial guarantees	–	200,000

21.2 Commitments

	Note	2024	2023
Documentary credits and short-term trade-related transactions			
- letters of credit		**1,327,589**	1,176,350
Commitments in respect of:			
- forward lendings	21.2.1	**4,850,815**	3,884,675
- future purchase and sale transactions	21.2.2	–	4,956,324
- repo transactions	21.2.3	**18,700,521**	112,955,959
		24,878,925	122,973,308

21.2.1 Commitments in respect of forward lendings

Undrawn formal standby facilities, credit lines and other commitments to lend	**4,850,815**	3,884,675

These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Company without the risk of incurring significant penalty or expense.

21.2.2 Commitments in respect of future transactions

	2024	2023
	(Rupees in '000)	
Purchase	–	–
Sale	–	4,956,324
	–	4,956,324

21.2.3 Commitments in respect of repo transactions

Repurchase of government securities	**18,700,521**	112,955,959
Reverse repurchase of government securities	–	–
	18,700,521	112,955,959

21.3 Other contingent liabilities

21.3.1 In 2009, Burj Bank Limited (formerly Dawood Islamic Bank Limited) filed a legal suit amounting to Rs. 200 million for damages against the Company for alleged non-performance of underwriting commitment in respect of issue of shares at a premium. The legal advisors of the Company are of the opinion that the Company has a strong case and that the matter will most likely be decided in favor of the Company.

21.3.2 The returns of income of the Company from tax years 2008 to 2024 had been filed with the tax authorities. From tax year 2008 up to tax year 2020, these returns have been revised and additional tax demands have been raised of which Rs. 782.07 million are outstanding as at December 31, 2024. The matters which have been raised in these demands mainly included allocation of common expenses to dividend income, taxation of discount income, additions on account of concessional loans to employees and deletion of the charge pertaining to the Workers' Welfare Fund. The Company is contesting these demands and appeals have been filed by the Company against the same which are pending adjudication at various legal and appellate forums. The Company has made partial payments against some of these demands which are being shown as refundable from tax authorities. The management is confident that the matters will eventually be decided in favor of the Company and that the Company will be able to adjust amounts in respect of matters decided against the Company (if any) against the tax refunds currently being claimed by it.

22 MARK-UP / RETURN / INTEREST EARNED

	2024	2023
	(Rupees in '000)	
On:		
a) Loans and advances	**2,971,345**	2,981,570
b) Investments	**33,555,266**	18,349,735
c) Lendings to financial institutions	**1,296,351**	793,312
d) Sub-lease of premises	**10**	563
e) Balances with banks	**27,506**	24,910
	37,850,478	22,150,090

22.1 Interest income (calculated using effective interest rate method) recognised on:

	2024	2023
Financial assets measured at amortised cost measured at amortised cost;	**4,295,212**	3,800,355
Financial assets measured at FVPL	**194,723**	3,464,500
Financial assets measured at FVOCI	**33,360,543**	14,885,235
	37,850,478	22,150,090

23 MARK-UP / RETURN / INTEREST EXPENSED

	2024	2023
Deposits	**76,659**	6,685
Interest expense on lease liability against right-of-use assets	**2,751**	3,848
Borrowings	**36,684,256**	20,769,365
	36,763,666	20,779,898

24 FEE AND COMMISSION INCOME

	Note	2024	2023
		(Rupees in '000)	
Trustee fee		**55,310**	62,271
Fee on Credit facilites		**37,250**	22,852
Participation fee		**11,670**	3,900
Commitment fee		**–**	3,049
Commission on guarantees		**7,580**	3,906
Advisory and arrangement fee		**15,938**	19,613
		127,748	115,591

25 GAIN ON SECURITIES

	Note	2024	2023
Realised gain	25.1	**63,674**	135,670
Unrealised - Measured at FVPL		**5,400**	(12,432)
		69,074	123,238

25.1 Realised gain / (loss) on:

	2024	2023
Federal government securities	**(164,134)**	46,709
Shares	**227,498**	88,629
Non-government debt securities	**310**	332
	63,674	135,670

26 OTHER INCOME

	Note	2024	2023
Gain / (loss) on sale of assets classified as held-for-sale	14.4	**(15,865)**	96,626
Gain on sale of fixed assets - net		**387**	1,906
Others		**–**	–
		(15,478)	98,532

27 OPERATING EXPENSES

	Note	2024	2023
		(Rupees in '000)	
Total compensation expenses	27.1	**310,523**	318,542
Property expense			
Rent and taxes		**730**	–
Insurance		**9,732**	6,958
Utilities cost		**8,896**	7,689
Security (including guards)		**3,323**	3,389
Repairs and maintenance (including janitorial charges)		**10,679**	12,682
Depreciation	10	**29,131**	25,871
		62,491	56,589
Information technology expenses			
Software maintenance		**7,540**	550
Hardware maintenance		**1,132**	989
Depreciation	9.2	**4,982**	4,273
Amortisation	11.1	**4,984**	2,059
		18,638	7,871
Other operating expenses			
Directors' fees and allowances		**6,000**	7,200
Fees and subscription		**8,087**	4,286
Legal and professional charges		**28,043**	28,151
Travelling and conveyance		**51,257**	48,175
Brokerage commission		**53,096**	27,753
Depreciation	9.2	**14,936**	5,122
Training and development		**2,134**	2,495
Postage and courier charges		**475**	363
Communication		**5,872**	3,809
Stationery and printing		**1,800**	2,277
Marketing, advertisement and publicity		**772**	193
Donations	27.3	**1,000**	2,000
Auditors' remuneration	27.4	**3,639**	3,412
Expenses incurred in relation to assets held for sale		**9,190**	42,954
Service charges for lease rental recoveries		**2,911**	5,852
Others		**6,401**	14,164
		195,613	198,206
		587,265	581,208

27.1 Total compensation expenses

	2024	2023
	(Rupees in '000)	
Fixed	**172,190**	130,340
Contractual Staff		
In-house	**24,805**	33,367
Salaried outsourced staff	**15,997**	11,336
	40,802	44,703
Other benefits		
Cash bonus / awards	**68,439**	110,404
Charge for defined benefit plan	**8,965**	9,136
Contribution to defined contribution plan	**10,768**	8,574
Medical	**9,937**	6,840
Vehicle allowance	**26,598**	26,216
Leave fare assistance	**2,954**	7,329
Leave encashment	**–**	3,312
Others	**569**	604
	128,230	172,415
Re-imbursement of salaries - subsidiaries	**(30,699)**	(28,916)
Total compensation expense	**310,523**	318,542

27.2 The Company does not have any material outsourcing arrangements.

27.3 Details of donations

Donations individually not exceeding Rs 500,000

	2024	2023
	(Rupees in '000)	
Dawat-e-Hadiyah	**–**	2,000
JDC Foundation Pakistan	**200**	–
Friends of Burns Centre	**500**	–
Sindh Integrated Emergency and Health Services	**300**	–
	1,000	2,000
27.4 Auditors' remuneration		
Audit fee for annual financial statements	**1,783**	1,700
Half yearly review fee	**518**	450
Special certifications and sundry advisory services	**430**	1,050
Tax services	**500**	132
Out-of-pocket expenses	**408**	80
	3,639	3,412

28 WORKERS' WELFARE FUND

	Note	2024	2023
		(Rupees in '000)	
Provision for Workers' Welfare Fund	28.1	**25,012**	24,685

28.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh in May 2015 as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs .0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter relating to payment of SWWF is pending before the Sindh High Court and an interim stay order has been granted to the Company. However, as a matter of prudence, the management has maintained a provision for SWWF in the unconsolidated financial statements amounting to Rs 198.692 million which includes a provision of Rs. 25.012 million for the current year. Subsequently to year end the Sindh High Court decision dated January 25, 2025 reiterates that the matter to be disposed of as per the Council of Common Interests' decision on Agenda Item 14 bearing no CCI 14/1/2019 dated 23.12 .2019 which states this being trans-provincial and interprovincial matter should remain with the Federal government.

29 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

	Note	2024	2023
		(Rupees in '000)	
Credit loss allowance against balances with other banks	6	**(1)**	2
Credit loss allowance against lending to financial institutions		**–**	–
Reversal of credit loss allowance against investments	7.1	**(27,729)**	(12,801)
Reversal of credit loss allowance against loans & advances	8.4	**(50,378)**	253,276
Credit loss allowance against off balance sheet obligations		**1,446**	3,619
Impairment on asset held for Sale		**–**	21,625
Recovery of advances written off		**–**	(28,073)
		(76,662)	237,648

30 Levies

Final tax	**62,071**	42,740
Minimum tax	**474,728**	278,323
	536,799	321,063

This represents minimum tax differential under section 113 and final tax on dividend income and capital gains under section 5 and 37A respectively of the Income Tax Ordinance, 2001. These has been recognised as levies in these unconsolidated financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

31 TAXATION

	Note	2024	2023
		(Rupees in '000)	
Current		**77,872**	126,016
Prior years		**–**	62,429
Deferred	12	**475**	(147,278)
		78,347	41,167

31.2 The relationship between tax expense and accounting profit has not been presented in these financial statements as the tax liability of the Company comprises of minimum tax at the rate of 1.25% on turnover of the Company in accordance with Section 113 of Income Tax Ordinance 2001 .

33 BASIC EARNINGS PER SHARE

	2024	2023
	(Rupees in '000)	
Profit for the year	**610,495**	847,354
	Number of shares in '000	
Weighted average number of ordinary shares	**600,000**	600,000
	Rupees	
Basic earnings per share	**1.02**	1.41

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

33 CASH AND CASH EQUIVALENTS

	Note	2024	2023
		(Rupees in '000)	
Cash and balance with treasury banks	5	**796,300**	688,559
Balance with other banks	6	**107,838**	239,927
Credit loss allowance held against balances with other banks		**1**	2
		904,139	928,488

34 STAFF STRENGTH

		(Number)	
Permanent		**81**	69
On Company's contract		**9**	18
Outsourced	34.1	**28**	21
		118	108

34.1 This includes 28 (2023: 21) employees of outsourcing services companies who were assigned to perform guarding and janitorial services.

35 DEFINED BENEFIT PLAN

35.1 General description

As mentioned in note 4.13, the Company operates a funded gratuity scheme for all its permanent employees. The benefits under the gratuity scheme are payable on retirement at the age of 60 or earlier cessation of service, in lump sum. The benefit is equal to one month's last drawn basic salary for each year of eligible service with the Company subject to a minimum qualifying period of service of five years. The plan assets and defined benefit obligations are based in Pakistan.

35.2 Number of employees under the defined benefit plan

	2024	2023
	(Number)	
The number of employees covered under the defined benefit plan as at December 31	**89**	79

35.3 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2024 using the following significant assumptions:

	2024	2023
	(Per annum)	
Discount rate	**12.25%**	15.50%
Expected rate of salary increase	**15.50%**	15.50%
Morality rate	**SLIC 2001 - 2005**	SLIC 2001-2005
	Setback 1 Year	Setback 1 Year
Retirement assumption	**Age 60**	Age 60

35.4 Reconciliation of payable from defined benefit plan

	Note	2024	2023
		(Rupees in '000)	
Present value of obligation	35.6	**65,033**	50,968
Fair value of plan assets	35.7	**(61,894)**	(50,525)
Payable		**3,139**	443
35.5 Movement in defined benefit plan			
At the beginning of the year		**443**	(3,260)
Current service cost	35.8.1	**8,965**	9,136
Contributions by the Company - net		**(5,453)**	–
Benefits paid by the Company		**–**	–
Re-measurement (gain) / loss	35.8.2	**(816)**	(5,433)
At the end of the year		**3,139**	443

35.6 Movement in payable under defined benefit plan

	Note	2024	2023
		(Rupees in '000)	
Opening balance		**50,968**	66,198
Current service cost	35.8.1	**9,417**	7,954
Past service cost		**–**	1,655
Interest cost on defined benefit obligation		**7,379**	7,542
Re-measurement (gain) / loss recognised in OCI during the year	35.8.2	**2,722**	(4,022)
Benefits paid by the Company to outgoing members		**(5,453)**	(28,359)
Closing balance		**65,033**	50,968

35.7 Movement in fair value of plan assets

	Note	2024	2023
Fair value at the beginning of the year		**50,525**	69,458
Interest income on plan assets		**7,831**	8,015
Contribution by the Company - net		**5,453**	–
Actual benefits paid from the fund during the year		**(5,453)**	(28,359)
Re-measurement gain / (loss)	35.8.2	**3,538**	1,411
Fair value at the end of the year		**61,894**	50,525

35.8 Charge for defined benefit plan

35.8.1 Cost recognised in unconsolidated statement of profit and loss account

	2024	2023
Current service cost	**9,417**	7,954
Past service cost	**–**	1,655
Net interest income on plan	**(452)**	(473)
	8,965	9,136

35.8.2 Re-measurements recognised in OCI during the year

	2024	2023
Loss / (gain) on obligation		
- financial assumptions	**(326)**	5,758
- experience adjustments	**3,048**	(9,780)
	2,722	(4,022)
Return on plan assets over interest income	**(3,538)**	(1,411)
Total re-measurements recognised in OCI	**(816)**	(5,433)

35.9 Components of plan assets

	2024	2023
Bonds	**52,888**	–
Cash and cash equivalents - net	**9,006**	4,911
Government securities	**–**	45,614
	61,894	50,525

35.9.1 Description of risks

The defined benefit plan exposes the Company to the following risks:

Withdrawal risks - This is the risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks - This is the risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

Investment risks - This is the risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - This is the risk that the final salary at the time of cessation of service is greater than what was assumed.

35.10 Sensitivity analysis

A sensitivity analysis for each significant financial assumption as of the reporting date, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date, is as follows:

	2024	2023
	(Rupees in '000)	
Increase / decrease in obligation		
1% increase in discount rate	**59,124**	3,687
1% decrease in discount rate	**69,038**	(4,184)
1% increase in expected rate of salary increase	**69,094**	(4,179)
1% decrease in expected rate of salary increase	**58,989**	3,749

The above sensitivities analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the unconsolidated statement of financial position.

	(Rupees in '000)
35.11 Expected contributions to be paid to the fund in the next financial year	**11,490**

The expected charge for the next financial year commencing January 1, 2025 works out to Rs. 11.49 million (2023: Rs. 9.486 million).

35.12 Maturity profile

The weighted average duration of the obligation is 8 years (2023: 8 years).

35.13 Funding policy

An implicit, though not a formally expressed objective, is that the liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected future salary increases, should be covered by the Fund on the valuation date, the total book reserve as of the valuation date, future contributions to the Fund, future additions to the book reserve and future projected investment income of the Fund.

Accordingly the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Actuarial Cost Method employed.

36 DEFINED CONTRIBUTION PLAN

The Company operates a provident fund scheme for all its permanent employees. Equal monthly contributions at the rate of 10% per annum (2023: 10% per annum) of basic salaries are made both by the Company and employees. Contributions made to the provident fund during the year are as follows:

	2024	2023
	(Rupees in '000)	
Contribution made by the Company	**10,768**	8,574
Contribution made by employees	**10,768**	8,574
	21,536	17,148

37 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

37.1 Total Compensation Expense

(Rupees in '000)

Items	2024					
	Directors			President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers
	Chairman	Executives (other than CEO)	Non-Executive			
Fees and Allowances etc.	2,000	–	4,000	–	–	–
Managerial Remuneration						
i) Fixed	–	–	–	29,140	66,925	106,573
ii) Total Variable	–	–	–	–	–	–
of which						
a) Cash Bonus / Awards	–	–	–	11,038	26,518	34,815
b) Bonus & Awards in Shares	–	–	–	–	–	–
Charge for defined benefit plan	–	–	–	1,754	2,748	5,715
Contribution to defined contribution plan	–	–	–	2,010	3,123	6,396
Rent & house maintenance	–	–	–	–	–	–
Utilities	–	–	–	–	–	–
Medical	–	–	–	1,159	3,407	5,198
Conveyance	–	–	–	–	–	–
Others						
- LFA	–	–	–	2,313	2,616	6,389
- TDA	–	–	–	502	979	1,445
- Fuel	–	–	–	1,357	8,992	13,137
- Leave encashment	–	–	–	–	–	–
- Mobile reimbursement	–	–	–	104	294	530
- Security & Vehicle Maintenance	–	–	–	1,095	–	–
- others	–	–	–	147	753	915
Total	2,000	–	4,000	50,619	116,355	181,113
Number of persons	1	–	2	1	15	18

(Rupees in '000)

Items	2023					
	Directors				Key	Other Material
	Chairman	Executives (other than CEO)	Non-Executive	President / CEO	Management Personnel	Risk Takers / Controllers
Fees and Allowances etc.	2,400	–	4,800	–	–	–
Managerial Remuneration						
i) Fixed	–	–	–	25,216	62,698	85,094
ii) Total Variable	–	–	–	–	–	–
of which						
a) Cash Bonus / Awards	–	–	–	18,502	15,866	26,150
b) Bonus & Awards in Shares	–	–	–	–	–	–
Charge for defined benefit plan	–	–	–	2,187	836	1,861
Contribution to defined contribution plan	–	–	–	1,739	2,401	3,634
Rent & house maintenance	–	–	–	–	–	–
Utilities	–	–	–	–	–	–
Medical	–	–	–	25	1,604	2,847
Conveyance	–	–	–	–	–	–
Others						
- LFA	–	–	–	1,998	2,942	4,243
- TDA	–	–	–	426	600	621
- Fuel	–	–	–	890	6,736	11,598
- Leave encashment	–	–	–	3,312	–	–
- Mobile reimbursement	–	–	–	22	239	419
- Security & Vehicle Maintenance	–	–	–	738	–	–
- others	–	–	–	3,929	493	1,141
Total	2,400	–	4,800	58,983	94,415	137,608
Number of persons	2	–	2	2	14	22

37.2 Remuneration paid to Directors for participation in Board and Committee Meetings

(Rupees in '000)

Sr. No.	Name of Director	2024				
		Meeting Fees and Allowances Paid				
			For Board Committees			
		For Board Meetings	Audit Committee	HR&RC Committee	Credit and Risk Management Committee	Total Amount Paid
1	Ms. Dk Noorul Hayati Julaihi	**2,000**	**–**	**–**	**–**	**2,000**
2	Mr. Nasir Mahmood Khosa	**2,000**	**–**	**–**	**–**	**2,000**
3	Ms. Norakerteni Muhammad	**2,000**	**–**	**–**	**–**	**2,000**
	Total Amount Paid	**6,000**	**–**	**–**	**–**	**6,000**

(Rupees in '000)

Sr. No.	Name of Director	2023				
		Meeting Fees and Allowances Paid				
			For Board Committees			
		For Board Meetings	Audit Committee	HR&RC Committee	Credit and Risk Management Committee	Total Amount Paid
1	Ms. Dk Noorul Hayati Julaihi	2,400	–	–	–	2,400
2	Mr. Nasir Mahmood Khosa	2,400	–	–	–	2,400
3	Ms. Norakerteni Muhammad	2,400	–	–	–	2,400
	Total Amount Paid	7,200	–	–	–	7,200

38 FAIR VALUE MEASUREMENT

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at 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 unquoted 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.

38.1 Fair value of financial assets

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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV / PKFRV rates (FMA report).
Term finance / sukuks certificates	Investments in listed debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the prices announced by the Pakistan Stock Exchange Limited.

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:

(Rupees in '000)

	2024			
On balance sheet financial instruments	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets - measured at fair value				
Investments				
Federal government securities	–	162,620,465	–	162,620,465
Ordinary shares	1,346,043	–	–	1,346,043
Non-government debt securities	–	2,764,847	–	2,764,847
Off-balance sheet financial instruments				
Commitments				
- future purchase and sale transactions	–	–	–	–

(Rupees in '000)

On balance sheet financial instruments	2023 Level 1	Level 2	Level 3	Total
Financial assets - measured at fair value				
Investments				
Federal government securities	–	153,327,875	–	153,327,875
Ordinary shares	961,316	–	–	961,316
Non-government debt securities	–	2,473,503	–	2,473,503
Off-balance sheet financial instruments				
Commitments				
- future purchase and sale transactions	4,956,324	–	–	4,956,324

39 SEGMENT INFORMATION

39.1 Segment details with respect to business activities

(Rupees in '000)

	2024 Corporate finance	Trading and sales	Commercial banking	Total
Unconsolidated statement of profit and loss account				
Net Mark-up / return / profit	–	1,003,699	83,113	1,086,812
Non mark-up / return / interest income	127,748	546,696	–	674,444
Total income	127,748	1,550,395	83,113	1,761,256
Total expenses	44,277	539,193	28,807	612,277
Credit loss allowance	–	(5,856)	82,518	76,662
Profit before levies and taxation	83,471	1,005,346	136,824	1,225,641
Unconsolidated Statement of Financial Position				
Cash and bank balances	65,579	795,893	42,666	904,138
Investments	–	168,748,062	–	168,748,062
Lendings to financial institutions	–	–	–	–
Advances - performing	–	1,186,589	19,802,939	20,989,528
–non-performing	–	28,451	123,378	151,829
Others	7,924	10,632,638	565,832	11,206,394
Total assets	73,503	181,391,633	20,534,815	201,999,951
Borrowings	–	168,062,119	16,321,351	184,383,470
Deposits & other accounts	–	–	1,165,705	1,165,705
Lease liabilities	–	35,302	1,892	37,194
Others	–	3,563,177	192,032	3,755,209
Total liabilities	–	171,660,598	17,680,980	189,341,578
Equity	73,503	9,731,035	2,853,835	12,658,373
Total equity and liabilities	73,503	181,391,633	20,534,815	201,999,951
Contingencies and commitments	–	23,551,336	1,327,589	24,878,925

(Rupees in '000)

	2023			
	Corporate finance	Trading and sales	Commercial banking	Total
Unconsolidated statement of profit and loss account				
Net Mark-up / return / profit	–	1,194,928	175,264	1,370,192
Non mark-up / return / interest income	115,590	567,343	–	682,933
Total income	115,590	1,762,271	175,264	2,053,125
Total expenses	34,111	520,060	51,722	605,893
Credit loss allowance	–	37,666	199,982	237,648
Profit before tax	81,479	1,204,545	(76,440)	1,209,584
Unconsolidated Statement of Financial Position				
Cash and bank balances	52,273	796,953	79,260	928,486
Investments	–	158,671,066	–	158,671,066
Lendings to financial institutions	–	–	–	–
Advances - performing	–	1,254,440	18,201,941	19,456,381
Advances - non-performing	–	12,129	141,391	153,520
Others	4,656	8,054,978	801,114	8,860,748
Total assets	56,929	168,789,566	19,223,706	188,070,201
Borrowings	–	158,794,054	15,799,944	174,593,998
Deposits & other accounts	–	–	–	–
Lease liabilities	–	2,515	250	2,765
Others	–	2,396,183	238,307	2,634,490
Total liabilities	–	161,192,752	16,038,501	177,231,253
Equity	56,929	7,596,814	3,185,205	10,838,948
Total equity and liabilities	56,929	168,789,566	19,223,706	188,070,201
Contingencies and commitments	–	116,840,634	6,332,674	123,173,308

39.2 Segment details with respect to geographical location

The operations of the Company are currently based only in Pakistan.

40 TRUST ACTIVITIES

The Company is acting as Debt Securities Trustee and Investment Agent to Issues of Term Finance Certificates (TFCs), Sukuk and Commercial Papers ("Debt Securities") and is holding Secured Properties in a fiduciary capacity for and on behalf of Investors. The Company is authorised to provide said services under Public Offering (Regulated Securities Activities Licensing) Regulations, 2017 (the "Regulations") of the Securities & Exchange Commission of Pakistan (SECP).

Presently, the Company is acting as Trustee and Investment Agent to 50 (fifty) debt securities issues by institutions namely Agha Steel Industries Limited, Agritech Limited, Azgard Nine Limited, Bank Alfalah Limited, Bank Al-Habib Limited, Bank Islami Pakistan Limited, Crescent Steel & Allied Product Limited, Dubai Islami Bank Pakistan Limited, Habib Bank Limited, Hub Power Company Limited, Hub Power Holding Pvt. Limited, JS Bank Limited, Kashf Foundation Limited, K-Electric Limited, Khushhali Microfinance Bank Limited, Neelum Jhelum Hydro Power Co. Limited, Pakistan Intermodals Limited, Pakistan Services Limited, Silk Bank Limited, Sindh Nooriabad Power Co. Ph. (II) Pvt. Limited (Phase-I & II), Soneri Bank Limited, Summit Bank Limited, Telecard Limited, The Bank of Punjab, U Microfinance Bank Limited, and WAPDA (Dasu Hydro Power Project). The combined value of debt securities as at December 31, 2024 amounted to Rs. 378,.511 million (2023: Rs. 386,774 million).

41 RELATED PARTY TRANSACTIONS

The Company has related party relationship with subsidiary companies (namely Primus Leasing Limited and Awwal Corporate Restructuring Company Limited), KSB Pumps Company Limited, Trade Development Authority of Pakistan, Engro Polymer and Chemicals Limited employees' defined benefit and defined contribution plan, its key management personnel and state controlled entities.

There are no transactions with key management personnel other than those carried out as per their terms of employment. Contributions to approved defined benefit and contribution plans are made in accordance with the actuarial valuations / terms of scheme. Remuneration to executives is disclosed in note 36 to the unconsolidated financial statements. Transactions with owners have been disclosed in 'Unconsolidated Statement of Changes in Equity'. All other transactions between the Company and its related parties are carried out under normal course of business except employee staff loans that are as per terms of employment. However, we understand that there are several transaction with subsidiaries that are based on agreed terms. The details of transactions with related parties during the year and balances with them as at year end, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

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

(Rupees in '000)

	2024				2023			
	Directors	**Key management personnel**	**Subsidiaries**	**Other related parties**	Directors	Key management personnel	Subsidiaries	Other related parties
Lendings								
Opening balance	**–**	**–**	**–**	**–**	–	–	–	26,000
Addition during the year	**–**	**–**	**–**	**–**	–	–	–	301,600
Repaid during the year	**–**	**–**	**–**	**–**	–	–	–	(327,600)
Closing balance	**–**	**–**	**–**	**–**	–	–	–	–
Investments								
Opening balance	**–**	**–**	**1,908,372**	**–**	–	–	2,013,372	–
Investment made during the year	**–**	**–**	**108,335**	**–**	–	–	–	–
Investment disposed off during the year	**–**	**–**	**–**	**–**	–	–	–	–
Classified as held-for-sale	**–**	**–**	**–**	**–**	–	–	(105,000)	–
Closing balance	**–**	**–**	**2,016,707**	**–**	–	–	1,908,372	–
Advances								
Opening balance	**–**	**49,810**	**719,958**	**159,775**	–	72,204	574,803	178,207
Addition during the year	**–**	**22,824**	**755,000**	**–**	–	19,558	395,540	300,000
Repaid during the year	**–**	**(26,964)**	**(909,958)**	**(454)**	–	(41,952)	(250,385)	(318,432)
Transfer in / (out) - net	**–**	**–**	**–**	**–**	–	–	–	–
Closing balance	**–**	**45,670**	**565,000**	**159,321**	–	49,810	719,958	159,775
Other assets								
Interest / mark-up accrued	**–**	**–**	**19,156**	**321**	–	–	49,595	288
Lease receivable under IFRS-16	**–**	**–**	**–**	**–**	–	–	437	–
Receivable from defined benefit plan	**–**	**–**	**–**	**–**	–	–	–	–
Preliminary expense	**–**	**–**	**–**	**–**	–	–	–	–
Others	**–**	**–**	**4,710**	**–**	–	–	5,877	1,023
	–	**–**	**23,866**	**321**	–	–	55,909	1,311
Assets classified as held-for-sale								
Opening balance	**–**	**–**	**145,000**	**–**	–	–	–	–
Transfer during the year	**–**	**–**	**–**	**–**	–	–	145,000	–
Disposed off during the year	**–**	**–**	**–**	**–**	–	–	–	–
Closing balance	**–**	**–**	**145,000**	**–**	–	–	145,000	–

(Rupees in '000)

	2024				2023			
	Directors	**Key management personnel**	**Subsidiaries**	**Other related parties**	Directors	Key management personnel	Subsidiaries	Other related parties
Borrowings								
Opening balance	**–**	**–**	**–**	**4,827**	–	–	–	–
Borrowings during the year	**–**	**–**	**–**	**126,755**	–	–	–	73,156
Settled during the year	**–**	**–**	**–**	**(131,582)**	–	–	–	(68,329)
Closing balance	**–**	**–**	**–**	**–**	–	–	–	4,827
Deposits and other accounts								
Opening balance	**–**	**–**	**–**	**–**	–	–	–	–
Received during the year	**–**	**–**	**–**	**–**	–	–	–	–
Withdrawn during the year	**–**	**–**	**–**	**–**	–	–	–	–
Closing balance	**–**	**–**	**–**	**–**	–	–	–	–
Other Liabilities								
Interest / mark-up payable	**–**	**–**	**–**	**–**	–	–	–	6
Payable to defined benefit plan	**–**	**–**	**–**	**3,139**	–	–	–	443
Other liabilities	**–**	**–**	**–**	**–**	–	–	–	–
	–	**–**	**–**	**3,139**	–	–	–	449
Income								
Mark-up / return / interest earned	**–**	**1,399**	**96,549**	**34,108**	–	3,268	109,785	43,865
Dividend income	**–**	**–**	**57,423**	**–**	–	–	120,000	–
Expense								
Mark-up / return / interest paid	**–**	**–**	**–**	**1,759**	–	–	–	442
Operating expenses	**6,000**	**116,355**	**–**	**–**	6,400	137,608	–	–
Reimbursement of expenses	**–**	**17,605**	**2,911**	**–**	–	15,700	5,619	233
Expenses charged (note 41.1)	**–**	**–**	**24,269**	**9,720**	–	–	23,589	9,290

41.1 These denote administrative expenses charged by the Company under the cost sharing agreement entered into between the Company and its subsidiaries (namely Primus Leasing Limited, Awwal Corporate Restucturing Compnay Limited).

41.2 During the year, the Company entered into transaction with Primus Leasing Limited amounting to Rs. Nil million (2023: Rs. 55.156 million) against purchase of Loan and Lease receivables. The Company incurred service charges for lease rental recoveries amounting to Rs. 2.911 million (2023: Rs. 5.852 million).

42 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2024	2023
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**6,000,000**	6,000,000
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**9,838,050**	8,225,128
Eligible Additional Tier 1 (ADT 1) Capital	**–**	–
Total Eligible Tier 1 Capital	**9,838,050**	8,225,128
Eligible Tier 2 Capital	**374,641**	–
Total Eligible Capital (Tier 1 + Tier 2)	**10,212,691**	8,225,128
Risk Weighted Assets (RWAs):		
Credit Risk	**22,084,164**	20,606,797
Market Risk	**10,787,140**	7,704,183
Operational Risk	**2,935,450**	2,634,080
Total	**35,806,754**	30,945,060
Common Equity Tier 1 Capital Adequacy ratio	**27.48%**	26.58%
Tier 1 Capital Adequacy Ratio	**27.48%**	26.58%
Total Capital Adequacy Ratio	**28.52%**	26.58%

In order to strengthen the solvency of Banks / Development Financial Institutions (DFI), SBP through its BSD Circular No. 19 of 2008 dated September 05, 2008 has asked the DFIs to raise their minimum paid up capital to Rs.6 billion free of losses by the end of financial year 2009.

The paid-up capital and CAR of the Company stands at Rs. 6 billion and 28.52% of its risk weighted exposure as at December 31, 2024.

The Company uses Standardised approach for calculations of Credit and Market Risk Weighted Assets while Basic Indicator approach is used to calculate Operational Risk Weighted assets.

	2024	2023
Notional minimum capital requirements prescribed by SBP		
CET1 minimum ratio	**6.00%**	6.00%
Tier 1 minimum ratio	**7.50%**	7.50%
Total capital minimum ratio	**11.50%**	11.50%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**9,838,050**	8,225,128
Total Exposures	**221,914,571**	153,919,681
Leverage Ratio	**4.43%**	5.34%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**54,535,339**	17,914,626
Total Net Cash Outflow	**58,002,502**	17,581,217
Liquidity Coverage Ratio	**94.02%**	101.90%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**24,609,964**	24,490,814
Total Required Stable Funding	**20,309,254**	18,812,749
Net Stable Funding Ratio	**121.18%**	130.18%

42.1 The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time shall be placed on the website. The link to the full disclosure is available at https://pakbrunei.com.pk/wp-content/uploads/2020/03/BaseIIII2020Disclosure-Standalone.pdf

43 RISK MANAGEMENT

The Risk Management Framework (the Framework) of the Company provides principles for identifying, assessing and monitoring risk within the Company. The Framework specifies the key elements of the risk management process in order to maximise opportunities, to minimise adversity and to achieve improved outcomes and outputs based on informed decision making.

Categories of risk
The Company generates most of its revenues by accepting credit, liquidity and market risk. Effective management of these risks is the decisive factor in the profitability of the Company. In addition, the Company is subject to certain consequential risks that are common to all business undertakings. These risks are grouped under two headings: operational risk and reputational risk. The Framework is organised with reference to these five risk categories as detailed below:

Credit risk	This risk is defined as the possibility of loss due to unexpected default or a deterioration of credit worthiness of a counter party.
Market risk	The risk of loss generated by adverse changes in the price of assets or contracts currently held by the Company.
Liquidity risk	The risk that the Company is unable to meet its payment obligations or fund increases in assets when they fall due without incurring an unacceptable cost the consequences of which may be the failure to meet obligations to repay investors and fulfil commitments to lend.
Operational risk	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events and includes legal risk.
Reputational risk	The risk of failing to meet the standards of performance or behaviour required or expected by stakeholders in commercial activities or the way in which business is conducted.

Risk responsibilities
The Board of Directors (the Board) is accountable for the overall supervision of the risk management process. The Board is responsible for the approval of all risk policies and ensuring that these are properly implemented. Furthermore, the Board approves the appointment of senior management personnel who are capable of managing the risk activities conducted by the Company.

Risk Management comprises of two areas namely Credit Risk Management (CRM) and Middle Office and Operational Risk (MOOR). CRM oversees credit risk taken by the Company while MOOR function overviews market, liquidity and operational risks of the Company. The functions of both of these units are subject to the policies and manuals approved by the Board, Prudential Regulations and additional regulatory directives issued from time to time. These units are independent of business generation and risk taking. For all credit exposures taken by the Company, CRM prepares a comprehensive credit advice highlighting business, financial and structural risks for Credit Committee members. CRM monitors the credit portfolio of the Company on a regular basis to ensure prudent lending. Moreover, this department also sets parameters for various risks including I) sectoral concentration, ii) exposure limits for single and group exposures, and iii) monitoring watch list accounts and the entire portfolio. The risk management philosophy is to identify and monitor risk on a portfolio basis and assess the risk taking capacity of the statement of financial position as a whole. MOOR is responsible for monitoring and reporting of market and liquidity risk as it arises from our trading, investing and lending activities. MOOR also conducts Risk and Self Assessment exercises and maintains Company wide risk registers to monitor operational risks embedded in the Company operations and ensure that sufficient controls are in place against such risks.

Different Management Committees have been set up to review different kinds of risks; mainly being the Assets and Liabilities Committee (ALCO), Credit Committee (CC) and Risk Management Committee (RMC). Comprehensive risk management manuals have been designed which cover all significant risks including credit, liquidity, market and operational risks and provides guidance to management on risk controls, limits, risk measurement tools and a reporting framework.

43.1 Credit risk

Credit risk, i.e. the potential default of one or more debtors, is the largest source of risk for the Company. The Company is exposed to credit risk through its lending and investment activities. The credit risk arising from exposure to corporates is governed by the Credit Risk Management Policy and Credit Administration Frameworks. The counter party credit risk arising from interbank lines are addressed in the Treasury policy framework. The Company has adopted Standardised Approach of Basel II Accord.

The Company manages 3 principal sources of credit risk:

i) Sovereign credit risk

When the Company lends to public sector borrowers, it prefers obtaining a full sovereign guarantee or the equivalent from the Government of Pakistan (GoP). However, certain public sector enterprises have a well defined cash flow stream and appropriate business model based on which the lending is secured through collaterals other than GoP guarantee.

ii) Non-sovereign credit risk

When the Company lends to private sector borrowers it does not benefit from sovereign guarantees or the equivalent. Consequently, each borrower's credit worthiness is analysed on a standalone basis. Two internal rating models are in use to rate (i) Corporate / Commercial customers (ii) SME customers. Frameworks of both these models have been duly approved by the Board.

iii) Counter party credit risk on interbank limits

In the normal course of its business, the Company's Treasury utilises products such as reverse repos and call lendings to meet the needs of the borrowers and manages its exposure to fluctuations in market interest rates and to temporarily invest its liquidity prior to disbursement. All of these financial instruments involve, to varying degrees, the risk that the counterparty in the transaction may be unable to meet its obligation to the Company.

Reflecting a preference for minimising the exposure to counterparty credit risk, the Company maintains eligibility criteria that link the exposure limits to counterparty credit ratings by external rating agencies. For example, the minimum rating for counterparties to be eligible for a financing relationship with the Company is BBB.

Credit administration

Credit Administration Department is involved in minimising losses that could arise due to security and documentation deficiencies.

Risk analytics

To ensure a prudent distribution of asset portfolio, the Company manages its lendings and investment activities within a framework of Borrower, Group, Product, Geographical and Sector exposure limits and risk profile benchmarks.

Stress testing

The Company also conducts stress testing of its existing portfolio, which includes all assets, i.e., advances as well as investments. This exercise is conducted on a quarterly basis through assigning shocks to distressed / non-performing assets of the Company and assessing its resulting effect on capital adequacy.

Regular monitoring

Regular monitoring of the advances portfolio is carried out which focuses on early problem recognition and influences the front office to carry out an assessment of the borrower's ability to rectify the identified problem / weakness within a reasonable time-frame, consider tighter structuring of facilities, confirm that there are no critical deficiencies in the existing security position and, if possible, arrange for strengthening of the same through obtaining additional collateral. It should however, be noted that these actions are taken prior to incurring overdues on the facility.

Portfolio diversification

While expanding the advances and the investment (TFCs) portfolio, efficient portfolio diversification has been a key consideration despite the relatively small size of operations.

Particulars of the Company's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

43.1.1 Investment in debt securities

(Rupees in '000)

					Credit loss allowance held					
	Gross investments		Non-performing investments		Stage 1		Stage 2		Stage 3	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Credit risk by industry sector										
Textile	**29,819**	38,553	**84,178**	123,447	**–**	–	**10,719**	–	**28**	38,553
Chemical and Pharmaceuticals	**178,460**	122,845	**53,460**	53,460	10	–	**–**	–	**53,460**	53,460
Steel	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Construction	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Power (Electricity), Gas, Water, Sanitary	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Transport, Storage and Communication	**14,361**	14,361	**14,361**	14,361	**–**	–	**–**	–	14,361	14,361
Financial	**2,420,852**	2,473,502	**–**	–	**47**	7	**–**	–	**–**	–
Food & Beverages	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Others	**366,833**	90,957	**149,141**	149,141	**20**	–	**–**	–	**149,141**	149,134
	3,010,325	2,740,218	**301,140**	340,409	**77**	7	**10,719**	–	**216,990**	255,508
Credit risk by public / private sector										
Public / Government	**162,119,523**	155,083,526	**–**	–	**–**	–	**–**	–	**–**	–
Private	**3,010,325**	2,740,218	**301,140**	340,409	**77**	7	**10,719**	–	**216,990**	255,508
	165,129,848	157,823,744	**301,140**	340,409	**77**	7	**10,719**	–	**216,990**	255,508

43.1.2 Advances

(Rupees in '000)

	Gross investments		Non-performing investments		Credit loss allowance held – Stage 1		Credit loss allowance held – Stage 2		Credit loss allowance held – Stage 3	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Credit risk by industry sector										
Textile	**3,733,411**	3,897,576	**30,900**	27,202	**6,614**	6,422	**933**	933	**30,764**	27,002
Chemical and Pharmaceuticals	**4,435,215**	3,588,466	**4,030**	4,028	**9,301**	5,593	**–**	–	**4,028**	4,028
Cement	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Sugar	**1,047,448**	1,804,365	**21,998**	21,998	**1,960**	2,958	**–**	–	**21,998**	21,998
Steel	**1,042,653**	1,043,911	**135,653**	135,653	**1,582**	1,582	**–**	–	**–**	102,156
Footwear and leather garments	**52,500**	–	**–**	–	**–**	–	**–**	–	**–**	–
Automobile and transportation equipment	**478,976**	244,379	**1,534**	2,290	**586**	37	**9,222**	9,222	**1,534**	2,290
Electronics and electrical appliances	**1,360,798**	879,918	**411,937**	411,937	**816**	523	**665**	665	**308,788**	304,044
Construction	**614,725**	603,384	**3,630**	3,780	**345**	748	**–**	–	**3,466**	2,522
Power (Electricity), Gas, Water, Sanitary	**1,891,000**	2,503,330	**138,073**	138,073	**7,297**	9,965	**–**	–	**138,073**	138,073
Retail	**24,467**	59,479	**675**	10,791	**558**	486	**388**	388	**10,363**	10,791
Exports/Imports	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Transport, Storage and Communication	**1,223,311**	35,714	**14,187**	17,987	**1,468**	–	**–**	–	**14,187**	17,986
Financial	**715,000**	869,958	**–**	–	**114**	–	**–**	–	**–**	–
Insurance	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Services	**590,284**	66,881	**17,535**	–	**4,565**	1,128	**–**	–	**20,915**	5,920
Individuals	**88,682**	133,853	**–**	–	**30**	30	**–**	–	**–**	–
Education	**16,708**	13,000	**3,379**	3,750	**–**	185	**–**	–	**–**	2,502
Food and beverages	**3,661,953**	2,669,784	**241,151**	315,159	**18,300**	9,784	**5,561**	5,561	**237,800**	313,374
Others	**1,163,384**	2,245,439	**44,963**	31,798	**8,083**	19,433	**2,954**	2,967	**125,900**	18,240
	22,140,515	20,659,437	**1,069,645**	1,124,446	**61,619**	58,874	**19,723**	19,736	**917,816**	970,926
Credit risk by public / private sector										
Public / Government	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Private	**22,140,515**	20,659,437	**1,069,645**	1,124,446	**61,619**	58,874	**19,723**	19,736	**917,816**	970,926
	22,140,515	20,659,437	**1,069,645**	1,124,446	**61,619**	58,874	**19,723**	19,736	**917,816**	970,926

43.1.3 Contingencies and Commitments

	2024	2023
	(Rupees in '000)	
Credit risk by industry sector		
Agriculture, Forestry, Hunting and Fishing	**65,000**	95,000
Textile	**850,000**	100,006
Chemical and Pharmaceuticals	**389,965**	711,652
Construction	**145,000**	–
Sugar	**150,000**	250,000
Power (Electricity), Gas, Water, Sanitary	**3,278,124**	3,764,350
Transport, Storage And Communication	**105,390**	200,000
Financial	**18,885,521**	117,914,440
Services	**116,000**	50,000
Packaging	**138,220**	49,527
Food and beverages	**634,205**	15,000
Electronics and electrical appliances	**–**	–
Leather & footwear	**–**	2,000
Others	**42,500**	21,333
	24,799,925	123,173,308
Credit risk by public / private sector		
Public / Government	**18,885,521**	117,914,440
Private	**5,914,404**	5,258,868
	24,799,925	123,173,308

43.1.4 Concentration of advances

The Company's top 10 exposures on the basis of total (funded and non-funded) aggregated to Rs. 8,723 million (2023: 9,524 million) are as following:

	2024	2023
	(Rupees in '000)	
Funded	**5,290,767**	5,774,765
Non Funded	**3,432,848**	3,749,549
Total Exposure	**8,723,615**	9,524,314

The sanctioned limits against these top 10 exposures aggregated to Rs. 9,718 million (2023: Rs. 19,514 million).

43.1.5 Advances - Province / Region-wise Disbursement and Utilisation

(Rupees in '000)

	2024					
		Utilisation				
Province / Region	**Disbursements**	**Punjab**	**Sindh**	**Balochistan**	**Islamabad**	**KPK**
Punjab	**8,451,258**	**8,451,258**	**–**	**–**	**–**	**–**
Sindh	**7,891,740**	**–**	**7,891,740**	**–**	**–**	**–**
Balochistan	**500,000**	**–**	**–**	**500,000**	**–**	**–**
Islamabad	**1,159,348**	**–**	**–**	**–**	**1,159,348**	**–**
KPK	**9,000**	**–**	**–**	**–**	**–**	**9,000**
Total	**18,011,346**	**8,451,258**	**7,891,740**	**500,000**	**1,159,348**	**9,000**

(Rupees in '000)

	2023					
		Utilisation				
Province / Region	Disbursements	Punjab	Sindh	Balochistan	Islamabad	KPK
Punjab	6,958,165	6,958,165	–	–	–	–
Sindh	10,719,095	–	10,719,095	–	–	–
Balochistan	901,500	–	–	901,500	–	–
Islamabad	–	–	–	–	–	–
KPK	3,000	–	–	–	–	3,000
Total	18,581,760	6,958,165	10,719,095	901,500	–	3,000

43.2 Market risk

The market risk is the risk of reductions in earnings, value and / or reserves arising from changes in market rates (such as interest rates, exchange rates, credit spreads) and market prices (such as commodities, equities, property etc.) as well as their correlations and volatilities. The Company is exposed to market risk primarily through its trading activities, which are centered in the Treasury and Capital market groups.

The Company classifies its assets in banking and trading books as per instructions from the SBP. The Company's trading book comprises positions in financial instruments held with trading intent or in order to hedge other elements of the trading book and free of any restrictive covenants on their tradability. In addition, positions need to be frequently and accurately valued and the portfolio should be actively managed. The positions which do not fulfil the criteria of trading book falls under the banking book and are treated as per SBP requirements.

The Company's trading book consists of investments in government securities, listed equities and mutual funds. The Company actively measures, controls and manages market risk in its trading book on a day-to-day basis. Controls are applied to all investment portfolios by setting limits to the exposures taken. This includes stop loss limits on shares in 'Held-for-trading' portfolio, individual and sectoral concentration limits, volatility and value-at-risk limits, etc.

The Company measures market risk using various techniques like duration analysis for interest rate risk in banking book, Value-at-Risk for adverse price movement, sensitivity analysis for investment in government securities, stress testing, etc. The results are communicated to ALCO and Risk Management Committee on monthly and quarterly basis respectively. Results are also communicated to the Board of Directors every quarter and to Board's Risk Management Committee on a half-yearly basis. Market risk is effectively managed at the portfolio level. The Company has adopted Standardised Approach of Basel II Accord.

43.2.1 Unconsolidated Statement of Financial Position split by trading and banking books - Basel II Specific

(Rupees in '000)

	2024			2023		
	Banking book	**Trading book**	**Total**	Banking book	Trading book	Total
Cash and balances with treasury banks	**796,300**	**–**	**796,300**	688,559	–	688,559
Balances with other banks	**107,838**	**–**	**107,838**	239,927	–	239,927
Lendings to financial institutions	**–**	**–**	**–**	–	–	–
Investments	**4,781,554**	**163,966,508**	**168,748,062**	4,381,875	154,289,191	158,671,066
Advances	**21,141,357**	**–**	**21,141,357**	19,609,901	–	19,609,901
Property and equipment	**47,071**	**–**	**47,071**	53,320	–	53,320
Right-of-use assets	**54,278**	**–**	**54,278**	16,863	–	16,863
Intangible assets	**7,893**	**–**	**7,893**	12,521	–	12,521
Deferred tax assets	**243,419**	**–**	**243,419**	1,129,621	–	1,129,621
Other assets	**10,684,829**	**–**	**10,684,829**	7,356,144	–	7,356,144
Assets classified as held-for-sale	**168,904**	**–**	**168,904**	292,279	–	292,279
	38,033,443	**163,966,508**	**201,999,951**	33,781,010	154,289,191	188,070,201

43.2.2 Foreign exchange risk

Foreign exchange risk is the risk of loss arising from fluctuations of exchange rates. The Company is not exposed to any significant funded or non-funded foreign exchange exposure.

43.2.3 Equity position risk

Equity position risk is the risk that the fair value will fluctuate as a result of changes in prices of individual stocks or the levels of equity indices. The Company's equity investments are either classified as fair value through Other Comprehensive Income (FVOCI) or fair value through profit or loss account (FVPL). The objective of the fair value through OCI portfolio is to maintain a medium term view of capital gains and dividend income while the Company takes advantage of short-term capital gains through its fair value through profit or loss (FVPL) portfolio investments. It is managed by the Company through its internal investment policy which is duly approved by the Board. The policy defines various position limits, portfolio limits and stop loss limits for the equity desk. The Company also applies stress tests on the equity portfolio which is part of the Company's overall market risk exposure limit on the banking book.

(Rupees in '000)

	2024		2023	
	Banking book	**Trading book**	Banking book	Trading book
Impact of 5% change in equity prices on				
- Unconsolidated statement of profit and loss account	**–**	**–**	–	–
- Other comprehensive income	**–**	**(67,302)**	–	(48,066)

43.2.4 Yield / interest rate risk in the banking book (IRRBB) - Basel II Specific

Yield / interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity dates and for off-balance sheet instruments is based on settlement dates. This also refers to the non-trading market risk. Apart from the gap analysis between the market rate sensitive assets and liabilities as per the table given below, the Company also conducts interest rate sensitivity analysis in the banking book using the Duration Gap analysis based on its interest rate sensitive assets and interest rate sensitive liabilities. The Company also uses parallel shift in interest rates to determine the impact of adverse rate changes on investments in government securities.

- Interest rate sensitivity of assets and liabilities is measured based on actual re-pricing / maturity behaviour of all interest rate sensitive assets and liabilities.
- Duration GAP is calculated based on interest rate re-pricing of assets and liabilities and is used to determine impact of adverse interest rate movements on the Company's equity. Such an analysis is conducted every month and results are reported to the ALCO and RMC on a monthly and quarterly basis respectively.

(Rupees in ‘000)

	2024		2023	
	Banking book	**Trading book**	Banking book	Trading book
Impact of 1% change in interest rates on				
- Unconsolidated statement of profit and loss account	**125,364**	**–**	(36,303)	–
- Other comprehensive income	**–**	**595,950**	–	(1,888,270)

43.2.5 Mismatch of interest rate sensitive assets and liabilities

(Rupees in ‘000)

	2024											
	Effective yield/ interest rate %	Total	Exposed to yield/interest risk									Non-interest Bearing Financial Instruments
			Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		796,300	–	–	–	–	–	–	–	–	–	796,300
Balances with other banks	5.02% to 13.50%	107,838	10,601	–	–	97,237	–	–	–	–	–	–
Lending to financial institutions		–	–	–	–	–	–	–	–	–	–	–
Investments	7.94% to 20.29%	166,731,355	25,026,972	40,694,552	89,237,936	–	1,424,258	–	8,004,974	744,741	251,879	1,346,043
Advances	2.25% to 28.35%	21,141,357	2,792,139	1,408,370	2,879,320	4,391,179	2,827,996	2,241,642	3,028,619	1,508,082	–	64,010
Other assets		5,185,975	–	–	–	–	–	–	–	–	–	5,185,975
		193,962,825	27,829,712	42,102,922	92,117,256	4,488,416	4,252,254	2,241,642	11,033,593	2,252,823	251,879	7,392,328
Liabilities												
Borrowings	0% to 19.06%	184,383,470	41,852,059	51,942,960	85,907,171	1,076,049	2,061,261	702,966	654,001	187,003	–	–
Deposits and other accounts		1,165,705	20,000	500,000	645,705	–	–	–	–	–	–	–
Other liabilities		3,556,353	–	–	–	–	–	–	–	–	–	3,556,353
		189,105,528	41,872,059	52,442,960	86,552,876	1,076,049	2,061,261	702,966	654,001	187,003	–	3,556,353
On-balance sheet gap		4,857,297	(14,042,347)	(10,340,038)	5,564,380	3,412,367	2,190,993	1,538,675	10,379,592	2,065,820	251,879	3,835,975
Non financial net assets		7,801,076										
Total net assets		12,658,373										
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		1,327,589	1,327,589	–	–	–	–	–	–	–	–	–
Commitments in respect of:												
– forward foreign exchange contracts		–	–	–	–	–	–	–	–	–	–	–
– forward lendings		4,850,815	4,850,815	–	–	–	–	–	–	–	–	–
– forward investments		–	–	–	–	–	–	–	–	–	–	–
– repo transactions		18,700,521	18,700,521	–	–	–	–	–	–	–	–	–
Other commitment		–	–	–	–	–	–	–	–	–	–	–
Off-balance sheet gap		24,878,925	24,878,925	–	–	–	–	–	–	–	–	–
Total yield / interest risk sensitivity gap			10,836,578	(10,340,038)	5,564,380	3,412,367	2,190,993	1,538,675	10,379,592	2,065,820	251,879	3,835,975
Cumulative yield / interest risk sensitivity gap			10,836,578	496,541	6,060,921	9,473,288	11,664,281	13,202,956	23,582,549	25,648,369	25,900,248	29,736,223

(Rupees in '000)

	Effective yield/ interest rate %	Total	2023									
			Exposed to yield/interest risk									Non-interest Bearing Financial Instruments
			Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		688,559	–	–	–	–	–	–	–	–	–	688,559
Balances with other banks	20.50% to 20.51%	239,927	239,927	–	–	–	–	–	–	–	–	–
Lending to financial institutions		–	–	–	–	–	–	–	–	–	–	–
Investments	14.68% to 25.79%	156,762,694	64,979,855	38,635,150	30,753,019	15,885,743	–	923,447	2,636,741	1,774,866	212,557	961,316
Advances	2.7% to 29.67%	19,609,901	4,842,646	7,329,702	2,439,617	1,064,876	1,099,201	929,310	1,284,444	553,810	–	66,295
Other assets		5,650,450	–	–	–	–	–	–	–	–	–	5,650,450
		182,951,531	70,062,428	45,964,852	33,192,636	16,950,619	1,099,201	1,852,757	3,921,185	2,328,676	212,557	7,366,620
Liabilities												
Borrowings	0% to 23.26%	174,593,998	136,401,758	3,626,704	29,033,267	1,079,535	2,024,663	867,661	1,145,106	415,304	–	–
Deposits and other accounts		–	–									
Other liabilities		2,433,101	–	–	–	–	–	–	–	–	–	2,433,101
		177,027,099	136,401,758	3,626,704	29,033,267	1,079,535	2,024,663	867,661	1,145,106	415,304	–	2,433,101
On-balance sheet gap		5,924,432	(66,339,330)	42,338,148	4,159,369	15,871,084	(925,462)	985,095	2,776,079	1,913,372	212,557	4,933,519
Net non financial assets		4,914,516										
Net assets		10,838,948										
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		1,376,350	1,376,350	–	–	–	–	–	–	–	–	–
Commitments in respect of:												
– forward foreign exchange contracts		–	–	–	–	–	–	–	–	–	–	–
– forward lendings		3,884,675	3,884,675	–	–	–	–	–	–	–	–	–
– forward investments		4,956,324	4,956,324	–	–	–	–	–	–	–	–	–
– repo transactions		112,955,959	112,955,959	–	–	–	–	–	–	–	–	–
Other commitment		–	–	–	–	–	–	–	–	–	–	–
Off-balance sheet gap		123,173,308	123,173,308	–	–	–	–	–	–	–	–	–
Total yield / interest risk sensitivity gap			56,833,978	42,338,148	4,159,369	15,871,084	(925,462)	985,096	2,776,079	1,913,372	212,557	4,933,519
Cumulative yield / interest risk sensitivity gap			56,833,978	99,172,127	103,331,496	119,202,580	118,277,118	119,262,214	122,038,294	123,951,666	124,164,223	129,097,742

43.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Company, like all financial institutions, is exposed to many types of operational risks, including the potential losses arising from internal activities or external events caused by breakdowns in information, communication, physical safeguards, business continuity, supervision, transaction processing, settlement systems and procedures and the execution of legal, fiduciary and agency responsibilities.

The Company maintains a system of internal controls designed to keep operational risk at appropriate levels, in view of the Company's financial strength and the characteristics of the activities and market in which it operates. These internal controls are periodically updated to conform to the industry's best practices. The Company also gathers operational risk losses to determine strengths and sufficiency of its internal controls.

The Company has developed a Business Continuity Plan applicable to all its functional areas and the plan is rehearsed at least twice in a year.

Furthermore, the Company's operations are relatively simple as compared to a large scale commercial bank. The Company only operates with its head office in Karachi with a liaison office in Lahore. Given simple operations and small scale, Company uses Basic Indicator Approach (BIA) to determine capital charge under Basel II.

43.4 Liquidity risk

Liquidity risk is the risk that the Company is unable to fund its current obligations and operations in the most cost efficient manner. ALCO is the forum to oversee liquidity management.

Liquidity risk can arise from the Company's activities and can be grouped into three categories:

- Inflows / outflows from on-balance sheet items (other than marketable securities and wholesale borrowings) and off-balance sheet items;
- Marketability of trading securities; and
- Capacity to borrow from the wholesale markets for funding as well as trading activities.

The Company's main funding source is the inter-bank money market. Changes in the government monetary policy and market expectations of interest rate are all important factors that can adversely affect our key funding sources. Efficient and accurate planning plays a critical role in liquidity management. The Company's MIS provides information on expected cash inflows / outflows which allows the Company to take timely decisions based on future requirements. The Company monitors all the possible sources from which liquidity risk can emanate including market reputation, borrowing terms, deterioration in quality of credit portfolio, etc. Other sources are also identified for which early warning indicators have been created and are being monitored for early intervention of management sensing a potential liquidity crunch.

Gap analysis and stress testing is done on a periodic basis to capture any adverse effect of market movements on liquidity position. Based on the results produced, ALCO devises the liquidity management strategy to maintain sufficient liquidity to deal with any related catastrophe.

43.4.1 Maturities of assets and liabilities - based on contractual maturities of assets and liabilities of the Company

(Rupees in '000)

	2024													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
Assets														
Cash and balances with treasury banks	796,300	796,300	–	–	–	–	–	–	–	–	–	–	–	240,000
Balances with other banks	107,838	–	–	–	10,602	–	–	–	–	97,236	–	–	–	–
Lendings to financial institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	168,748,062	–	–	–	269,182	154,503	134,604	19,413,934	9,218,568	2,280,805	27,326,026	4,706,478	83,150,012	22,093,950
Advances	21,141,357	348,857	555,438	1,078,920	808,924	691,437	716,933	2,879,320	990,894	3,402,792	2,825,488	2,241,642	3,028,619	1,572,093
Property and equipment	47,071	–	–	–	–	6,265	2,233	8,930	10,361	2,232	12,285	4,765	–	–
Right-of-use assets	54,278	–	–	–	2,773	2,773	2,773	8,318	8,318	8,318	21,005	–	–	–
Intangible assets	7,893	–	–	–	947	947	947	2,841	2,211	–	–	–	–	–
Deferred tax assets	243,419	–	–	–	–	–	–	–	–	–	–	243,419	–	–
Other assets	10,684,829	206,155	591,532	150,064	91,643	806,813	922,308	2,364,545	201,543	13,250	57,919	5,275,719	3,338	–
Assets classified as held-for-sale	168,904	–	–	–	–	–	–	–	–	168,904	–	–	–	–
	201,999,951	1,351,312	1,146,970	1,228,984	1,184,071	1,662,738	1,779,798	24,677,888	10,431,895	5,973,537	30,242,723	12,472,023	86,181,969	23,666,043
Liabilities														
Borrowings	184,383,470	–	18,717,725	6,073,513	16,083,904	28,289,322	19,498,164	83,516,745	1,024,991	2,334,771	4,823,509	2,869,870	946,438	204,518
Deposits and other accounts	1,165,705	–	20,000	–	–	–	500,000	645,705	–	–	–	–	–	–
Lease liabilities	37,194	–	–	–	447	453	460	1,423	34,411	–	–	–	–	–
Other liabilities	3,755,209	204,059	57,068	15,218	246,460	526,662	109,920	2,487,700	33,589	234	53,113	11,956	9,230	–
	189,341,578	204,059	18,794,793	6,088,731	16,330,811	28,816,437	20,108,544	86,651,573	1,092,991	2,335,005	4,876,622	2,881,826	955,668	204,518
Net assets	12,658,373	1,147,253	(17,647,823)	(4,859,747)	(15,146,739)	(27,153,699)	(18,328,746)	(61,973,685)	9,338,904	3,638,532	25,366,101	9,590,197	85,226,301	23,461,525
Share capital	6,000,000													
Reserves	2,512,191													
Unappropriated profit	3,563,017													
Deficit on revaluation of assets	583,165													
	12,658,373													

(Rupees in '000)

	2023													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
Assets														
Cash and balances with treasury banks	688,559	688,559	–	–	–	–	–	–	–	–	–	–	–	–
Balances with other banks	239,927	–	–	–	140,203	–	–	–	–	99,724	–	–	–	–
Lendings to financial institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	158,671,066	–	1,448,115	–	378,368	99,277	96,132	2,876,321	13,766,883	24,712,901	47,665,276	34,846,480	22,013,994	10,767,319
Advances	19,609,901	247,864	1,090,552	25,508	817,088	1,409,823	1,894,236	2,335,856	1,014,961	3,317,671	2,511,481	1,809,686	2,006,890	1,128,285
Property and equipment	53,320	–	–	–	3,401	2,935	2,935	2,078	3,888	11,270	16,719	9,392	702	–
Right-of-use assets	16,863	–	–	–	2,202	2,058	2,202	6,463	2,335	202	803	598	–	–
Intangible assets	12,521	–	–	–	1,251	1,251	1,251	3,111	–	1,885	3,772	–	–	–
Deferred tax assets	1,129,621	4,875	61,575	3,353	21,496	43,069	68,001	116,453	79,668	155,514	228,201	161,159	122,814	63,443
Other assets	7,356,144	144,538	1,716,817	144,111	319,242	828,365	1,218,606	923,788	168,933	–	–	1,848,407	43,337	–
Assets classified as held-for-sale	292,279	–	–	–	–	–	–	123,375	–	168,904	–	–	–	–
	188,070,201	1,085,836	4,317,059	172,972	1,683,251	2,386,778	3,283,363	6,387,445	15,036,668	28,468,071	50,426,252	38,675,722	24,187,737	11,959,047
Liabilities														
Borrowings	174,593,998	–	56,017,806	43,072,284	37,248,615	371,059	459,665	22,764,815	1,194,142	2,893,415	5,775,255	2,864,646	1,458,020	474,276
Deposits and other accounts	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Lease liabilities	2,765	–	–	–	27	519	98	109	431	77	930	574	–	–
Other liabilities	2,634,490	90,721	183,662	460,429	482,815	68,917	72,635	816,580	36,911	115,230	33,525	260,892	12,173	–
	177,231,253	90,721	56,201,468	43,532,713	37,731,457	440,495	532,398	23,581,504	1,231,484	3,008,722	5,809,710	3,126,112	1,470,193	474,276
Net assets	10,838,948	995,115	(51,884,409)	(43,359,741)	(36,048,206)	1,946,283	2,750,965	(17,194,059)	13,805,184	25,459,349	44,616,542	35,549,610	22,717,544	11,484,771
Share capital	**6,000,000**													
Reserves	**2,390,092**													
Unappropriated profit	**3,269,323**													
Deficit on revaluation of assets	**(820,467)**													
	10,838,948													

43.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Company

(Rupees in '000)

	2024									
	Total	**Upto 1 month**	**Over 1 to 3 months**	**Over 3 to 6 months**	**Over 6 months to 1 year**	**Over 1 to 2 years**	**Over 2 to 3 years**	**Over 3 to 5 years**	**Over 5 to 10 years**	**Above 10 years**
Assets										
Cash and balances with treasury banks	**796,300**	**796,300**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balances with other banks	**107,838**	**10,602**	**–**	**–**	**97,236**	**–**	**–**	**–**	**–**	**–**
Lendings to financial institutions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Investments	**168,748,062**	**269,182**	**289,107**	**19,413,934**	**11,499,373**	**27,326,026**	**4,706,478**	**83,150,012**	**22,093,950**	**–**
Advances	**21,141,357**	**2,792,139**	**1,408,370**	**2,879,320**	**4,393,686**	**2,825,488**	**2,241,642**	**3,028,619**	**1,572,093**	**–**
Property and equipment	**47,071**	**–**	**8,498**	**8,930**	**12,593**	**12,285**	**4,765**	**–**	**–**	**–**
Right-of-use assets	**54,278**	**2,773**	**5,546**	**8,318**	**16,636**	**21,005**	**–**	**–**	**–**	**–**
Intangible assets	**7,893**	**947**	**1,894**	**2,841**	**2,211**	**–**	**–**	**–**	**–**	**–**
Deferred tax assets	**243,419**	**–**	**–**	**–**	**–**	**–**	**243,419**	**–**	**–**	**–**
Other assets	**10,684,829**	**1,039,394**	**1,729,121**	**2,364,545**	**214,793**	**57,919**	**5,275,719**	**3,338**	**–**	**–**
Assets classified as held-for-sale	**168,904**	**–**	**–**	**–**	**168,904**	**–**	**–**	**–**	**–**	**–**
	201,999,951	**4,911,337**	**3,442,536**	**24,677,888**	**16,405,432**	**30,242,723**	**12,472,023**	**86,181,969**	**23,666,043**	**–**
Liabilities										
Borrowings	**184,383,470**	**40,875,142**	**47,787,486**	**83,516,745**	**3,359,762**	**4,823,509**	**2,869,870**	**946,438**	**204,518**	**–**
Deposits and other accounts	**1,165,705**	**20,000**	**500,000**	**645,705**	**–**	**–**	**–**	**–**	**–**	**–**
Lease liability	**37,194**	**447**	**913**	**1,423**	**34,411**	**–**	**–**	**–**	**–**	**–**
Other liabilities	**3,755,209**	**522,805**	**636,582**	**2,487,700**	**33,823**	**53,113**	**11,956**	**9,230**	**–**	**–**
	189,341,578	**41,418,394**	**48,924,981**	**86,651,573**	**3,427,996**	**4,876,622**	**2,881,826**	**955,668**	**204,518**	**–**
Net assets	**12,658,373**	**(36,507,057)**	**(45,482,445)**	**(61,973,685)**	**12,977,436**	**25,366,101**	**9,590,197**	**85,226,301**	**23,461,525**	**–**
Share capital	**6,000,000**									
Reserves	**2,512,191**									
Unappropriated profit	**3,563,017**									
Deficit on revaluation of assets	**583,165**									
	12,658,373									

43.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Company

(Rupees in '000)

	2023									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
Assets										
Cash and balances with treasury banks	688,559	688,559	–	–	–	–	–	–	–	–
Balances with other banks	239,927	140,203	–	–	99,724	–	–	–	–	–
Lendings to financial institutions	–	–	–	–	–	–	–	–	–	–
Investments	158,671,066	1,826,483	195,409	2,876,321	38,479,784	47,665,276	34,846,480	22,013,994	10,767,319	–
Advances	19,609,901	2,181,012	3,304,059	2,335,856	4,332,632	2,511,481	1,809,686	2,006,890	1,128,285	–
Property and equipment	53,320	3,401	5,870	2,078	15,158	16,719	9,392	702	–	–
Right-of-use assets	16,863	2,202	4,260	6,463	2,537	803	598	–	–	–
Intangible assets	12,521	1,251	2,502	3,111	1,885	3,772	–	–	–	–
Deferred tax assets	1,129,621	91,299	111,070	116,463	235,182	228,201	161,159	122,814	63,443	–
Other assets	7,356,144	2,324,708	2,046,971	923,788	168,933	–	1,848,407	43,337	–	–
Assets classified as held-for-sale	292,279	–	–	123,375	168,904	–	–	–	–	–
	188,070,201	7,259,118	5,670,141	6,387,448	43,504,739	50,426,252	38,675,722	24,187,737	11,959,047	–
Liabilities										
Borrowings	174,593,998	136,338,705	830,724	22,764,815	4,087,557	5,775,255	2,864,646	1,458,020	474,276	–
Deposits and other accounts	–	–	–	–	–	–	–	–	–	–
Lease liability	2,765	27	617	109	508	930	574	–	–	–
Other liabilities	2,634,490	1,217,627	141,552	816,580	152,141	33,525	260,892	12,173	–	–
	177,231,253	137,556,359	972,893	23,581,504	4,240,206	5,809,710	3,126,112	1,470,193	474,276	–
Net assets	10,838,948	(130,297,241)	4,697,248	(17,194,059)	39,264,533	44,616,542	35,549,610	22,717,544	11,484,771	–
Share capital	6,000,000									
Reserves	2,390,092									
Unappropriated profit	3,269,323									
Deficit on revaluation of assets	(820,467)									
	10,838,948									

44 EVENTS AFTER THE REPORTING DATE

The Board of Directors have proposed a final dividend for the year ended December 31, 2024 of **Re. 0.5** per share (2023: Re. 0.5 per share), amounting to Rs. **300** million (2023: Rs. 300 million) at their meeting held on **March 05, 2025**, for approval of the members at the annual general meeting to be held on **March 27, 2025**. The unconsolidated financial statements for the year ended December 31, 2024 do not include the effect of these appropriations which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2025.

45 GENERAL

45.1 Figures in these unconsolidated financial statements have been rounded off to the nearest thousand Rupees unless otherwise stated.

46 DATE OF AUTHORISATION

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on **March 05, 2025**.

President/Chief Executive **Chief Financial Officer** **Director** **Director** **Director**

Annexure - I

As referred in note 9.6 of the unconsolidated financial statements.

Statement showing written-off loans or any other financial relief of Rs. 500,000/- or above provided

During the year ended December 31, 2024

(Rupees in '000)

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest/ Mark-up written-off/ waived	Other financial relief provided	Total (9+10+11)
				Principal	Interest/ mark-up	Other than Interest/ mark-up	Total (5+6+7)				
1	2	3	4	5	6	7	8	9	10	11	12
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Consolidated Financial Statements

122	Consolidated Independent Auditor's Report
126	Consolidated Statement of Financial Position
127	Consolidated Profit and Loss Account
128	Consolidated Statement of Comprehensive Income
129	Consolidated Cash Flow Statement
130	Consolidated Statement of Changes in Equity
131	Notes to the Consolidated Financial Statements

YOUSUF ADIL

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Independent Auditor's Report

To the members of Pak Brunei Investment Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Pak Brunei Investment Company Limited (the Holding Company),** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at **December 31, 2024,** and the consolidated statement of profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, consolidated statement of profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Group's affairs as at December 31, 2024 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Information Other than the Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

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

The engagement partner on the audit resulting in this independent auditor's report is **Hena Sadiq.**

Yousuf Adil

Chartered Accountants

Place: Karachi
Dated: March 5, 2025
UDIN: AR202410057TGdpgvVoH

Consolidated

Statement of Financial Position

As at December 31, 2024

2024	2023		Note	2024	Restated 2023
(US Dollars in '000)				(Rupees in '000)	
		ASSETS			
2,826	2,444	Cash and balances with treasury banks	5	**796,314**	688,562
3,700	2,028	Balances with other banks	6	**1,042,491**	571,381
–	–	Lendings to financial and other institutions		**–**	–
591,792	556,409	Investments	7	**166,731,355**	156,762,694
84,663	79,145	Advances	8	**23,852,969**	22,298,274
367	422	Property and equipment	9	**103,403**	118,852
259	86	Right-of-use assets	10	**72,991**	24,160
27	44	Intangible assets	11	**8,020**	12,799
1,277	4,391	Deferred tax assets	12	**359,874**	1,237,193
38,249	26,238	Other assets	13	**10,776,256**	7,392,212
600	694	Assets classified as held-for-sale	14	**168,904**	195,387
723,760	671,901	**Total Assets**		**203,912,577**	189,301,514
		LIABILITIES			
–	–	Bills payable		**–**	–
656,729	621,024	Borrowings	15	**185,026,803**	174,967,331
4,138	44	Deposits and other accounts	16	**1,165,705**	12,400
219	34	Lease liabilities	17	**61,649**	9,527
–	–	Liabilities against assets subject to finance lease		**–**	–
–	–	Subordinated debt		**–**	–
–	–	Deferred tax liabilties		**–**	–
16,370	12,082	Other liabilities	18	**4,612,001**	3,404,000
677,456	633,184	**Total Liabilities**		**190,866,158**	178,393,258
46,304	38,717	**NET ASSETS**		**13,046,419**	10,908,256
		REPRESENTED BY			
21,293	21,296	Share capital	19	**6,000,000**	6,000,000
8,917	8,483	Reserves		**2,512,190**	2,390,092
14,016	11,894	Unappropriated profit		**3,948,804**	3,350,949
2,070	(2,964)	Surplus / (Deficit) on revaluation of assets	20	**583,165**	(835,029)
46,296	38,709	Total equity attributable to the equity holders of the Holding Company		**13,044,159**	10,906,012
8	8	Non-controlling interest		**2,260**	2,244
46,304	38,717			**13,046,419**	10,908,256
		CONTINGENCIES AND COMMITMENTS	21		

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

President/Chief Executive	Chief Financial Officer	Director	Director	Director

Consolidated

Statement of Profit and Loss Account

For the Year ended December 31, 2024

2024	2023		Note	2024	Restated 2023
(US Dollars in '000)				(Rupees in '000)	
136,451	80,613	Mark-up / return / interest earned	22	**38,443,614**	22,711,946
130,768	74,134	Mark-up / return / interest expensed	23	**36,842,555**	20,886,411
5,683	6,479	Net mark-up / interest income		**1,601,059**	1,825,535
		Non mark-up / interest income			
476	428	Fee and commission income	24	**134,016**	120,583
1,547	801	Dividend income		**435,802**	225,572
–	–	Foreign exchange income		**–**	–
–	–	Income / (loss) from derivatives		**–**	–
246	437	Gain / (loss) on securities	25	**69,074**	123,238
348	360	Other income	26	**97,909**	101,311
2,617	2,026	Total non-markup / interest income / expense		**736,801**	570,704
8,300	8,505	Total income		**2,337,860**	2,396,239
		Non mark-up / interest expenses			
2,588	2,522	Operating expenses	27	**729,189**	710,492
–	–	Other charges	28	**–**	–
109	114	Workers' Welfare Fund	29	**30,821**	32,057
2,697	2,636	Total non mark-up / interest expenses		**760,010**	742,549
5,603	5,869	Profit before credit loss allowance		**1,577,850**	1,653,690
(211)	831	Credit loss allowance and write offs - net	30	**(59,528)**	233,987
5,814	5,038	**Profit before levies & taxation from continuing operations**		**1,637,378**	1,419,703
1,905	1,140	Levies		**536,799**	321,063
3,909	3,898	**Profit before taxation from continuing operations**		**1,100,579**	1,098,640
602	410	Taxation	32	**169,641**	115,524
3,307	3,488	Profit for the year from continuing operations		**930,937**	983,116
		Discontinued Operations			
(59)	(82)	Profit / (loss) after tax for the year from discontinued operations	14.2	**(16,495)**	(22,979)
3,248	3,406	**Profit for the year**		**914,442**	960,137
		Attributable to:			
3,247	3,405	Equity holders of the Holding Company		**914,301**	960,114
1	1	Non-controlling interest		**141**	23
3,248	3,406			**914,442**	960,137
(US Dollars)				(Rupees)	
0.00541	0.00568	Basic and diluted earnings per share	33	**1.52**	1.60

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

President/Chief Executive	Chief Financial Officer	Director	Director	Director

Consolidated
Statement of Comprehensive Income

For the Year ended December 31, 2024

2024	2023		Note	2024	2023
(US Dollars in '000)				(Rupees in '000)	
		Profit after taxation for the year attributable to:			
3,248	3,405	Equity holders of the Holding Company		**914,301**	960,114
1	1	Non-controlling interest		**141**	23
3,249	3,406			**914,442**	960,137
		Other comprehensive loss			
		Items that may be reclassified to consolidated statement of profit and loss account in subsequent periods:			
51	–	Reversal of deficit on disposal of subsidairy		**14,562**	–
4,860	251	Movement in surplus on revaluation of debt 'investments through FVOCI - net of tax	20.1	**1,369,268**	70,868
		Items that will not be reclassified to consolidated statement of profit and loss account in subsequent periods:			
3	12	- Remeasurement gain on defined benefit plan - net of tax		**852**	3,263
121	2,168	Movement in surplus on revaluation of equity investments - net of tax		**34,364**	610,725
372	(1,591)	Gain / (loss) on disposal of securities classified as FVOCI - net of tax		**104,800**	(448,365)
8,656	4,246	**Total comprehensive income / (loss)**		**2,438,288**	1,196,628

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

President/Chief Executive	Chief Financial Officer	Director	Director	Director

Consolidated
Statement of Changes in Equity

For the Year ended December 31, 2024

	Share capital	Capital reserve Statutory reserve*	Revenue reserve General reserve**	(Deficit) / surplus on revaluation of assets	Unappropriated profit	Non-controlling interest	Total
				(Rupees in '000)			
Balance as at January 01, 2023 (restated)	6,000,000	1,820,621	300,000	(1,516,622)	3,353,115	2,221	9,959,335
Impact of first time adoption of IFRS 9	–	–	–	–	(247,707)	–	(247,707)
Total comprehensive income for the year							
Profit after taxation for the year ended December 31, 2023	–	–	–	–	960,114	23	960,137
Other comprehensive loss							
- Remeasurement loss on defined benefit obligations - net of tax	–	–	–	–	3,263	–	3,263
- Loss on disposal of securities classified as fair value through other comprehensive income - net of tax	–	–	–	–	(448,365)	–	(448,365)
- Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	–	–	–	70,868	–	–	70,868
- Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	–	–	–	610,725	–	–	610,725
	–	–	–	681,593	515,012	23	1,196,628
Transfer to statutory reserve	–	169,471	–	–	(169,471)	–	–
Transfer to general reserve	–	–	100,000	–	(100,000)	–	–
Transactions with owners, recorded directly in equity							
Balance as at December 31, 2023	6,000,000	1,990,092	400,000	(835,029)	3,350,949	2,244	10,908,256
Total comprehensive income for the year							
Profit after taxation for the year ended December 31, 2024	–	–	–	–	914,301	141	914,442
Other comprehensive loss							
- Remeasurement loss on defined benefit obligations - net of tax	–	–	–	–	852	–	852
Reversal of deficit on disposal of subsidairy	–	–	–	14,562	–	–	14,562
- Gain on disposal of securities classified as fair value through other comprehensive income - net of tax	–	–	–	–	104,800	–	104,800
- Movement in surplus on revaluation of investments in debt instruments - net of tax	–	–	–	1,369,268	–	–	1,369,268
- Movement in surplus on revaluation of investments in equity instruments - net of tax	–	–	–	34,364	–	–	34,364
	–	–	–	1,418,194	1,019,953	141	2,438,288
Transfer to statutory reserve	–	122,098	–	–	(122,098)	–	–
Transactions with owners, recorded directly in equity							
Final cash dividend paid for the year ended December 31, 2023 @ Re.0.50 per share	–	–	–	–	(300,000)	–	(300,000)
Final cash dividend paid for the year ended December 31, 2023 @ Re.0.50 per share	–	–	–	–	–	(125)	(125)
Balance as at December 31, 2024	**6,000,000**	**2,112,190**	**400,000**	**583,165**	**3,948,804**	**2,260**	**13,046,419**

* This reserve is created under the requirement of section of 42(2) of SBP Act, 1956.
** This reserve is created under the requirement of Companies Act, 2017 for future losses and other contingencies.

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

President/Chief Executive	**Chief Financial Officer**	**Director**	**Director**	**Director**

Consolidated
Cash Flow Statement

For the Year ended December 31, 2024

2024	2023		Note	2024	2023
(US Dollars in '000)				(Rupees in '000)	
		CASH FLOWS FROM OPERATING ACTIVITIES			
5,814	5,038	Profit before taxation from continuing operations		**1,637,378**	1,419,703
(47)	(69)	Loss before taxation from discontinued operations		**(13,153)**	(19,569)
1,547	801	Less: Dividend income		**435,802**	225,572
4,220	4,168			**1,188,423**	1,174,562
		Adjustments:			
244	194	Depreciation	27	**69,142**	54,319
18	9	Amortisation	27	**5,135**	2,415
18	18	Interest expense - lease liability against right-of-use assets	23	**5,033**	4,986
109	114	Provision for Workers' Welfare Fund	29	**30,821**	32,057
(214)	832	Credit loss allowance and write-offs	30	**(59,528)**	233,987
(346)	(343)	(Gain) on sale of assets classified as held-for-sale	26	**(97,522)**	(96,626)
(1)	(14)	(Gain) on disposal of property and equipment	26	**(387)**	(3,672)
(172)	810			**(47,306)**	227,466
4,048	4,978			**1,141,117**	1,402,028
		(Increase) / decrease in operating assets			
–	23,386	Lendings to financial institutions		**–**	6,588,721
(5,089)	(11,353)	Net investments in securities held at fair value as classified through profit or loss		**(1,433,790)**	(3,198,495)
(5,376)	14,132	Advances		**(1,514,581)**	3,981,301
1,002	(14,951)	Others assets (excluding advance taxation)		**282,185**	(4,212,424)
(9,463)	11,214			**(2,666,186)**	3,159,103
		Increase/ (decrease) in operating liabilities			
35,705	376,519	Borrowings from financial institutions		**10,059,472**	106,080,429
4,094	(150)	Deposits		**1,153,305**	(42,368)
4,180	4,084	Other liabilities (excluding current taxation, lease liability)		**1,177,781**	1,150,546
43,979	380,453			**12,390,558**	107,188,607
(2)	(5)	Workers' Welfare Fund paid		**(601)**	(1,315)
(12,447)	(3,910)	Taxes paid		**(3,506,877)**	(1,101,568)
26,115	392,730	Net cash generated from operating activities		**7,358,011**	110,646,855
		CASH FLOWS FROM INVESTING ACTIVITIES			
(24,789)	(392,345)	Net investments in securities classified as fair value through other comprehensive income		**(6,984,148)**	(110,539,058)
–	–	Net divestments / (investments)in held-to-maturity securities		**–**	–
1,552	792	Dividends received		**437,155**	224,219
(62)	(480)	Investments in property and equipment		**(17,420)**	(135,028)
(1)	(41)	Investments in operating intangible assets		**(357)**	(11,556)
2	39	Disposal of property and equipment		**518**	10,879
392	1,007	Proceeds from sale of assets classified as held for sale		**110,286**	283,521
(22,906)	(391,028)	Net cash used in investing activities		**(6,453,966)**	(110,167,023)
		CASH FLOWS FROM FINANCING ACTIVITIES			
(1,065)	–	Dividend paid to equity shareholders of the Holding Company		**(300,000)**	–
–	–	Dividend paid to non-controlling interests		**(125)**	–
(135)	(154)	Payments of lease obligations against right-of-use assets		**(38,148)**	(43,427)
(1,200)	(154)	Net cash used in financing activities		**(338,273)**	(43,427)
2,009	1,548	**Increase in cash and cash equivalents**		**565,772**	436,405
4,518	2,970	Cash and cash equivalents at beginning of the year		**1,273,034**	836,629
6,527	4,518	**Cash and cash equivalents at end of the year**	34	**1,838,806**	1,273,034

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

President/Chief Executive	Chief Financial Officer	Director	Director	Director

Notes, Comprising Material Accounting Policy and Other Explanatory Information

For the Year ended December 31, 2024

1 STATUS AND NATURE OF BUSINESS

The “Group” consists of:

Holding Company

Pak Brunei Investment Company Limited (the Holding Company) is a Development Finance Institution (DFI) which was incorporated in Pakistan as an unlisted public limited Company on November 28, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The State Bank of Pakistan (SBP) granted the approval for commencement of business with effect from August 20, 2007. The Holding Company is a joint venture between the Government of Pakistan (GoP) and the Brunei Investment Agency (BIA). The Holding Company’s objectives interalia include making investments in the industrial and agro-based industrial fields in Pakistan on a commercial basis through carrying out industrial and agro-based industrial projects and marketing of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the Holding Company is situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan. The Holding Company is in operation with 2 offices (2023: 2) one located in Karachi and the other in Lahore.

Subsidiaries

Primus Leasing Limited (PLL) - 100% holding

Primus Leasing Limited (“PLL”) was incorporated in Pakistan as a public unlisted company on July 13, 2017 under the Companies Act, 2017. The registered office of PLL is situated at Horizon Vista, Commercial-10, Block-4, Scheme-5, Clifton, Karachi. The PLL is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP). PLL has two offices with one located in Karachi and the other in Lahore.

The principal objective of PLL is to carry on and undertake the business of leasing of movable property for any purpose whatsoever including but not being limited to industrial, commercial, agricultural and other development purposes on such terms, covenants and conditions and at such rentals as may be deemed fit.

Awwal Corporate Restructuring Company Limited - 99.78% holding

Awwal Corporate Restructuring Company Limited (ACRCL) is an unlisted public limited company incorporated, under the Companies Act 2017, on December 24, 2021. The registered office of Awwal Corporate Restructuring Company Limited is situated at 3rd floor, Horizon Vista, Plot No. Commercial 10, Block No. 4, Scheme No.5, Clifton, Karachi. The principal activity of ACRCL is to conduct business as per Corporate Restructuring Act 2016 and Corporate Restructuring Rules 2019 notified by the Securities & Exchange Commission of Pakistan (SECP).

Awwal Modaraba Management Limited (AMML) - 100% holding

Awwal Modaraba Management Limited (AMML) was incorporated in Pakistan on June 05, 2014 as an unlisted public company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Subsequently, it was registered as a Modaraba Management Company with the Registrar of Modaraba Companies and Modarabas under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. AMML was a wholly owned subsidiary of Pak Brunei Investment Company Limited (the Holding Company) till November 26, 2024 with its registered office situated at Horizon Vista, Commercial-10, Block-4, Scheme-5, Clifton, Karachi, Pakistan. During the year shares of AMML, along with the management rights of the Modaraba have been transferred to the buyer on November 26, 2024, and it is no longer a subsidiary at reporting date. Consolidated statement of profit and loss includes results of profit and loss of AMML till the date of its disposal. this result shows in discontinued operations.

2 BASIS OF PRESENTATION

2.1 These consolidated financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 13 of 2024 dated July 01, 2024 effective from the accounting year ended December 31, 2024.

2.2 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) 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 (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

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

2.3 The SBP through its BSD Circular letter No. 11 dated September 11, 2002 has deferred the implementation of IAS 40 'Investment Property' for Non-Banking Financial Institutions (NBFIs) in Pakistan. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

2.4 Amendments to the accounting and reporting standards that are effective in the current year:

The following amendments are effective for the year ended December 31, 2024. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

- Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Convenants
- Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.

2.5 Standard and amendments to the accounting and reporting standards that are not yet effective:

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	January 01, 2026
Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity	January 01, 2026

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – 'First Time Adoption of International Financial Reporting Standards'
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

2.6 Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. The estimates and judgments that have a significant effect on the consolidated financial statements are in respect of the following:

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

i) Classification, valuation and provisioning of investments (notes 4.3 and 7)
ii) Classification and expected credit loss against non performing loans and advances (notes 4.3 and 8)
iii) Provision for defined benefit plan (notes 4.11 and 36)
iv) Lease liability and right-of-use assets (notes 4.7.3, 17 and 10)
v) Taxation (notes 4.9 and 32)
vi) Classification and valuation of non current assets held-for-sale (notes 4.8.3 and 14)
vii) Provision against off balance sheet obligations and contingent liabilities (note 18 and 21) and
viii) Depreciation, amortization and residual value of fixed asset and intangibles (note 9 and 11)

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

- Non-current assets classified as held for sale are valued at lower of carrying amount and fair value less cost to sell;
- Certain investments are marked to market and carried at fair value;
- Obligation in respect of staff retirement benefit is carried at present value of defined benefit obligation; and
- Lease liability against right-of-use assets is carried at present value of rentals.

3.2 US Dollar equivalent

The US dollar amounts shown in the consolidated statement of financial position, consolidated statement of profit and loss account, consolidated statement of comprehensive income and consolidated cash flow statement are provided as additional information solely for the convenience of users of the consolidated financial statements. For the purpose of conversion to US Dollars, the rate of Rs. 278.55 to US Dollars has been used for 2024 and 2023 as it was the prevalent rate on December 31, 2024.

3.3 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. These consolidated financial statements are presented in Pakistan Rupee which is the Group's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICY AND FINANCIAL RISK MANAGEMENT

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except for those mentioned in note 4.1

4.1 ADOPTION OF NEW ACCOUNTING POLICY

4.1.1 Adoption of new forms for the preparation of consolidated financial statements

Accounting for minimum taxes and final taxes

During May 2024, The Institute of Chartered Accountants of Pakistan (ICAP) issued a guide 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the Guide) to provide guidance on accounting of minimum tax and final tax, as mentioned in the Income Tax Ordinance, 2001, under the requirements of relevant IFRS Accounting Standards and provide appropriate approaches to account for minimum taxes and final taxes in compliance with the requirements of IFRS Accounting Standards.The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the guide).

In view of the clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12 (as these are not based on taxable profits), hence, it should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The Guide issued by ICAP provides approaches to account for minimum and final regime taxes according to the facts and circumstances as applicable to the Group. Accordingly, the Group has adopted the following approach:

The Group first designates the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21 'Levies/IAS 37' Provisions, Contingent Liabilities and Contingent Assets.

Therefore, the effective rate of income tax is equal to the enacted rate of income tax and and the deferred tax will be calculated at such rate.

Similarly, any amount deducted as final taxes will be classified as a levy in the consolidated statement of profit and loss account and there would be no deferred tax liability / (asset) recognised in case of final taxes.

Super tax charged to entities as per provisions of Income Tax Ordinance, 2001, will be classified as either 'Income Tax' or 'levy' in accordance with guidance provided in the guide [i.e. if super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as 'income tax' otherwise such super tax shall qualify for recognition as 'levy' as per IFRIC 21 / IAS 37].

Advance taxes paid under any section of the Income Tax Ordinance, 2001, except minimum taxes paid under section 113, which are termed as levy as per the above guide will be classified as 'prepaid assets'.

The above changes have been accounted for in these consolidated financial statements as per the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The adoption of this policy did not result in re-statement of consolidated financial statements since deferred tax liability recognised in the year ended December 31, 2023 was already at enacted rate and the application of this guide did not result any material differences except for reclassifications which are presented as below:

	Current Classification	Previous Classification
	(Rupees in '000)	
Effect on consolidated statement of profit and loss account:		
For the year ended December 31, 2023		
Taxation:		
- Current year	**115,524**	436,587
Levies:		
- Final tax	**42,740**	–
- Minimum tax	**278,323**	–
	436,587	436,587

4.2 Basis of consolidation

Subsidiary is an entity which is controlled by the Holding Company. Control is said to exist when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements of the Group incorporate the financial statements of the Holding Company and those of the subsidiaries from the date the control of the subsidiary by the Group commences until the date the control ceases to exist. The assets, liabilities, income and expenses of the subsidiaries have been consolidated with those of the Holding Company on a line by line basis and the carrying values of the Group's investments in subsidiaries are eliminated against the subsidiaries' share capital and pre-acquisition reserves in these consolidated financial statements.

Non-Controlling Interest (NCI) represents that part of the net results of operations and net assets of the subsidiaries that is not owned by the Group and is measured at the proportionate share of net assets of the acquiree.

The financial statements of subsidiaries are prepared for the same reporting period as that of the Holding Company using accounting policies which are consistent with those applied by the Holding Company in the preparation of its consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

4.3 IFRS 9 - 'Financial Instruments'

4.3.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group purchase or sell the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognised when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is completed when underlying asset is purchased. The Group will recognise, due to customer and financial institution balances when these funds reach the Group.

Amortised cost

Financial assets and liabilities under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction costs. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the statement of profit and loss acoount. Interest income / expense on these assets / liabilities are recognised in the consolidated statement of profit and loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognised in the consolidated statement of profit and loss account.

Fair value through other comprehensive income
Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction costs. These assets are subsequently measured at fair value with changes recorded in OCI. An expected credit loss allowance (ECL) is recognised for these financial assets in the consolidated statement of profit and loss account. Interest / dividend income on these assets are recognised in the consolidated statement of profit and loss account. On derecognition of these financial assets, capital gain / loss is recognised in the statement of comprehensive income.

Fair value through profit or loss
Financial assets under FVTPL category are initially recognised at fair value. Transaction costs are directly recorded in the profit or loss. These assets are subsequently measured at fair value with changes recorded in the consolidated statement of profit and loss account. Interest / dividend income on these assets are recognised in the consolidated statement of profit and loss account. On derecognition of these financial assets, capital gain / loss is recognised in the consolidated statement of profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

The Group's revenue recognition policy is consistent with the annual consolidated financial statements for the year ended December 31, 2023.

Interest free / below market rate loans to employees

Initial recognition
The Group recognises interest free/ below market rate loan to employee at its fair value by discounting the future loan repayments using the rate that the employee would pay to an unrelated lender for a loan with similar conditions and accordingly charging differential to the consolidated statement of profit and loss account between nominal value and fair value of loan.

Subsequent measurement
The Group calculates and recognises imputed interest on these loans. Imputed interest represents the forgone interest that employees would have paid if they had borrowed funds from external sources at prevailing market rates. The difference between the actual interest charged, if any and the imputed interest is recognised as interest income by the Group over the term of the loan.

Financial assets
The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the consolidated statement of profit and loss account.

4.3.2 Modification

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of financing to its customers. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Group recalculate the gross carrying amount of the financial asset and shall recognise a modification gain or loss in the consolidate statement of profit and loss account. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective profit rate (or credit-adjusted effective profit rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

4.3.3 Off setting

Financial assets and financial liabilities are only offset and the net amount is reported in the financial statements when there is a legally enforceable right to set-off the recognised amount and the Group intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

4.3.4 Derivative financial instruments

Derivative financial instruments are initially recognised at their fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivative financial instruments are carried as asset when fair value is positive and liabilities when fair value is negative. Any change in the value of derivative financial instruments is taken to the consolidated statement of profit and loss account.

4.3.5 Restructured Loan

All non-performing restructured exposure shall be subject to a cooling-off period of 6 months from the first date of becoming regular in payment. The status of such loans shall be first upgraded to Stage 2 following the same cooling-off period of 6 months before upgrading to Stage 1.

4.3.6 Overview of the ECL principles

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with all advances and other debt financial assets not held at FVTPL, together with letter of credit, guarantees and unutilised financing commitments hereinafter referred to as "Financial Instruments". The Group recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at individual customer level.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Group considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject customer. The Group also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account becoming forborne.

Regardless of the change in credit grades, generally, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. However, for certain portfolios, the Group may rebut 60 DPD presumption based on behavioural analysis of its borrowers. When estimating ECLs on a collective basis for a group of similar assets, the Group applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Based on the above process, the Group groups its financial instruments into Stage 1, Stage 2, Stage 3 and purchased or originated credit impaired (POCI), as described below:

Stage 1: When financial instruments are first recognised, the Group recognises an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and they have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast exposure at default (EAD) and multiplied by the expected loss given default (LGD) and discounted by an approximation to the original effective interest rate (EIR). This calculation is made for all the scenarios.

Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but probability of defaults (PDs) are applied over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original effective interest rate (EIR).

Stage 3: For financial instruments considered credit-impaired, the Group recognises the lifetime expected credit losses for these instruments. The Group uses a probability of default (PD) of 100% and loss given default (LGD) as computed for each portfolio or as prescribed by the SBP under the Prudential Regulations which ever is higher.

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and profit / rental is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

Undrawn financing When estimating LTECLs for undrawn financings commitments, the Group estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the financing is drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both a financing and an undrawn commitment, ECLs are calculated and presented within other liabilities.

Guarantee and letters of credit contracts The Group estimates ECLs based on the BASEL driven credit conversion factor (CCF) for Guarantee and letter of credit contracts. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liability.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortised cost of a financial liability

The calculation of ECLs
The Group calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference

between the cash flows that are due to a Group in accordance with the contract and the cash flows that the Group expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. PD is estimated based on statistical technique such as Markov's Chain Process – Transition Matrix Approach which are based on the Group's internal risk ratings (i.e. from 1 to 12). PDs for Non advances portfolio, the Group has used PDs prescribed by Standard and Poor's (S&Ps) against each risk rating. PDs are then adjusted using Vasicek Model for IFRS 9 ECL calculations to incorporate forward looking information.

EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier. The Group's product offering includes a variety of corporate facilities, in which the Group has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behaviour, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The discount rate used to discount the ECLs is based on the effective profit rate that is expected to be charged over the expected period of exposure to the facilities. In the absence of computation of the effective profit rate (at reporting date), the Group uses an approximation e.g. contractual rate (at reporting date).

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The Group considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability
- History of enforceability and recovery.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

Forward looking information
In its ECL models, the Group relies on a range of forward looking information as economic inputs, such as:

- GDP growth
- Consumer price index

Definition of default
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

- The customer is more than 90 days past due on its contractual payments.

Further the following criteria has been determined for assessment of default:

- The Group makes a charge-off or account-specific provision resulting from a perceived decline in credit quality subsequent to the Group taking on the exposure,
- The Group sells the credit obligation at a material credit-related economic loss,
- The Group consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees,
- The Group has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the industry group, and
- The obligor has sought or has been placed in Bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation to the industry group.

4.4 Cash and cash equivalents

Cash and cash equivalents for the purpose of consolidated cash flow statement represent cash in hand, balances with treasury banks, balances with other banks in current and deposit accounts and short-term highly liquid investments with original maturities of three months or less.

4.5 Lendings to / borrowings from financial and other institutions

The Group enters into repurchase agreements (repo) and reverse repurchase agreements (reverse repo) at contracted rates for a specified period of time. These are recorded as under:

(a) Sale of securities under repurchase agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the consolidated financial statements and are measured in accordance with accounting policies for investment securities. The counterparty liability for amounts received under these agreements is included in borrowings. The difference between sale and repurchase price is treated as mark-up / return / interest expense and accrued over the life of the repo agreement using effective interest method.

(b) Purchase of securities under resale agreements

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the consolidated financial statements as the Group does not obtain control over the securities. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is treated as mark-up / return / interest income and accrued over the life of the reverse repo agreement using effective interest method.

4.6 Investments in associates

Associates are entities over which the Group has a significant influence but over which control does not exist.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investments in associates are initially recognised at cost plus investor's share of the profit or loss of the investees subsequent to the date of acquisition less impairment in value (if any). The investor's share of profit or loss of associates is recognised in the consolidated consolidate statement of profit and loss account.

4.7 Fixed assets and depreciation

4.7.1 Tangible assets - owned

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to the consolidated statement of profit and loss account using the straight line method at the rates stated in note 9 after taking into account residual values, if any. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged from the date when the asset is available for use while no depreciation is charged on the date the asset is disposed of.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repair and maintenance expenditure are charged to the consolidated statement of profit and loss account as and when incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain / loss on disposal of fixed assets is recognised in the consolidated statement of profit and loss account in the period in which disposal is made.

4.7.2 Ijarah assets

Ijarah assets are stated at cost less accumulated depreciation and impairment loss (if any). Depreciation is charged to income applying the straight line method whereby the cost of an asset, less its residual value, is written off over its lease period. In respect of additions and disposals during the year, depreciation is charged proportionately to the period of ijarah lease.

4.7.3 Lease liability and right-of-use assets

On initial recognition, right-of-use assets is measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or the site on which it is located.

Right-of-use assets is subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenure.

Right-of-use assets is depreciated over the expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which leases are entered into. No depreciation is charged from the day on which the leases mature or are terminated.

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as an adjustment to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the consolidated statement of profit and loss account as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.7.4 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during the installation and construction / development period is carried under this head. These are transferred to the relevant categories of assets as and when assets become available for use.

4.7.5 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised using the straight line method at the rate stated in note 11. The residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each reporting date. Amortisation is charged from the date the asset is available for use while no amortisation is charged on the date the asset is disposed of.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Gains and losses on disposals, if any, are taken to the consolidated statement of profit and loss account in the period in which these arise.

4.8 Taxation

i. Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

ii. Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at average tax rate that are expected to apply to the period when the asset is realised or the liability is settled.

4.8.1 Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

(a) those outflows of resources that are within the scope of other standards.

(b) fines or other penalties that are imposed for breaches of the legislation.

In these consolidated financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid assets.

i. Revenue taxes

Revenue taxes includes amount representing excess of :

a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;

b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'.

ii. Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

4.9 Borrowings / deposits

Borrowings / deposits are recorded at the amount of proceeds received. The cost of borrowings / deposits is recognised as an expense in the period in which it is incurred. Any difference between the proceeds and the redemption value is recognised in the consolidated statement of profit and loss account over the period of the borrowings / deposits using the effective interest rate method.

4.9.1 Staff retirement benefits

4.9.1.1 Defined benefit plan - Holding Company

The Holding Company operates a funded gratuity scheme for its eligible permanent employees. The liability recognised in the consolidated statement of financial position in respect of defined benefit gratuity scheme is the present value of the defined benefit obligation as at the reporting date less the fair value of plan assets. Contributions to the fund are made on the basis of actuarial recommendations using the Projected Unit Credit Method under which the cost of providing gratuity is charged to the consolidated statement of profit and loss account so as to spread the cost over the service lives of the employees. Valuations are conducted by an independent actuary with the last valuation conducted on December 31, 2024.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Past service cost is the change in the present value of defined benefit obligation resulting from a plan amendment or curtailment and is recognised as an expense in the consolidated statement of profit and loss account when the plan amendment or curtailment occurs. Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income with no subsequent recycling through the consolidated statement of profit and loss account.

Defined contribution plan - Holding Company

The Holding Company operates a provident fund scheme for its employees. Equal monthly contributions are made into the Fund both by the Holding Company and the employees at the rate of 10% of basic salary.

4.9.1.2 Staff retirement benefits of the subsidiaries

Defined benefit scheme - subsidiaries

ACRCL operates a funded gratuity scheme where as PLL operates unfunded gratuity scheme for their employees. The liability recognised in the consolidated statement of financial position in respect of defined benefit gratuity scheme is the present value of the defined benefit obligation as at the reporting date less the fair value of plan assets. Contributions to the fund are made on the basis of actuarial recommendations using the Projected Unit Credit Method under which the cost of providing gratuity is charged to the consolidated statement of profit and loss account so as to spread the cost over the service lives of the employees.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Past service cost is the change in the present value of defined benefit obligation resulting from a plan amendment or curtailment and is recognised as an expense in the consolidated statement of profit and loss account when the plan amendment or curtailment occurs. Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income with no subsequent recycling through the consolidated statement of profit and loss account.

Defined Contribution - subsidiaries

The Subsidiary provides provident fund benefits to its eligible employees. Equal monthly contributions are made to the Fund by the Subsidiary and the employees respectively in accordance with the rules of the Fund. The Fund is governed under the Trust Act 1882, Trust Deed and Rules of the Fund, the Companies Act, 2017, Income Tax Ordinance, 2001 and Income Tax Rules, 2002. The subsidiary has no further payment obligation once the contributions have been paid. The contributions either made or due by the subsidiary are recognised as employee benefit expense.

4.9.1.3 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

4.9.1.4 Commitments

Commitments for capital expenditure contracted for but not incurred are disclosed in the consolidated financial statements at committed amounts.

4.10 Revenue recognition

Revenue is recognised to the extent that the economic benefits associated with the transaction will flow to the Group and the amount can be measured reliably.

- Mark-up / return / interest income on advances and investments is recognised on a time proportion basis taking into account effective yield on the instruments except in case of advances and investments classified as non-performing under the SBP's Prudential Regulations on which mark-up / return / interest is recognised on a receipt basis.
- Dividend income is recognised when the Group's right to receive dividend is established.
- Fee, commission and brokerage income and remuneration for trustee and advisory services are recognised when services are rendered.
- Premium or discount on debt securities is amortised using the effective interest method.
- Income from Diminishing Musharakah is recognised on an accrual basis.
- Gains and losses on disposal of assets are recognised in the period in which these arise.
- Return on bank deposits is recognised on a time proportion basis using the effective interest method.
- Rental income is recognised on accrual basis.

4.11 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.12 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss account.

4.13 Proposed dividends and transfers between reserves

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the consolidated financial statements in the period in which such dividends are declared / transfers are made.

4.14 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing product or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Chief Executive Officer of the Holding Company has been identified as the chief operating decision-maker who is responsible for allocating resources and assessing the performance of the operating segments.

4.14.1 Business segments

Corporate finance

Corporate finance includes services provided in connection with mergers and acquisitions, underwriting, privatisation, securitisation, research, debts (government, high yield corporate bonds, etc.), equity, syndication, initial public offering (IPO) and secondary private placements.

Trading and sales

This includes fixed income, equity, foreign exchange, commodities, credit, funding, lending, repos and brokerage activities.

Commercial banking

Commercial banking includes project finance, real estate, export finance, trade finance, factoring, leasing, lending, guarantees, bill of exchange and deposits.

4.14.2 Geographical segments

The operations of the Group are currently based only in Pakistan.

5 CASH AND BALANCES WITH TREASURY BANKS

	Note	2024	2023
		(Rupees in '000)	
Cash in hand			
Local currency		**14**	3
Foreign currency		**–**	–
With State Bank of Pakistan in:			
Local currency current account	5.1	**796,300**	688,559
Less: Credit loss allowance held against cash and balances with treasury banks		**–**	–
Cash and balances with treasury banks - net of credit loss allowance		**796,314**	688,562

5.1 This includes Rs. 553.22 million (2023: Rs. 225.825 million) held as minimum cash reserve required to be maintained with the SBP in accordance with the requirements issued from time to time.

6 BALANCES WITH OTHER BANKS

	Note	2024	2023
		(Rupees in '000)	
In Pakistan			
In current accounts		**7,063**	14,225
In deposit accounts	6.1	**1,035,429**	557,158
Less: Credit loss allowance held against balances with other banks		**(1)**	(2)
Balances with other banks - net of credit loss allowance		**1,042,491**	571,381

6.1 These carry mark-up rates of 5.02% to 13.5% per annum (2023: 20.50% to 20.51% per annum).

7 INVESTMENTS

7.1 Investments by type:

(Rupees in '000)

	2024				2023			
	Cost / amortised cost	**Credit loss allowance**	**Surplus / (deficit)**	**Carrying value**	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
Debt Instruments								
- Classified / Measured at FVPL								
Federal government securities	**2,438,340**	**–**	**10,660**	**2,449,000**	999,932	–	(1,232)	998,700
Non Government debt securities	**2,188,545**	**–**	**(17,692)**	**2,170,853**	2,198,563	–	(11,200)	2,187,363
	4,626,885	**–**	**(7,032)**	**4,619,853**	3,198,495	–	(12,432)	3,186,063
- Classified / Measured at FVOCI								
Federal government securities	**159,681,183**	**–**	**490,282**	**160,171,465**	154,083,594	–	(1,754,419)	152,329,175
Non-government debt securities	**821,780**	**(227,786)**	**–**	**593,994**	541,655	(255,515)	–	286,140
	160,502,963	**(227,786)**	**490,282**	**160,765,459**	154,625,249	(255,515)	(1,754,419)	152,615,315
	165,129,848	**(227,786)**	**483,250**	**165,385,312**	157,823,744	(255,515)	(1,766,851)	155,801,378
Equity instruments								
- Classified / Measured at FVOCI (Non -Reclassifiable)								
Shares								
Listed companies	**979,472**	**–**	**366,571**	**1,346,043**	639,085	–	322,231	961,316
Total investments	**166,109,320**	**(227,786)**	**849,821**	**166,731,355**	158,462,829	(255,515)	(1,444,620)	156,762,694

* The Company has shares of Pakistan Mercantile Exchange Limited which were acquired at a cost of Rs. 21.3 million were fully provided, On adoption of IFRS 9, the cost has been net off by provision.

7.1.1 This includes privately placed Corporate Sukuks and Term Finance Certificates (TFCs) amounting to Rs. 2,061.95 million (2023: Rs. 1,791.84 million) which are carried at cost as their market value is not readily available from Mutual Fund Association of Pakistan (MUFAP).

7.2 Investments by segments:

(Rupees in '000)

	2024				2023			
	Cost / amortised cost	**Credit loss allowance for diminution**	**Surplus / (deficit)**	**Carrying value**	Fair Value / amortised cost	Credit loss allowance for diminution	Surplus / (deficit)	Carrying value
Federal government securities								
Market Treasury Bills	**2,844,230**	**–**	**17,566**	**2,861,796**	17,728,104	–	3,417	17,731,521
Pakistan Investment Bonds	**159,275,293**	**–**	**483,376**	**159,758,669**	137,355,422	–	(1,759,068)	135,596,354
	162,119,523	**–**	**500,942**	**162,620,465**	155,083,526	–	(1,755,651)	153,327,875
Shares								
Listed companies	**979,472**	**–**	**366,571**	**1,346,043**	639,085	–	322,231	961,316
Non-government debt securities								
Listed	**962,736**	**(14,361)**	**–**	**948,375**	1,248,841	(14,361)	(11,200)	1,223,280
Unlisted	**2,047,589**	**(213,425)**	**(17,692)**	**1,816,472**	1,491,377	(241,154)	–	1,250,223
	3,010,325	**(227,786)**	**(17,692)**	**2,764,847**	2,740,218	(255,515)	(11,200)	2,473,503
Total investments	**166,109,320**	**(227,786)**	**849,821**	**166,731,355**	158,462,829	(255,515)	(1,444,620)	156,762,694

7.2.1 Investments given as collateral

(Rupees in '000)

	2024			2023		
	Cost / amortised cost	**Surplus / (deficit)**	**Carrying value**	Cost / amortised cost	Surplus / (deficit)	Carrying value
Pakistan Investment Bonds	**18,703,613**	**(141,083)**	**18,562,530**	131,100,838	(1,671,341)	129,429,497
Term finance certificates / sukuks certificates	**569,818**	**–**	**569,818**	699,826,000	(49,213)	699,776,787
Ordinary shares	**149,050**	**156,734**	**305,784**	73,718	43,372	117,090
	19,422,481	**15,651**	**19,438,132**	831,000,556	(1,677,182)	829,323,374

Above debt securities are pledged against the repurchase borrowings, while shares are pledged with National Clearing Company Pakistan Limited (NCCPL) against ready market exposure.

Market Treasury Bills carry effective yield of 13.50% to 13.52% (2023: 17.69% to 23.10%) per annum and will mature on 12 months. (2023: 12 months). Pakistan Investment Bonds carry mark-up ranging between 7.94% to 20.20% (2023: 8.75% to 24.79%) per annum on a semi-annual basis and will mature within 15 years (2023: 16 years). Certain government securities are kept with the SBP to meet the statutory liquidity requirement calculated on the basis of demand and time liabilities.

7.2.2 Credit loss allowance for diminution in value of investments

7.2.2.1 Investments - exposure

(Rupees in '000)

	2024			2023		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
Opening balance	**158,122,420**	**–**	**340,409**	44,861,667	–	394,120
New investments	**1,074,359,345**	**–**	**–**	393,316,520	–	–
Investments derecognised or repaid	**(1,066,704,154)**	**–**	**(8,700)**	(280,055,767)	–	(7,818)
Transfer to stage 1	**–**	**–**	**–**	–	–	–
Transfer to stage 2	**–**	**30,569**	**(30,569)**	–	–	–
Transfer to stage 3	**–**	**–**	**–**	–	–	–
Amounts written off / charged Off	**–**	**–**	**–**	–	–	(45,893)
Closing balance	**165,777,611**	**30,569**	**301,140**	158,122,420	–	340,409

7.2.2.2 Investments - Credit loss allowance

(Rupees in '000)

	2024			2023		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
Gross carrying amount - Current year	**7**	**–**	**255,508**	–	–	394,120
Impact of Adoption of IFRS 9	**–**	**–**	**–**	–	–	–
New investments	**70**	**–**	**–**	7	–	–
Investments derecognised or repaid	**–**	**–**	**(8,700)**	–	–	(7,818)
Transfer to stage 1	**–**	**–**	**–**	–	–	–
Transfer to stage 2	**–**	**10,719**	**(29,818)**	–	–	–
Transfer to stage 3	**–**	**–**	**–**	–	–	–
Amounts written off / charged off	**–**	**–**	**–**	–	–	(26,321)
Closing balance - Current year	**77**	**10,719**	**216,990**	7	–	255,508

7.2.2.3 Particulars of credit loss allowance against debt securities

(Rupees in '000)

		2024		2023	
		Outstanding amount	**Credit loss allowance held**	Outstanding amount	Credit loss allowance held
Performing	Stage 1	**164,798,139**	**77**	157,483,335	7
Underperforming	Stage 2	**30,569**	**10,719**	–	–
Non-Performing	Stage 3				
Substandard		**–**	**–**	–	–
Doubtful		**–**	**–**	–	–
Loss		**301,140**	**216,990**	340,409	255,508
		165,129,848	**227,786**	157,823,744	255,515

7.3 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model

7.3.1 Federal government securities - Government guaranteed

(Rupees in '000)

	2024	2023
	Cost	
Market Treasury Bills	**2,844,230**	17,728,104
Pakistan Investment Bonds	**159,275,293**	137,355,422
	162,119,523	155,083,526

7.3.2 Ordinary shares

Listed companies		
Oil and gas marketing / exploration companies	**152,863**	–
Commercial banks	**469,017**	48,977
Power generation and distribution	**167,342**	590,108
Cement	**190,250**	–
Engineering	**–**	–
Textile composite	**–**	–
	979,472	639,085

All shares are ordinary shares of Rs. 10.

(Rupees in '000)

	2024		2023	
	Cost	**Breakup value**	Cost	Breakup value
Unlisted companies				
Pakistan Mercantile Exchange Limited*	**–**	**–**	–	–

* This investment has been fully provided.

7.3.3 Non-government debt securities

(Rupees in '000)

	2024	2023
	Cost	
Listed		
- AAA	**–**	286,105
- AA+, AA, AA-	**948,375**	948,375
- A+, A, A-	**–**	–
- CCC and below	**14,361**	14,361
	962,736	1,248,841
Unlisted		
- AAA	**100,000**	–
- AA+, AA, AA–	**1,240,169**	1,099,765
- A+, A, A–	**475,000**	150,422
- CCC and below	**126,920**	135,690
- Unrated	**105,500**	105,500
	2,047,589	1,491,377

7.3.4 Equity securities

	2024	2023
Listed		
Oil and gas marketing / exploration companies		
Pak Oilfields Limited	**152,863**	–
Commercial banks		
Meezan Bank Limited	**–**	14,575
National Bank of Pakistan	**82,123**	–
Bank Al-Falah Limited	**125,384**	–
United Bank Limited	**149,050**	–
Bank Al-Habib Limited	**112,460**	–
BankIslami Pakistan Limited	**–**	34,402
Power generation and distribution		
The Hub Power Company Limited	**–**	234,875
Kot Addu Power Company Limited	**133,726**	148,659
Nishat Power Limited	**33,616**	206,574
Cement		
Fauji Fertilizer Company Limited	**190,250**	–
	979,472	639,085
Unlisted		
Pakistan Mercantile Exchange Limited	**–**	–

8 ADVANCES

	Performing 2024	Performing 2023	Non-performing 2024	Non-performing 2023	Total 2024	Total 2023
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	**23,648,616**	22,174,618	**1,465,029**	1,424,446	**25,113,645**	23,599,064
Advances - gross	23,648,616	22,174,618	1,465,029	1,424,446	25,113,645	23,599,064
Credit loss allowance against advances						
- Stage 1	**68,629**	81,284	**–**	–	**68,629**	81,284
- Stage 2	**22,497**	24,770	**–**	–	**22,497**	24,770
- Stage 3	**–**	–	**1,169,550**	1,194,736	**1,169,550**	1,194,736
	91,126	106,054	**1,169,550**	1,194,736	**1,260,676**	1,300,790
Advances - net of credit loss allowance	**23,557,490**	22,068,564	**295,479**	229,710	**23,852,969**	22,298,274

8.1 This includes net investment in finance lease as disclosed below:

(Rupees in '000)

	2024				2023			
	Not later than one year	**Later than one year and less than five years**	**Over five years**	**Total**	Not later than one year	Later than one year and less than five years	Over five years	Total
Lease rentals receivable	**929,001**	**1,028,443**	**–**	**1,957,444**	1,231,847	1,019,198	–	2,251,045
Residual value	**450,072**	**602,601**	**–**	**1,052,673**	345,288	610,445	–	955,733
Minimum lease payments	**1,379,073**	**1,631,044**	**–**	**3,010,117**	1,577,135	1,629,643	–	3,206,778
Financial charges for future periods	**(197,223)**	**(140,284)**	**–**	**(337,507)**	(324,306)	(181,028)	–	(505,334)
Present value of minimum lease payments	**1,181,850**	**1,490,760**	**–**	**2,672,610**	1,252,829	1,448,615	–	2,701,444

8.1.1 These leases are executed for a term of 1 to 5 years. Security deposits have been obtained within a range of 10% to 50% (2023: 10% to 50%) of the cost of investment at the time of disbursement and have been recorded in other liabilities. The rate of return ranges from 9.42% to 24% per annum (2023: 9.22% to 29.08% per annum). Lease rentals are receivable in monthly / quarterly / half yearly instalments. The assets are pledged in favour of the Group.

8.2 Particulars of advances (gross)

	2024	2023
	(Rupees in '000)	
In local currency	**25,113,645**	23,599,064
In foreign currencies	**–**	–
	25,113,645	23,599,064
8.2.1 Advances to Women, Women-owned and Managed Enterprises		
Women	**–**	–
Women Owned and Managed Enterprises	**413,756**	233,599
	413,756	233,599

8.2.2 Gross loans disbursed to women, women-owned and managed enterprises during the year Rs. 293.73 million (2023: Rs.173.95 million).

8.3 Particulars of credit loss allowance

8.3.1 Advances - Exposure

(Rupees in '000)

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount - opening	21,656,732	517,886	1,424,446	23,599,064	25,921,643	513,408	1,181,635	27,616,686
New advances	19,027,728	84,949	52,552	19,165,229	19,890,442	112,568	140,484	20,143,494
Advances derecognised or repaid	(17,172,746)	(265,078)	(212,824)	(17,650,648)	(23,927,694)	(139,692)	(75,632)	(24,143,018)
Transfer to stage 1	30,500	(30,500)	–	–	266,466	(266,466)	–	–
Transfer to stage 2	(1,033,760)	1,033,760	–	–	(441,305)	441,305	–	–
Transfer to stage 3	(145,674)	(55,181)	200,855	–	(52,820)	(143,237)	196,057	–
	706,048	767,950	40,583	1,514,581	(4,264,911)	4,478	260,909	(3,999,524)
Amounts written off / charged off	–	–	–	–	–	–	(18,098)	(18,098)
Closing balance	22,362,780	1,285,836	1,465,029	25,113,645	21,656,732	517,886	1,424,446	23,599,064

8.3.2 Advances - Credit loss allowance

(Rupees in '000)

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	81,284	24,770	1,194,736	1,300,790	22,528	7,562	724,431	754,521
Impact of Adoption of IFRS 9	–	–	–	–	76,434	14,018	223,284	313,736
New Advances	38,859	1,477	5,111	45,447	35,830	4,538	138,149	178,517
Advances derecognised or repaid	(33,805)	(2,302)	(137,994)	(174,101)	(42,870)	(8,905)	(62,385)	(114,160)
Transfer to stage 1	185	(185)	–	–	1,003	(1,003)	–	–
Transfer to stage 2	(2,875)	2,875	–	–	(1,050)	1,278	(228)	–
Transfer to stage 3	(10,882)	(9,117)	19,999	–	(276)	(4,463)	4,739	–
	(8,518)	(7,252)	(112,884)	(128,654)	(7,363)	(8,555)	80,275	64,357
Amounts written off / charged off	–	–	–	–	–	–	–	–
Changes in risk parameters (PDs/LGDs/EADs)	(4,137)	4,979	87,698	88,540	(10,315)	11,745	166,746	168,176
Closing balance	68,629	22,497	1,169,550	1,260,676	81,284	24,770	1,194,736	1,300,790

8.3.3 Advances - Credit loss allowance details Internal / External rating / stage classification

(Rupees in '000)

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Outstanding gross exposure								
Performing - Stage 1	22,362,780	–	–	22,362,780	21,656,731	–	–	21,656,731
Under Performing - Stage 2	–	1,285,836	–	1,285,836	–	517,887	–	517,887
Non-performing - Stage 3								
Other Assets Especially Mentioned	–	–	4,900	4,900	–	–	600	600
Substandard	–	–	32,821	32,821	–	–	29,967	29,967
Doubtful	–	–	8,008	8,008	–	–	233,776	233,776
Loss	–	–	1,419,300	1,419,300	–	–	1,160,103	1,160,103
	–	–	1,465,029	1,465,029	–	–	1,424,446	1,424,446
Total	22,362,780	1,285,836	1,465,029	25,113,645	21,656,731	517,887	1,424,446	23,599,064
Corresponding ECL								
Stage 1 and stage 2	68,629	22,497	–	91,126	81,284	24,770	–	106,054
Stage 3	–	–	1,169,550	1,169,550	–	–	1,194,736	1,194,736
	22,294,151	1,263,339	295,479	23,852,969	21,575,447	493,117	229,710	22,298,274

8.3.3.1 Category of classification in stage 3

(Rupees in '000)

Category of classification in stage 3	2024 Non Performing Loans	2024 Credit loss allowance	2023 Non Performing Loans	2023 Credit loss allowance
Domestic				
Other Assets Especially Mentioned	**4,900**	**3,114**	600	400
Substandard	**32,821**	**20,868**	29,967	19,995
Doubtful	**8,008**	**5,090**	233,776	172,131
Loss	**1,419,300**	**1,140,478**	1,160,103	1,002,210
Total	**1,465,029**	**1,169,550**	1,424,446	1,194,736

Advances include Rs. 1,465.029 million (2023: Rs. 1425.446 million) which have been placed under the non-performing status.

8.4 Particulars of Credit loss allowance against advances

(Rupees in '000)

	2024			2023		
	Stage 3	**Stage 1 & 2**	**Total**	Stage 3	Stage 1 & 2	Total
Opening balance	**1,194,736**	**106,054**	**1,300,790**	724,432	30,090	754,522
Impact of Adoption of IFRS 9	**–**	**–**	**–**	223,284	90,452	313,736
Charge for the year	**98,289**	**2,740**	**101,029**	292,776	5,718	298,494
Reversals	**(123,475)**	**(17,668)**	**(141,143)**	(27,658)	(20,206)	(47,864)
	(25,186)	**(14,928)**	**(40,114)**	265,118	(14,488)	250,630
Amounts written off	**–**	**–**	**–**	(18,098)	–	(18,098)
Closing balance	**1,169,550**	**91,126**	**1,260,676**	1,194,736	106,054	1,300,790

8.5 Particulars of credit loss allowance against advances

(Rupees in '000)

	2024			2023		
	Stage 1 & 2	**Stage 3**	**Total**	Stage 1 & 2	Stage 3	Total
In local currency	**91,126**	**1,169,550**	**1,260,676**	106,054	1,194,736	1,300,790
In foreign currencies	**–**	**–**	**–**	–	–	–
	91,126	**1,169,550**	**1,260,676**	106,054	1,194,736	1,300,790

Forced Sale Value (FSV) benefit amounting to Rs. 292.44 million (2023: Rs. 371.28 million) is available with the Company against certain mortgaged properties held as collateral against non-performing advances. However, the same has not been considered while computing credit loss allowance as at year end, as credit loss allowance has been computed under IFRS 9 - Financial Intruments.

8.6 Particulars of write offs:

	Note	2024	2023
		(Rupees in '000)	
8.6.1 Against credit loss allowance		**–**	–
Directly charged to profit and loss account	8.6.2	**–**	28,073
		–	28,073
8.6.2 Write offs of Rs. 500,000 and above			
- Domestic		**–**	28,073
- Overseas		**–**	–
Write offs of Below Rs. 500,000		**–**	–
		–	28,073

9 PROPERTY AND EQUIPMENT

	Note	2024	2023
		(Rupees in '000)	
Property and equipment	9.2	**102,779**	118,852
Capital work in progress	9.1	**624**	–
		103,403	118,852

9.1 Capital work-in-progress

	2024	2023
Civil works	**624**	–

9.2 Property and equipment

(Rupees in '000)

	2024							
	Ijara Asset	Leasehold improvements	Furniture and fixtures	Electrical and office equipment	Computer equipment	Vehicles	Mobile phones	Total
At January 1, 2024								
Cost	62,000	48,892	23,752	21,658	38,588	69,463	470	264,823
Accumulated depreciation	(5,787)	(48,232)	(22,552)	(17,405)	(28,271)	(23,254)	(470)	(145,971)
Net book value	56,213	660	1,200	4,253	10,317	46,209	–	118,852
Year ended December 31, 2024								
Opening net book value	56,213	660	1,200	4,253	10,317	46,209	–	118,852
Additions	–	3,336	2,177	987	5,536	4,760	–	16,796
Disposals								
Cost	–	(18)	(406)	(1,338)	(640)	–	–	(2,402)
Accumulated depreciation	–	8	370	1,315	576	–	–	2,269
	–	(10)	(36)	(23)	(64)	–	–	(133)
Depreciation charge	(9,918)	(279)	(440)	(1,721)	(5,164)	(15,214)	–	(32,736)
Closing net book value	46,295	3,707	2,901	3,496	10,625	35,755	–	102,779
At December 31, 2024								
Cost	62,000	52,218	25,893	22,622	44,060	74,223	470	281,486
Accumulated depreciation	(15,705)	(48,511)	(22,992)	(19,126)	(33,435)	(38,468)	(470)	(178,707)
Net book value	46,295	3,707	2,901	3,496	10,625	35,755	–	102,779
Rate of depreciation (percentage)	20%	20%	20%	20%	33%	25%	50%	–

(Rupees in '000)

	2023							
	Ijara Asset	Leasehold improvements	Furniture and fixtures	Electrical and office equipment	Computer equipment	Vehicles	Mobile phones	Total
At January 1, 2023								
Cost	–	51,674	24,275	20,168	31,479	50,880	519	178,995
Accumulated depreciation	–	(51,045)	(23,585)	(16,872)	(27,092)	(41,395)	(495)	(160,484)
Net book value	–	629	690	3,296	4,387	9,485	24	18,511
Year ended December 31, 2023								
Opening net book value	–	629	690	3,296	4,387	9,485	24	18,511
Reclassified to asset held for sale								
Cost	–	–	–	–	–	–	(49)	(49)
Accumulated depreciation	–	–	–	–	–	–	25	25
	–	–	–	–	–	–	(24)	(24)
Additions	62,000	512	1,025	2,587	10,549	43,995	–	120,668
Disposals								
Cost	–	(3,294)	(1,548)	(1,097)	(3,440)	(25,412)	–	(34,791)
Accumulated depreciation	–	3,294	1,548	1,038	3,292	22,711	–	31,883
	–	–	–	(59)	(148)	(2,701)	–	(2,908)
Depreciation charge	(5,787)	(481)	(515)	(1,571)	(4,471)	(4,570)	–	(17,395)
Closing net book value	56,213	660	1,200	4,253	10,317	46,209	–	118,852
At December 31, 2023								
Cost	62,000	48,892	23,752	21,658	38,588	69,463	470	264,823
Accumulated depreciation	(5,787)	(48,232)	(22,552)	(17,405)	(28,271)	(23,254)	(470)	(145,971)
Net book value	56,213	660	1,200	4,253	10,317	46,209	–	118,852
Rate of depreciation (percentage)	20%	20%	20%	20%	33%	25%	50%	–

9.2.1 Details of disposal made to related parties

(Rupees in '000)

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particular of purchaser
2024						
Laptop	**151**	**151**	**–**	**–**	As per the terms of employment	Abdul Jaleel Shaikh (Ex Chief Risk Officer)
2023						
BMW 530W Car	19,350	17,260	2,090	2,090	As per the terms of employment	Ayesha Aziz (Ex Managing Director)
Laptop	280	156	124	124	As per the terms of employment	Ayesha Aziz (Ex Managing Director)

9.2.2 The cost of fully depreciated fixed assets that are still in the Company's use is as follows:

	2024	2023
	(Rupees in '000)	
Leasehold improvements	**47,799**	43,167
Furniture and fixtures	**16,907**	17,156
Electrical, office and computer equipment	**34,261**	35,344
Vehicles	**176**	70
	99,143	95,737

10 RIGHT-OF-USE ASSETS

	Building	
	2024	2023
	(Rupees in '000)	
At January 01,		
Cost	**105,972**	188,198
Accumulated Depreciation	**(81,812)**	(141,269)
Net Carrying amount at January 01,	**24,160**	46,929
Additions / reassessment during the year	**88,221**	9,798
Deletions during the year	**(2,984)**	–
Reclassified to asset held for sale	**–**	(4,197)
Depreciation Charge for the year	**(36,406)**	(28,370)
Net Carrying amount at December 31,	**72,991**	24,160

11 INTANGIBLE ASSETS

Intangible assets	**8,020**	12,799
Capital work-in-progress	**–**	–
	8,020	12,799

11.1 Intangible assets

	Computer software	
	2024	2023
	(Rupees in '000)	
At January 1,		
Cost	**43,026**	31,471
Accumulated amortisation	**(30,227)**	(27,812)
Net book value	**12,799**	3,659
Year ended December 31,		
Opening net book value	**12,799**	3,659
Additions	**356**	11,555
Amortisation charge	**(5,135)**	(2,415)
Closing net book value	**8,020**	12,799
At December 31,		
Cost	**43,382**	43,026
Accumulated amortisation	**(35,362)**	(30,227)
Net book value	**8,020**	12,799
Rate of amortisation (percentage)	**33.33%**	33.33%
Useful life (in years)	**3**	3

11.1.1 The cost of fully amortised intangible assets still in use amounts to Rs. 35.53 million (2023: Rs. 27.16 million).

12 DEFERRED TAX ASSETS

	(Rupees in '000)			
	2024			
	At January 1, 2024	Recognised in consolidated statement of profit and loss account	Recognised in OCI	At December 31, 2024
Deductible temporary differences on:				
- Lease liability	**3,039**	**10,547**	**–**	**13,586**
- Net investment in finance lease	**2,426**	**54,123**	**–**	**56,549**
- Provision for Bonus	**37,831**	**(4,681)**	**–**	**33,150**
- Provision for diminution in the value of investments	**99,652**	**(10,814)**	**–**	**88,838**
- Provision against advances, other assets, etc.	**496,594**	**(23,114)**	**–**	**473,480**
- Deficit on revaluation of investments	**684,223**	**–**	**(875,433)**	**(191,210)**
- Unrealised loss on debt investment (FVPL)	**4,848**	**(2,106)**	**–**	**2,742**
- Payable against post retirement employee benefits	**172**	**2,069**	**–**	**2,241**
- Provision for off balance sheet obligations	**5,186**	**564**	**–**	**5,750**
	1,333,970	**26,588**	**(875,433)**	**485,125**
Taxable temporary differences on:				
- Right-of-use assets	**(9,712)**	**(11,883)**	**–**	**(21,595)**
- Accelerated tax depreciation	**(6,055)**	**6,817**	**–**	**762**
- Unrealised loss / (gain) on equity investments	**(72,502)**	**–**	**(9,976)**	**(82,478)**
- Amortisation of Premium on investments	**(9,271)**	**(13,041)**	**–**	**(22,312)**
- Lease receivable against sub lease	**(170)**	**170**	**–**	**–**
- Post retirement employee benefits	**933**	**–**	**(561)**	**372**
	(96,777)	**(17,937)**	**(10,537)**	**(125,251)**
	1,237,193	**8,651**	**(885,970)**	**359,874**

	(Rupees in '000)					
	2023					
	At January 1, 2023	Impact on Retained Earnings on Adoption of IFRS 9	Re-stated balance at January 1, 2023	Recognised in consolidated statement of profit and loss account	Recognised in OCI	At December 31, 2023
Deductible temporary differences on:						
- Lease liability	10,200	–	10,200	(7,161)	–	3,039
- Provision for bonus	19,470	–	19,470	18,361	–	37,831
- Provision for diminution in the value of investments	94,761	–	94,761	4,891	–	99,652
- Provision against advances, other assets, etc.	240,349	118,811	359,160	137,434	–	496,594
- Deficit on revaluation of investments	633,259	–	633,259	–	50,964	684,223
- Unrealised loss on debt investment (FVPL)	–	–	–	4,848	–	4,848
- Payable against post retirement employee benefits	–	–	–	172	–	172
- Provision for off balance sheet obligations	–	3,194	3,194	1,992	–	5,186
	998,039	122,005	1,120,044	160,537	50,964	1,331,545
Taxable temporary differences on:						
- Net investment in finance lease	(62,613)	–	(62,613)	65,039	–	2,426
- Right-of-use assets	(14,002)	–	(14,002)	4,290	–	(9,712)
- Accelerated tax depreciation	4,075	–	4,075	(10,131)	–	(6,055)
- Unrealised loss / (gain) on equity investments	170	–	170	(170)	(72,502)	(72,502)
- Amortisation of Premium on investments	21,094	–	21,094	(30,365)	–	(9,271)
- Lease receivable against sub lease	–	–	–	(170)	–	(170)
- Post retirement employee benefits	(269)	–	(269)	3,300	(2,098)	933
	(51,545)	–	(51,545)	31,793	(74,600)	(94,352)
	946,494	122,005	1,068,499	192,330	(23,636)	1,237,193

13 OTHER ASSETS

	Note	2024	2023
		(Rupees in '000)	
Income / mark-up accrued in local currency		**5,252,940**	5,519,040
Advances, deposits, advance rent and other prepayments		**155,928**	14,628
Advance taxation (payments less provisions)		**5,369,757**	1,695,305
Dividend receivable		**–**	1,353
Advance against subscription of privately placed term finance certificates		**–**	122,845
Receivable against sale of shares		**27,261**	27,261
Receivable against advisory fee		**–**	27,480
Receivable from related parties		**–**	9,674
Lease receivable under IFRS-16		**2,852**	–
Others		**–**	456
		10,808,738	7,418,042
Less: credit loss allowance against other assets		**(32,482)**	(25,830)
		10,776,256	7,392,212

13.1 Credit loss allowance against other assets

	Note	2024	2023
Opening balance		**25,830**	5,220
Charge for the year			
Reversals	30	**6,870**	20,610
		–	–
		6,870	20,610
Closing balance		**32,700**	25,830

14 ASSETS CLASSIFIED AS HELD-FOR-SALE

	Note	2024	2023
Land, building and machinery acquired from:			
Lion Steel Industries (Private) Limited	14.1	**168,904**	168,904
Subsidiary held for sale	14.2	**–**	26,483
Total assets classified as held-for-sale		**168,904**	195,387

14.1 These represent land, building and machinery which have been classified as 'non-current assets as held for sale' as at December 31, 2021. The Group acquired these assets by settling total outstanding principal and mark-up of Rs 135 million and Rs. 34 million respectively. It is expected that the process of sale of these assets will be completed in the near future.

14.2 Discontinued Operation

The Board of Directors of the Group decided to proceed with divestment of its total interest in Awwal Modaraba Management Limited (AMML). In light of this decision, the Board of Directors of AMML in their meeting held on September 30, 2023 directed to disseminate this significant development to relevant authorities and stakeholders in a timely and transparent manner.

The material information was sent to the Pakistan Stock Exchange (PSX) and Securities and Exchange Commission of Pakistan (SECP) of Pakistan on October 02, 2023.

On October 12, 2023, invitation for expression of Interest was published in the newspaper for complete acquisition of AMML including management rights of the modaraba.

On November 21, 2023, the Company informed the Registrar Modaraba, SECP about the receipt of indicative bids from various parties. The SECP vide letter dated November 28, 2023, advised to apply to the Registrar Modaraba for the transfer of shares of the Modaraba Company along with management rights of the modaraba to the proposed acquirer, who is fit and proper under the Modaraba Law.

On May 09, 2024, the Company informed SECP that it had entered into a Share Purchase Agreement (SPA) dated April 03, 2024 for divestment of 100% of its shareholding in AMML subject to the approval of the SECP and other necessary approvals. On September 19, 2024, Registrar Modaraba, SECP granted approval regarding the transfer of 100% shareholding of AMML from Pak Brunei Investment Company to buyer. The shares of AMML, along with the management rights of the Modaraba have been transferred to the buyer on November 26, 2024, after completion of applicable corporate formalities.

	2024	2023
	(Rupees in '000)	
ASSETS		
Bank balances	–	13,089
Right-of-use assets	–	4,569
Property and equipment	–	5,460
Investments	–	24,714
Accrued profit	–	68
Prepayments & other receivables	–	57
Taxation - net	–	632
Receivable from Modarabas under management - related parties	–	2,166
Assets held for sale	–	50,755
LIABILITIES		
Lease liability under IFRS-16	–	(4,740)
Accrued expenses and other liabilities	–	(19,532)
Liabilities directly associated with assets held for sale	–	(24,272)
Net assets directly associated with disposal group	–	26,483
INCOME		
Profit on bank deposits	**330**	145
Management Company's remuneration from Modarabas - net	**7,126**	9,629
Dividend income	**3,882**	3,882
Other income	**4,611**	–
	15,949	13,656
EXPENSES		
Financial charges		
Interest expense on lease liability - IFRS 16	**(265)**	(566)
Deposits	**(6)**	(3)
	(271)	(569)

	Note	2024	2023
		(Rupees in '000)	
ADMINISTRATIVE EXPENSES			
Total compensation expense		**(14,899)**	(17,129)
Insurance		**(103)**	(259)
Depreciation on property		**(4,569)**	(6,814)
Directors' fees and allowances		**(3,853)**	(4,513)
Fees and subscription		**(244)**	(75)
Legal and professional charges		**(393)**	(353)
Travelling and conveyance		**(821)**	(871)
Depreciation		**(1,620)**	(1,740)
Communication		**(118)**	(62)
Auditors' remuneration		**(531)**	(819)
Others - admin		**(1,680)**	(20)
		(28,831)	(32,656)
Loss before tax from discontinued operations		**(13,153)**	(19,569)
TAXATION			
For the year			
Current		**(3,342)**	(3,410)
Loss after taxation for the year from discontinued operation		**(16,495)**	(22,979)

15 BORROWINGS

	Note	2024	2023
Secured			
Borrowings from State Bank of Pakistan under:			
- Long-Term Finance Facility (LTFF) scheme	15.2	**2,274,222**	3,163,088
- Power Plants Using Renewable Energy (PPRE) scheme	15.3	**135,894**	167,025
- Temporary Economic Refinance Facility (TERF)	15.4	**646,902**	743,556
- Finance for Storage of Agriculture Produce (FSAP) scheme	15.5	**288,355**	188,230
- Credit Guarantee (CGS) Scheme	15.6	**210,852**	152,265
- Special Persons (SP) Scheme	15.7	**2,790**	2,690
- Working Capital (WCF) Scheme	15.8	**1,252,279**	901,142
- COVID - 19 Scheme		**–**	–
- Balancing, Modernisation & Replacement (BMR) scheme	15.9	**866,224**	553,863
		5,677,518	5,871,859
Repurchase agreement borrowings	15.10	**18,542,005**	110,142,757
Borrowings from banks	15.11	**107,081,666**	32,870,000
Total secured		**131,301,189**	148,884,616
Unsecured			
Letters of placement:	15.12	**53,725,614**	26,082,715
		185,026,803	174,967,331

15.1 Particulars of borrowings with respect to currencies

	2024	2023
In local currency	**185,026,803**	174,967,331
In foreign currencies	**–**	–
	185,026,803	174,967,331

15.2 The Company has entered into agreements for financing with the SBP for Long-Term Financing under export oriented projects to customers. According to the terms of the respective agreements, the SBP has the right to receive the outstanding amount from the Company at the due date by directly debiting the current account maintained by the Company with the SBP. The rate of return ranges from 2% to 11% per annum (2023: 2% to 11% per annum). These are secured against demand promissory notes and are repayable within 7 years (2023: 8 years).

15.3 These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00% to 5.00% per annum (2023: 2.00% to 5.00% per annum) and are due to mature latest by June 30, 2029. As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.4 These represent borrowings from the SBP under scheme for temporary economic refinance facility. The mark-up rate applicable on these facilities is 1% to 2% per annum (2023: 1% to 2% per annum) payable on quarterly basis, with maturities upto May, 2032 (2023: May 2032). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.5 These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at rate of 2% to 4% per annum (2023: 2% to 4% per annum) and are due to be matured by February 28, 2030 (2023: June 02, 2029)

15.6 These represent borrowings from the SBP under scheme for refinance and credit guarantee schemes. The mark-up rate applicable on these facilities is 0% to 2% per annum (2023: 0% per annum) payable on quarterly basis, with maturities upto November, 2029 (2023: November, 2028). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.7 These represent financing facilities to special persons to meet credit needs for setting up of new business enterprises or for expansion of existing ones and claim refinance from State Bank of Pakistan up to 100% of finance extended by them. The spread is capped at 5% per annum (2023: 5% per annum) by SBP whereas SBP's refinance rate for this facility is 0% per annum (2023: 0% per annum) with maturities upto September 2029 (2023: September 2027). In case of default of the counterparty, upto 60% of principal is covered by SBP. As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.8 These represent borrowings from the SBP under scheme for working capital facilities. The mark-up rate applicable on these facilities is 2% per annum (2023: 2% per annum) payable on quarterly basis, with maturities upto May 2028 (2023: May 2028). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.9 These represent borrowings from the SBP under scheme for balancing, modernisation & replacement scheme. The mark-up rate applicable on these facilities is 2% per annum (2023: 1% to 2% per annum) payable on quarterly basis, with maturities upto September 2030 (2023: June 2029). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

15.10 These represent borrowings from various financial institutions at mark-up rates ranging from 13.06% to 13.50% per annum (2023: 22.07% to 22.11% per annum). Pakistan Investment Bonds having a face value of Rs. 18,704 million (2023: 111,600 million) have been given as collateral against these borrowings respectively.

15.11 These borrowings carry mark-up at rates ranging from 11.00% to 19.06% per annum (2023: 21.49% to 23.26% per annum) and are repayable within 3 years (2023: 4 years). These are secured against hypothecation of receivables, PIBs having a face value of Rs. 101.26 billion (2023: Rs. 21.39 billion) and floating charge over term finance certificates having a face value of Rs. 569.86 million (2023: Rs. 699.78 million).

15.12 Particulars of borrowings

	2024		
	Minimum (%)	**Maximum (%)**	**Tenor**
Letters of placement:			
- Others	**11.00**	**15.00**	**3 months**

	2023		
	Minimum (%)	Maximum (%)	Tenor
Letters of placement:			
- Others	20.70	22.35	5 months

16 DEPOSITS AND OTHER ACCOUNTS

(Rupees in '000)

		2024			2023		
	Note	**In local currency**	**In foreign currencies**	**Total**	In local currency	In foreign currencies	Total
Customers							
- Certificate of investments (COIs)	16.1	**1,165,705**	**–**	**1,165,705**	12,400	–	12,400
Financial institutions							
- Certificate of investments (COIs)		**–**	**–**	**–**	–	–	–
	16.2	**1,165,705**	**–**	**1,165,705**	12,400	–	12,400

16.1 These Certificate of Investments (COIs) carry mark-up rate of 14.50% to 21.50% per annum (2023: Nil) with maturities upto June 2025 (2023: Nil)

16.2 Composition of deposits

	2024	2023
	(Rupees in '000)	
- Public sector entities	**–**	–
- Private sector	**1,165,705**	12,400
	1,165,705	12,400

17 LEASE LIABILITIES

	Note	2024	2023
		(Rupees in '000)	
Outstanding amount at the start of the year		**9,527**	35,718
Addition / Reassessment of lease		**88,221**	9,804
Classified to held for sale		**–**	(5,128)
Interest expense		**5,033**	4,420
Payments of lease rental		**(41,132)**	(35,287)
Closing balances		**61,649**	9,527
Contractual maturity of lease liabilities			
Short-term lease liabilities - within one year		**50,875**	3,526
Long-term lease liabilities			
- 1 to 5 years		**10,774**	6,001
- 5 to 10 years		**–**	–
- More than 10 years		**–**	–
		10,774	6,001
Total lease liabilities		**61,649**	9,527

18 OTHER LIABILITIES

	Note	2024	2023
Mark-up / return / interest payable in local currency		**3,019,351**	1,929,378
Unearned commission and income on bills discounted		**28,432**	32,359
Accrued expenses		**125,865**	140,229
Brokerage / commission payable		**6,933**	2,695
Payable to related party		**1,486**	4,417
Payable to defined benefit plan - related party	36	**18,432**	12,462
Security deposits against advances		**1,082,218**	972,380
Provision for Worker's Welfare Fund		**225,947**	195,727
Provision for off balance sheet obligations	18.1	**14,744**	13,298
Unclaimed dividends		**211**	189
Tax payable		**7,266**	24,128
Advance from customers		**237**	751
Others		**80,879**	75,987
		4,612,001	3,404,000

18.1 Credit loss allowance against off-balance sheet obligations

	Note	2024	2023
Opening balance		**13,298**	9,679
Exchange adjustment		**–**	–
Charge for the year	30	**1,446**	3,619
Reversals		**–**	–
		1,446	3,619
Amount written off			
Closing balance		**14,744**	13,298

19 SHARE CAPITAL

19.1 Authorised capital

2024	2023		Note	2024	2023
(Number of shares)				(Rupees in '000)	
600,000,000	600,000,000	Ordinary shares of Rs.10 each		**6,000,000**	6,000,000

19.2 Issued, subscribed and paid-up capital

		Ordinary shares			
600,000,000	600,000,000	Fully paid in cash	19.2.1	**6,000,000**	6,000,000

19.2.1 As at December 31, 2024, the Ministry of Finance and Secretary Economic Affairs Division, Government of Pakistan, holds 299,995,999 and 4,001 shares (2023: 299,995,999 and 4,001 shares) respectively on behalf of the Government of Pakistan and remaining 300,000,000 shares (2023: 300,000,000 shares) are held by the Brunei Investment Agency.

20 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

	Note	2024	2023
		(Rupees in '000)	
Surplus / (Deficit) on revaluation of			
- Securities measured at FVOCI-Debt	7.1	**490,282**	(1,754,419)
- Securities measured at FVOCI-Equity		**366,571**	307,669
		856,853	(1,446,750)
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI-Debt		**(191,210)**	684,223
- Securities measured at FVOCI-Equity		**(82,478)**	(72,502)
		583,165	(835,029)

20.1 Movement in revaluation of assets

Deficit on revaluation as at January 01		**(1,446,750)**	(2,149,881)
Revaluation deficit recognised during the year		**2,303,603**	703,131
Deficit on revaluation as at December 31		**856,853**	(1,446,750)
Less: related deferred tax asset on			
- Revaluation as at January 01		**611,721**	633,259
- Revaluation recognised during the year		**(885,409)**	(21,538)
		(273,688)	611,721
Deficit on revaluation of assets - net of tax		**583,165**	(835,029)

21 CONTINGENCIES AND COMMITMENTS

- Guarantees	21.1	**–**	200,000
- Commitments	21.2	**24,878,925**	122,973,308
- Other contingent liabilities	21.3	**–**	–
		24,878,925	123,173,308

21.1 Guarantees

	Note	2024	2023
		(Rupees in '000)	
Financial guarantees		–	200,000

21.2 Commitments

	Note	2024	2023
Documentary credits and short-term trade-related transactions			
- letters of credit		**1,327,589**	1,176,350
Commitments in respect of:			
- forward lendings	21.2.1	**4,850,815**	3,884,675
- future purchase and sale transactions	21.2.2	**–**	4,956,324
- repo transactions	21.2.3	**18,700,521**	112,955,959
		24,878,925	122,973,308

21.2.1 Commitments in respect of forward lendings

	2024	2023
Undrawn formal standby facilities, credit lines and other commitments to lend	**4,850,815**	3,884,675

These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Company without the risk of incurring significant penalty or expense.

21.2.2 Commitments in respect of future transactions

	2024	2023
	(Rupees in '000)	
Purchase	**–**	–
Sale	**–**	4,956,324
	–	4,956,324

21.2.3 Commitments in respect of repo transactions

	2024	2023
Repurchase of government securities	**18,700,521**	112,955,959
Reverse repurchase of government securities	**–**	–
	18,700,521	112,955,959

21.3 Other contingent liabilities

21.3.1 In 2009, Burj Bank Limited (formerly Dawood Islamic Bank Limited) filed a legal suit amounting to Rs. 200 million for damages against the Group for alleged non-performance of underwriting commitment in respect of issue of shares at a premium. The legal advisors of the Group are of the opinion that the Group has a strong case and that the matter will most likely be decided in favor of the Group.

21.3.2 The returns of income of the Company from tax years 2008 to 2024 had been filed with the tax authorities. From tax year 2008 up to tax year 2020, these returns have been revised and additional tax demands have been raised of which Rs. 782.07 million are outstanding as at December 31, 2024. The matters which have been raised in these demands mainly included allocation of common expenses to dividend income, taxation of discount income, additions on account of concessional loans to employees and deletion of the charge pertaining to the Workers' Welfare Fund. The Company is contesting these demands and appeals have been filed by the Company against the same which are pending adjudication at various legal and appellate forums. The Company has made partial payments against some of these demands which are being shown as refundable from tax authorities. The management is confident that the matters will eventually be decided in favor of the Company and that the Company will be able to adjust amounts in respect of matters decided against the Company (if any) against the tax refunds currently being claimed by it.

22 MARK-UP / RETURN / INTEREST EARNED

	Note	2024	2023
		(Rupees in '000)	
On:			
a) Loans and advances		**3,546,203**	3,520,803
b) Investments		**33,555,266**	18,349,735
c) Lendings to financial institutions		**1,296,351**	793,312
d) Sub-lease of premises		**1,971**	563
e) Balances with banks		**43,823**	47,533
		38,443,614	22,711,946

22.1 Interest income (calculated using effective interest rate method) recognised on:

Financial assets measured at amortised cost;		**4,888,348**	4,362,211
Financial assets measured at FVPL		**194,723**	3,464,500
Financial assets measured at FVOCI		**33,360,543**	14,885,235
		38,443,614	22,711,946

23 MARK-UP / RETURN / INTEREST EXPENSED

Deposits		**76,816**	7,025
Interest expense on lease liability against right-of-use assets	17	**5,033**	4,420
Borrowings		**36,760,706**	20,874,966
		36,842,555	20,886,411

24 FEE AND COMMISSION INCOME

Trustee fee		**55,310**	62,271
Fee on Credit facilites		**43,518**	27,844
Participation fee		**11,670**	3,900
Commitment fee		**–**	3,049
Commission on guarantees		**7,580**	3,906
Advisory and arrangement fee		**15,938**	19,613
		134,016	120,583

25 GAIN ON SECURITIES

Realised gain / (loss)	25.1	**63,674**	135,670
Unrealised loss on securities classified as fair value through profit or loss - net		**5,400**	(12,432)
		69,074	123,238

25.1 Realised gain / (loss) on:

Federal government securities		**(164,134)**	46,709
Shares		**227,498**	88,629
Non-government debt securities		**310**	332
		63,674	135,670

26 OTHER INCOME

	Note	2024	2023
		(Rupees in '000)	
Gain / (loss) on sale of assets classified as held-for-sale	26.1	**97,522**	96,626
Gain on sale of fixed assets - net		**387**	3,672
Others		**–**	1,013
		97,909	101,311

26.1 Gain / (loss) on disposal of assets classified as held-for-sale

		2024	2023
Disposal proceeds		**123,375**	283,521
Less: Carry amount		**(9,988)**	(186,895)
Other expenses / adjustments		**(15,865)**	–
		(25,853)	(186,895)
		97,522	96,626

27 OPERATING EXPENSES

	Note	2024	2023
Total compensation expenses	27.1	**399,390**	406,621
Property expense			
Rent and taxes		**5,773**	–
Insurance		**11,071**	8,051
Utilities cost		**9,959**	8,403
Security (including guards)		**3,323**	4,080
Repairs and maintenance (including janitorial charges)		**13,534**	15,113
Depreciation	10	**36,406**	28,370
		80,066	64,017
Information technology expenses			
Software maintenance		**7,540**	550
Hardware maintenance		**1,132**	989
Depreciation	9.2	**5,166**	4,853
Amortisation	11.1	**5,135**	2,415
		18,973	8,807
Other operating expenses			
Directors' fees and allowances		**9,836**	7,800
Fees and subscription		**8,769**	9,930
Legal and professional charges		**32,968**	33,719
Travelling and conveyance		**59,845**	54,012
Brokerage commission		**53,096**	27,753
Depreciation	9.2	**27,570**	12,542
Training and development		**3,224**	2,495
Postage and courier charges		**520**	420
Communication		**7,451**	5,846
Stationery and printing		**2,657**	2,905
Marketing, advertisement and publicity		**772**	995
Donations	27.3	**1,000**	2,000
Auditors' remuneration	27.4	**5,614**	5,638
Expenses incurred in relation to assets held for sale		**9,190**	42,954
Service charges for lease rental recoveries		**–**	3,380
Others		**8,248**	18,658
		230,760	231,047
		729,189	710,492

27.1 Total compensation expenses

	2024	2023
	(Rupees in '000)	
Fixed	**205,092**	161,279
Contractual Staff		
In-house	**40,700**	31,678
Salaried outsourced staff	**14,558**	9,842
	55,258	41,520
Other benefits		
Cash bonus / awards	**69,930**	125,473
Charge for defined benefit plan	**12,805**	20,961
Contribution to defined contribution plan	**11,914**	11,778
Medical	**10,819**	7,425
Vehicle allowance	**28,348**	24,800
Leave fare assistance	**4,706**	8,710
Leave encashment	**–**	2,875
Others	**518**	1,800
	139,040	203,822
Total compensation expense	**399,390**	406,621

27.2 The Company does not have any material outsourcing arrangements.

27.3 Details of donations

Donations individually not exceeding Rs 500,000

	2024	2023
	(Rupees in '000)	
Dawat-e-Hadiyah	**–**	2,000
JDC Foundation Pakistan	**200**	–
Friends of Burns Centre	**500**	–
Sindh Integrated Emergency and Health Services	**300**	–
	1,000	2,000

27.4 Auditors' remuneration

	2024	2023
Audit fee for annual financial statements	**2,901**	3,050
Half yearly review fee	**990**	600
Special certifications and sundry advisory services	**1,076**	1,378
Out-of-pocket expenses	**647**	610
	5,614	5,638

28 OTHER CHARGES

Penalties imposed by the State Bank of Pakistan	**–**	–

29 WORKERS' WELFARE FUND

	Note	2024	2023
		(Rupees in '000)	
Provision for Workers' Welfare Fund	29.1	**30,821**	32,057

29.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh in May 2015 as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs .0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter relating to payment of SWWF is pending before the Sindh High Court and an interim stay order has been granted to the Company. However, as a matter of prudence, the management has maintained a provision for SWWF in the consolidated financial statements amounting to Rs 216.39 million which includes a provision of Rs. 30.82 million for the current year. Subsequently to year end the Sindh High Court decision dated January 25, 2025 reiterates that the matter to be disposed of as per the Council of Common Interests' decision on Agenda Item 14 bearing no CCI 14/1/2019 dated 23.12 .2019 which states this being trans-provincial and interprovincial matter should remain with the Federal government.

30 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

	Note	2024	2023
		(Rupees in '000)	
Credit loss allowance against balances with other banks	6	**(1)**	2
Reversal of credit loss allowance against investments	8.3	**(27,729)**	(12,801)
Reversal of credit loss allowance against loans and advances	8.4	**(40,114)**	250,630
Credit loss allowance held against other assets	13.1	**6,870**	20,610
Credit loss allowance against off balance sheet obligations	18.1	**1,446**	3,619
Recovery of advances written off		**–**	(28,073)
		(59,528)	233,987

31 Levies

	2024	2023
Final tax	**62,071**	42,740
Minimum tax	**474,728**	278,323
	536,799	321,063

This represents minimum tax differential under section 113 and final tax on dividend income and capital gains under section 5 and 37A respectively of the Income Tax Ordinance, 2001. These has been recognised as levies in these unconsolidated financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

32 TAXATION

	Note	2024	2023
		(Rupees in '000)	
Current		**178,293**	245,425
Prior years		**–**	62,429
Deferred	12	**(8,652)**	(192,330)
		169,641	115,524

32.1 The relationship between tax expense and accounting profit has not been presented in these consolidated financial statements as the tax liability of the Holding Company is based on minimum tax, ACRCL's tax liability computation is based on normal tax regime (NTR) and PLL's tax liability is based on Alternate Corporate Tax (ACT). Entities in group are taxed as individual entities.

33 BASIC EARNINGS PER SHARE

	2024	2023
	(Rupees in '000)	
Profit for the year	**914,442**	960,137
	Number of shares in '000	
Weighted average number of ordinary shares	**600,000**	600,000
	Rupees	
Basic earnings per share	**1.52**	1.60

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

34 CASH AND CASH EQUIVALENTS

	Note	2024	2023
		(Rupees in '000)	
Cash and balance with treasury banks	5	**796,314**	688,562
Balance with other banks	6	**1,042,491**	571,381
Asset classified as held for sale		**–**	13,089
Credit loss allowance held against balances with other banks		**1**	2
		1,838,806	1,273,034

35 STAFF STRENGTH

		(Number)	
Permanent		**96**	80
On Company's contract		**11**	21
Outsourced	35.1	**28**	25
		135	126

35.1 This includes 28 (2023: 25) employees of outsourcing services companies who were assigned to perform guarding and janitorial services.

36 DEFINED BENEFIT PLAN

36.1 **General description**
As mentioned in note 4.11, the Group operates a funded gratuity scheme whereas PLL operates unfunded gratuity scheme for all its permanent employees. The benefits under the gratuity scheme are payable on retirement at the age of 60 or earlier cessation of service, in lump sum. The benefit is equal to one month's last drawn basic salary for each year of eligible service with the Group subject to a minimum qualifying period of service of five years. The plan assets and defined benefit obligations are based in Pakistan.

36.2 Number of employees under the defined benefit plan

	2024	2023
	(Rupees in '000)	
The number of employees covered under the defined benefit plan as at December 31,	**101**	79

36.3 Principal actuarial assumptions

The actuarial valuations were carried out using the following significant assumptions:

	Note	2024	2023
		(Per annum)	
Discount rate		**15.50%**	15.50%
Expected rate of salary increase		**15.50%**	15.50%
Morality rate		**SLIC 2001 - 2005**	SLIC 2001-2005
		Setback 1 Year	Setback 1 Year
Retirement assumption		**Age 60**	Age 60

36.4 Reconciliation of payable from defined benefit plan

	Note	2024	2023
		(Rupees in '000)	
Present value of obligation	36.6	**86,979**	69,078
Fair value of plan assets	36.7	**(68,547)**	(56,616)
Benefits payable		**–**	–
Payable		**18,432**	12,462

36.5 Movement in defined benefit plan

	Note	2024	2023
At the beginning of the year		**12,462**	(2,019)
Classified held for sale		**–**	(1,119)
Current service cost	36.8.1	**13,555**	20,961
Actual contributions by the Group		**(5,453)**	–
Benefits paid by the Group		**(719)**	–
Re-measurement (gain) / loss	36.8.2	**(1,413)**	(5,361)
At the end of the year		**18,432**	12,462

36.6 Movement in payable under defined benefit plan

	Note	2024	2023
Opening balance		**69,078**	80,505
Classified held for sale		**–**	(9,151)
Current service cost	36.8.1	**12,205**	10,351
Past service cost		**–**	11,065
Interest cost on defined benefit obligation		**10,080**	8,290
Re-measurement (gain) / loss recognised in OCI during the year	36.8.2	**1,788**	(3,623)
Benefits paid by the Group to outgoing members		**(6,172)**	(28,359)
Closing balance		**86,979**	69,078

36.7 Movement in fair value of plan assets

	Note	2024	2023
		(Rupees in '000)	
Fair value at the beginning of the year		**56,616**	82,524
Classified held for sale		**–**	(8,032)
Interest income on plan assets		**8,730**	8,745
Contribution by the Company - net		**5,453**	–
Actual benefits paid from the fund during the year		**(5,453)**	(28,359)
Re-measurement gain / (loss)	36.8.2	**3,201**	1,738
Fair value at the end of the year		**68,547**	56,616

36.8 Charge for defined benefit plan

36.8.1 Cost recognised in unconsolidated profit and loss account

Current service cost	**12,205**	10,351
Past service cost	**–**	11,065
Net interest income on plan	**1,350**	(455)
	13,555	20,961

36.8.2 Re-measurements recognised in OCI during the year

Loss / (gain) on obligation		
- financial assumptions	**605**	5,769
- experience adjustments	**1,183**	(9,392)
	1,788	(3,623)
Return on plan assets over interest income	**(3,201)**	(1,738)
Total re-measurements recognised in OCI	**(1,413)**	(5,361)

36.9 Components of plan assets

Equity	**52,888**	–
Cash and cash equivalents - net	**–**	8,327
Government securities	**15,659**	45,614
Others	**–**	2,675
	68,547	56,616

36.9.1 Description of risks

The defined benefit plan exposes the Group to the following risks:

Withdrawal risks - This is the risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

Mortality risks - This is the risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

Investment risks - This is the risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - This is the risk that the final salary at the time of cessation of service is greater than what was assumed.

36.10 Sensitivity analysis

A sensitivity analysis for each significant financial assumption as of the reporting date, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date, is as follows:

	2024	2023
	(Rupees in '000)	
Increase / decrease in obligation		
1% increase in discount rate	**79,772**	20,649
1% decrease in discount rate	**92,463**	15,234
1% increase in expected rate of salary increase	**92,563**	15,279
1% decrease in expected rate of salary increase	**79,575**	20,657

The above sensitivities analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the unconsolidated statement of financial position.

	(Rupees in '000)
36.11 Expected contributions to be paid to the fund in the next financial year	**16,408**

The expected charge for the next financial year commencing January 1, 2025 works out to Rs. 16.408 million (2023: Rs. 9.486 million).

36.12 Maturity profile

The weighted average duration of the obligation is 8 years (2023: 8 years).

36.13 Funding policy

An implicit, though not a formally expressed objective, is that the liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected future salary increases, should be covered by the Fund on the valuation date, the total book reserve as of the valuation date, future contributions to the Fund, future additions to the book reserve and future projected investment income of the Fund.

Accordingly the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Actuarial Cost Method employed.

37 DEFINED CONTRIBUTION PLAN

The Group operates a provident fund scheme for all its permanent employees. Equal monthly contributions at the rate of 10% per annum (2023: 10% per annum) of basic salaries are made both by the Group and employees. Contributions made to the provident fund during the year are as follows:

	2024	2023
	(Rupees in '000)	
Contribution made by the Group	**11,914**	11,778
Contribution made by employees	**11,914**	11,778
	23,828	23,556

38 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

38.1 Total Compensation Expense

(Rupees in '000)

Items	2024					
	Directors			President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers
	Chairman	Executives (other than CEO)	Non-Executive			
Fees and Allowances etc.	2,000	5,536	6,550	–	–	–
Managerial Remuneration						
i) Fixed	–	17,985	–	29,140	66,925	110,574
ii) Total Variable	–	–	–	–	–	–
of which						
a) Cash Bonus / Awards	–	4,976	–	11,038	26,518	34,815
b) Bonus & Awards in Shares	–	–	–	–	–	–
Charge for defined benefit plan	–	645	–	1,754	2,748	5,715
Contribution to defined contribution plan	–	643	–	2,010	3,123	6,396
Rent & house maintenance	–	–	–	–	–	–
Utilities	–	–	–	–	–	–
Medical	–	–	–	1,159	3,407	5,198
Conveyance	–	–	–	–	–	–
Others						
- LFA	–	–	–	2,313	2,616	6,389
- TDA	–	–	–	502	979	1,445
- Fuel	–	–	–	1,357	8,992	13,137
- Leave encashment	–	–	–	–	–	–
- Mobile reimbursement	–	–	–	104	294	530
- Security & Vehicle Maintenance	–	–	–	1,095	–	–
- others	–	2,172	–	147	753	1,429
Total	2,000	31,957	6,550	50,619	116,355	185,628
Number of persons	2	9	2	1	14	24

(Rupees in '000)

Items	2023 Directors Chairman	Executives (other than CEO)	Non-Executive	President / CEO	Key Management Personnel	Other Material Risk Takers / Controllers
Fees and Allowances etc.	2,400	4,703	4,800	–	–	–
Managerial Remuneration						
i) Fixed	–	18,447	–	25,216	62,698	86,396
ii) Total Variable	–	–	–	–	–	–
of which						
a) Cash Bonus / Awards	–	4,147	–	18,502	15,866	26,150
b) Bonus & Awards in Shares	–	–	–	–	–	–
Charge for defined benefit plan	–	491	–	2,187	836	1,861
Contribution to defined contribution plan	–	452	–	1,739	2,401	3,635
Rent & house maintenance	–	–	–	–	–	–
Utilities	–	–	–	–	–	–
Medical	–	–	–	25	1,604	2,847
Conveyance	–	–	–	–	–	–
Others						
- LFA	–	–	–	1,998	2,942	4,243
- TDA	–	–	–	426	600	621
- Fuel	–	–	–	890	6,736	11,598
- Leave encashment	–	–	–	3,312	–	–
- Mobile reimbursement	–	–	–	22	239	419
- Security & Vehicle Maintenance	–	–	–	738	–	–
- others	–	2,122	–	3,929	493	1,145
Total	2,400	30,362	4,800	58,983	94,415	138,915
Number of persons	2	11	2	2	14	26

38.2 Remuneration paid to Directors of Holding Company for participation in Board and Committee Meetings

(Rupees in '000)

Sr. No.	Name of Director	2024 Meeting Fees and Allowances Paid For Board Meetings	For Board Committees Audit Committee	HR&RC Committee	Credit and Risk Management Committee	Total Amount Paid
1	Ms. Dk Noorul Hayati Julaihi	**2,000**	**–**	**–**	**–**	**2,000**
2	Mr. Nasir Mahmood Khosa	**2,000**	**–**	**–**	**–**	**2,000**
3	Ms. Norakerteni Muhammad	**2,000**	**–**	**–**	**–**	**2,000**
	Total Amount Paid	**6,000**	**–**	**–**	**–**	**6,000**

(Rupees in '000)

Sr. No.	Name of Director	2023 Meeting Fees and Allowances Paid For Board Meetings	For Board Committees Audit Committee	HR&RC Committee	Credit and Risk Management Committee	Total Amount Paid
1	Ms. Dk Noorul Hayati Julaihi	24,000	–	–	–	24,000
2	Mr. Nasir Mahmood Khosa	24,000	–	–	–	24,000
3	Ms. Norakerteni Muhammad	24,000	–	–	–	24,000
	Total Amount Paid	**72,000**	**–**	**–**	**–**	**72,000**

39 FAIR VALUE MEASUREMENT

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at 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 unquoted 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.

39.1 Fair value of financial assets

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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates (FMA report).
Term finance / sukuks certificates	Investments in listed debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the prices announced by the Pakistan Stock Exchange Limited.

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:

(Rupees in '000)

	2024			
On balance sheet financial instruments	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets - measured at fair value				
Investments				
Federal government securities	–	162,620,465	–	162,620,465
Ordinary shares	1,346,043	–	–	1,346,043
Non-government debt securities	–	2,764,847	–	2,764,847
Off-balance sheet financial instruments				
Commitments				
- future purchase and sale transactions	–	–	–	–

(Rupees in ‘000)

On balance sheet financial instruments	2023			
	Level 1	Level 2	Level 3	Total
Financial assets - measured at fair value				
Investments				
Federal government securities	–	153,327,875	–	153,327,875
Ordinary shares	961,316	–	–	961,316
Non-government debt securities	–	2,473,503	–	2,473,503
Off-balance sheet financial instruments				
Commitments				
Forward shares	–	4,956,324	–	4,956,324

40 SEGMENT INFORMATION

40.1 Segment details with respect to business activities

(Rupees in ‘000)

	2024			
	Corporate finance	Trading and sales	Commercial banking	Total
Consolidated statement of Profit and Loss Account				
Net Mark-up / return / profit	136,236	856,888	607,935	1,601,059
Non mark-up / return / interest income	127,748	539,226	69,827	736,801
Total income	263,984	1,396,114	677,762	2,337,860
Total expenses	106,953	334,367	318,690	760,010
Provisions	29,866	(5,856)	35,518	59,528
Profit before tax from continuing operations	186,897	1,055,891	394,590	1,637,378
Income from discontinuing operations	1,244	7,307	5,105	13,656
Expenses from discontinuing opertions	3,026	17,778	12,421	33,225
Profit before tax from discontinuing opertion	(1,782)	(10,471)	(7,316)	(19,569)
Consolidated Statement of Financial Position				
Cash and bank balances	207,644	1,098,051	533,110	1,838,805
Investments	–	166,731,355	–	166,731,355
Lendings to financial institutions	–	–	–	–
Advances - performing	2,660,185	14,067,459	6,829,846	23,557,490
– non-performing	33,366	176,447	85,666	295,479
Others	1,297,424	6,860,975	3,331,049	11,489,448
Total assets	4,198,619	188,934,287	10,779,671	203,912,577
Borrowings	–	124,554,675	60,472,128	185,026,803
Deposits & other accounts	131,635	696,106	337,964	1,165,705
Lease liabilities	6,962	36,814	17,873	61,649
Others	520,803	2,754,076	1,337,122	4,612,001
Total liabilities	659,400	128,041,671	62,165,087	190,866,158
Equity	3,539,219	60,892,616	(51,385,416)	13,046,419
Total equity and liabilities	4,198,619	188,934,287	10,779,671	203,912,577
Contingencies and commitments	–	23,551,336	1,327,589	24,878,925

(Rupees in '000)

	2023			
	Corporate finance	Trading and sales	Commercial banking	Total
Consolidated statement of Profit and Loss Account				
Net Mark-up / return / profit	–	1,558,055	267,480	1,825,535
Non mark-up / return / interest income	125,833	444,871	–	570,704
Total income	125,833	2,002,926	267,480	2,396,239
Total expenses	39,059	621,700	81,790	742,549
Provisions	–	16,040	217,947	233,987
Profit before tax from continuing operations	86,774	1,365,186	(32,257)	1,419,703
Income from discontinuing operations	1,244	7,307	5,105	13,656
Expenses from discontinuing opertions	3,026	17,778	12,421	33,225
Profit before tax from discontinuing opertion	(1,782)	(10,471)	(7,316)	(19,569)
Consolidated Statement of Financial Position				
Cash and bank balances	66,163	1,053,139	140,641	1,259,943
Investments	–	156,762,694	–	156,762,694
Lendings to financial institutions	–	–	–	–
Advances - performing	–	1,597,763	20,470,801	22,068,564
Advances - non-performing	–	12,129	217,581	229,710
Others	8,182	7,915,518	1,056,903	8,980,603
Total assets	74,345	167,341,243	21,885,926	189,301,514
Borrowings	–	154,354,160	20,613,171	174,967,331
Deposits & other accounts	–	10,939	1,461	12,400
Lease liabilities	–	8,405	1,122	9,527
Others	–	3,002,970	401,030	3,404,000
Total liabilities	–	157,376,473	21,016,785	178,393,258
Equity	74,345	9,964,770	869,142	10,908,256
Total equity and liabilities	74,345	167,341,243	21,885,926	189,301,514
Contingencies and commitments	–	116,840,634	6,332,674	123,173,308

40.2 Segment details with respect to geographical location

The operations of the Company are currently based only in Pakistan.

41 TRUST ACTIVITIES

The Holding Company has assumed the role of Trustee to various Term Finance Certificates (TFCs) / sukuk issues and is holding trust properties in fiduciary capacity for and on behalf of the trust beneficiaries. The Holding Company is registered as a Debt Securities Trustee (DST) under the Debt Securities Trustee Regulations, 2017 (DST Regulations, 2017) issued by the SECP.

Presently, the Company is acting as Trustee and Investment Agent to 50 (fifty) debt securities issues by institutions namely Agha Steel Industries Limited, Agritech Limited, Azgard Nine Limited, Bank Alfalah Limited, Bank Al-Habib Limited, Bank Islami Pakistan Limited, Crescent Steel & Allied Product Limited, Dubai Islami Bank Pakistan Limited, Habib Bank Limited, Hub Power Company Limited, Hub Power Holding Pvt. Limited, JS Bank Limited, Kashf Foundation Limited, K-Electric Limited, Khushhali Microfinance Bank Limited, Neelum Jhelum Hydro Power Co. Limited, Pakistan Intermodals Limited, Pakistan Services Limited, Silk Bank Limited, Sindh Nooriabad Power Co. Ph. (II) Pvt. Limited (Phase-I & II), Soneri Bank Limited, Summit Bank Limited, Telecard Limited, The Bank of Punjab, U Microfinance Bank Limited, and WAPDA (Dasu Hydro Power Project). The combined value of debt securities as at December 31, 2024 amounted to Rs. 378,.511 million (2023: Rs. 386,774 million).

42 RELATED PARTY TRANSACTIONS

The Holding Company has related party relationship with subsidiary companies (namely Primus Leasing Limited and Awwal Corporate Restructuring Company Limited), KSB Pumps Company Limited, Trade Development Authority of Pakistan, Engro Polymer and Chemicals Limited employees' defined benefit and defined contribution plan, its key management personnel and state controlled entities.

There are no transactions with key management personnel other than those carried out as per their terms of employment. Contributions to approved defined benefit and contribution plans are disclosed in notes 36 and 37 to these consolidated financial statements and are made in accordance with the actuarial valuations / terms of scheme. Remuneration to chief executive, directors and executives is disclosed in note 38 to the consolidated financial statements. Transactions with owners have been disclosed in 'Consolidated Statement of Changes in Equity'. All other transactions between the Group and its related parties are carried out under normal course of business except employee staff loans that are as per terms of employment. The details of transactions with related parties during the year and balances with them as at year end, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

(Rupees in '000)

	2024			2023		
	Directors	**Key management personnel**	**Other related parties**	Directors	Key management personnel	Other related parties
Lendings						
Opening balance	–	–	–	–	–	26,000
Addition during the year	–	–	–	–	–	301,600
Repaid during the year	–	–	–	–	–	(327,600)
Closing balance	–	–	–	–	–	–
Advances						
Opening balance	–	49,810	159,775	–	72,204	178,207
Addition during the year	–	22,824	–	–	19,558	300,000
Repaid during the year	–	(26,964)	(454)	–	(41,952)	(318,432)
Transfer in / (out) - net	–	–	–	–	–	–
Closing balance	–	45,670	159,321	–	49,810	159,775
Other assets						
Interest / mark-up accrued	–	–	321	–	–	288
Lease receivable under IFRS-16	–	–	–	–	–	–
Receivable from defined benefit plan	–	–	–	–	–	–
Preliminary expense	–	–	–	–	–	–
Advance against investments in right shares	–	–	–	–	–	–
Others	–	–	–	–	–	1,023
	–	–	321	–	–	1,311
Assets classified as held-for-sale						
Opening balance	–	–	–	–	–	–
Transfer during the year	–	–	–	–	–	–
Disposed off during the year	–	–	–	–	–	–
Closing balance	–	–	–	–	–	–
Borrowings						
Opening balance	–	–	4,827	–	–	–
Borrowings during the year	–	–	126,755	–	–	73,156
Settled during the year	–	–	(131,582)	–	–	(68,329)
Closing balance	–	–	–	–	–	4,827
Other Liabilities						
Interest / mark-up payable	–	–	–	–	–	6
Payable to defined benefit plan	–	–	18,433	–	–	12,462
Other liabilities	–	–	–	–	–	–
	–	–	18,433	–	–	12,468

	(Rupees in '000)					
	2024			2023		
	Directors	**Key management personnel**	**Other related parties**	Directors	Key management personnel	Other related parties
Income						
Mark-up / return / interest earned	**–**	**1,399**	**34,108**	–	3,268	43,865
Dividend income	**–**	**–**	**–**	–	–	–
Expense						
Mark-up / return / interest paid	**–**	**–**	**1,759**	–	–	442
Operating expenses	**8,550**	**116,355**	**–**	6,400	137,696	–
Reimbursement of expenses	**–**	**17,605**	**–**	–	15,700	233
Expenses charged	**–**	**–**	**9,720**	–	–	9,290

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2024	2023
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	**6,000,000**	6,000,000
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	**11,095,400**	9,441,917
Eligible Additional Tier 1 (ADT 1) Capital	**–**	–
Total Eligible Tier 1 Capital	**11,095,400**	9,441,917
Eligible Tier 2 Capital	**379,641**	–
Total Eligible Capital (Tier 1 + Tier 2)	**11,475,041**	9,441,917
Risk Weighted Assets (RWAs):		
Credit Risk	**22,570,490**	21,701,609
Market Risk	**10,799,974**	7,704,487
Operational Risk	**3,958,233**	3,131,354
Total	**37,328,697**	32,537,450
Common Equity Tier 1 Capital Adequacy ratio	**30.74%**	29.02%
Tier 1 Capital Adequacy Ratio	**30.74%**	29.02%
Total Capital Adequacy Ratio	**30.74%**	29.02%

In order to strengthen the solvency of Banks / Development Financial Institutions (DFI), SBP through its BSD Circular No. 19 of 2008 dated September 05, 2008 has asked the DFIs to raise their minimum paid up capital to Rs.6 billion free of losses by the end of financial year 2009.

The paid-up capital and CAR of the Group stands at Rs. 6 billion and 30.74% of its risk weighted exposure as at December 31, 2024.

The Group uses Standardised approach for calculations of Credit and Market Risk Weighted Assets while Basic Indicator approach is used to calculate Operational Risk Weighted assets.

	2024	2023
Notional minimum capital requirements prescribed by SBP		
CET1 minimum ratio	**6.00%**	6.00%
Tier 1 minimum ratio	**7.50%**	7.50%
Total capital minimum ratio	**11.50%**	11.50%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**11,095,400**	9,441,917
Total Exposures	**224,714,554**	156,629,925
Leverage Ratio	**4.94%**	6.03%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**54,535,339**	17,914,626
Total Net Cash Outflow	**58,002,502**	17,581,217
Liquidity Coverage Ratio	**94.02%**	101.90%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**24,609,964**	24,490,814
Total Required Stable Funding	**20,309,254**	18,812,749
Net Stable Funding Ratio	**121.18%**	130.18%

43.1 The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time shall be placed on the website. The link to the full disclosure is available at https://pakbrunei.com.pk/wp-content/uploads/2024/03/BaselIII2023Disclosure-Consolidated.pdf

44 RISK MANAGEMENT

The Risk Management Framework (the Framework) of the Group provides principles for identifying, assessing and monitoring risk within the Group. The Framework specifies the key elements of the risk management process in order to maximise opportunities, to minimise adversity and to achieve improved outcomes and outputs based on informed decision making.

Categories of risk

The Group generates most of its revenues by accepting credit, liquidity and market risk. Effective management of these risks is the decisive factor in the profitability of the Group. In addition, the Group is subject to certain consequential risks that are common to all business undertakings. These risks are grouped under two headings: operational risk and reputational risk. The Framework is organised with reference to these five risk categories as detailed below:

Credit risk This risk is defined as the possibility of loss due to unexpected default or a deterioration of credit worthiness of a counter party.

Market risk The risk of loss generated by adverse changes in the price of assets or contracts currently held by the Group.

Liquidity risk The risk that the Group is unable to meet its payment obligations or fund increases in assets when they fall due without incurring an unacceptable cost the consequences of which may be the failure to meet obligations to repay investors and fulfil commitments to lend.

Operational risk Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events and includes legal risk.

Reputational risk The risk of failing to meet the standards of performance or behaviour required or expected by stakeholders in commercial activities or the way in which business is conducted.

Risk responsibilities

The Board of Directors (the Board) is accountable for the overall supervision of the risk management process. The Board is responsible for the approval of all risk policies and ensuring that these are properly implemented. Furthermore, the Board approves the appointment of senior management personnel who are capable of managing the risk activities conducted by the Group.

Risk Management comprises of two areas namely Credit Risk Management (CRM) and Middle Office and Operational Risk (MOOR). CRM oversees credit risk taken by the Group while MOOR function overviews market, liquidity and operational risks of the Group. The functions of both of these units are subject to the policies and manuals approved by the Board, Prudential Regulations and additional regulatory directives issued from time to time. These units are independent of business generation and risk taking. For all credit exposures taken by the Group, CRM prepares a comprehensive credit advice highlighting business, financial and structural risks for Credit Committee members. CRM monitors the credit portfolio of the Group on a regular basis to ensure prudent lending. Moreover, this department also sets parameters for various risks including i) sectoral concentration, ii) exposure limits for single and group exposures, and iii) monitoring watch list accounts and the entire portfolio. The risk management philosophy is to identify and monitor risk on a portfolio basis and assess the risk taking capacity of the statement of financial position as a whole. MOOR is responsible for monitoring and reporting of market and liquidity risk as it arises from our trading, investing and lending activities. MOOR also conducts Risk and Self Assessment exercises and maintains Group wide risk registers to monitor operational risks embedded in the Group operations and ensure that sufficient controls are in place against such risks.

Different Management Committees have been set up to review different kinds of risks; mainly being the Assets and Liabilities Committee (ALCO), Credit Committee (CC) and Risk Management Committee (RMC). Comprehensive risk management manuals have been designed which cover all significant risks including credit, liquidity, market and operational risks and provides guidance to management on risk controls, limits, risk measurement tools and a reporting framework.

44.1 Credit risk

Credit risk, i.e. the potential default of one or more debtors, is the largest source of risk for the Group. The Group is exposed to credit risk through its lending and investment activities. The credit risk arising from exposure to corporates is governed by the Credit Risk Management Policy and Credit Administration Frameworks. The counter party credit risk arising from interbank lines are addressed in the Treasury policy framework. The Group has adopted Standardised Approach of Basel II Accord.

The Group manages 3 principal sources of credit risk:

i) Sovereign credit risk

When the Group lends to public sector borrowers, it prefers obtaining a full sovereign guarantee or the equivalent from the Government of Pakistan (GoP). However, certain public sector enterprises have a well defined cash flow stream and appropriate business model based on which the lending is secured through collaterals other than GoP guarantee.

ii) Non-sovereign credit risk

When the Group lends to private sector borrowers it does not benefit from sovereign guarantees or the equivalent. Consequently, each borrower's credit worthiness is analysed on a standalone basis. Two internal rating models are in use to rate (i) Corporate / Commercial customers (ii) SME customers. Frameworks of both these models have been duly approved by the Board.

iii) Counter party credit risk on interbank limits

In the normal course of its business, the Group's Treasury utilises products such as reverse repos and call lendings to meet the needs of the borrowers and manages its exposure to fluctuations in market interest rates and to temporarily invest its liquidity prior to disbursement. All of these financial instruments involve, to varying degrees, the risk that the counterparty in the transaction may be unable to meet its obligation to the Group.

Reflecting a preference for minimising the exposure to counterparty credit risk, the Group maintains eligibility criteria that link the exposure limits to counterparty credit ratings by external rating agencies. For example, the minimum rating for counterparties to be eligible for a financing relationship with the Group is BBB.

Credit administration

Credit Administration Department is involved in minimising losses that could arise due to security and documentation deficiencies.

Risk analytics

To ensure a prudent distribution of asset portfolio, the Group manages its lendings and investment activities within a framework of Borrower, Group, Product, Geographical and Sector exposure limits and risk profile benchmarks.

Stress testing

The Group also conducts stress testing of its existing portfolio, which includes all assets, i.e., advances as well as investments. This exercise is conducted on a quarterly basis through assigning shocks to distressed / non-performing assets of the Group and assessing its resulting effect on capital adequacy.

Regular monitoring

Regular monitoring of the advances portfolio is carried out which focuses on early problem recognition and influences the front office to carry out an assessment of the borrower's ability to rectify the identified problem / weakness within a reasonable time-frame, consider tighter structuring of facilities, confirm that there are no critical deficiencies in the existing security position and, if possible, arrange for strengthening of the same through obtaining additional collateral. It should however, be noted that these actions are taken prior to incurring overdues on the facility.

Portfolio diversification

While expanding the advances and the investment (TFCs) portfolio, efficient portfolio diversification has been a key consideration despite the relatively small size of operations.

Particulars of the Group's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

44.1.2 Investment in debt securities

(Rupees in '000)

	Gross investments		Non-performing investments		Stage 1		Stage 2		Stage 3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Credit risk by industry sector										
Textile	**29,819**	38,553	**84,178**	38,553	**–**	–	**10,719**	–	**28**	38,553
Chemical and Pharmaceuticals	**178,460**	122,845	**53,460**	53,460	10	–	**–**	–	53,460	53,460
Steel	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Construction	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Power (Electricity), Gas, Water, Sanitary	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Transport, Storage and Communication	**14,361**	14,361	**14,361**	14,361	**–**	–	**–**	–	**14,361**	14,361
Financial	**2,420,852**	2,473,502	**–**	–	47	7	**–**	–	**–**	–
Food & Beverages	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Others	**366,833**	90,957	**149,141**	149,141	**20**	–	**–**	–	**149,141**	149,134
	3,010,325	2,740,218	**301,140**	255,515	**77**	7	**10,719**	–	**216,990**	255,508
Credit risk by public / private sector										
Public / Government	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Private	**3,010,325**	2,740,218	**301,140**	255,515	**77**	7	**10,719**	–	**216,990**	255,508
	3,010,325	2,740,218	**301,140**	255,515	**77**	7	**10,719**	–	**216,990**	255,508

44.1.3 Advances

(Rupees in '000)

	Gross advances		Non-performing advances		Stage 1		Stage 2		Stage 3	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Credit risk by industry sector										
Textile	**4,111,447**	4,321,590	**35,194**	27,202	**8,009**	6,422	**2,509**	933	**32,089**	27,002
Chemical and Pharmaceuticals	**4,871,868**	4,130,733	**8,990**	4,645	**10,912**	5,593	**1,820**	–	**5,557**	4,645
Cement	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Sugar	**1,047,448**	1,826,363	**21,998**	21,998	**1,960**	2,958	**–**	–	**21,998**	21,998
Steel	**1,042,653**	1,403,091	**135,653**	209,453	**1,582**	1,582	**–**	–	**119,960**	322,848
Footwear and leather garments	**52,500**	–	**–**	–	**–**	–	**–**	–	**–**	–
Automobile and transportation equipment	**592,705**	383,080	**1,292**	2,290	**1,006**	37	**474**	9,222	**1,932**	2,290
Electronics and electrical appliances	**1,573,164**	1,521,633	**502,732**	411,937	**1,118**	523	**1,006**	665	**437,516**	304,044
Construction	**791,805**	787,613	**5,642**	3,780	**998**	748	**3,512**	–	**4,086**	2,522
Power (Electricity), Gas, Water, Sanitary	**1,891,000**	2,719,051	**411,937**	138,073	**7,297**	9,965	**–**	–	**138,073**	138,073
Retail	**24,467**	174,058	**–**	10,791	**558**	486	**388**	388	**10,363**	10,791
Exports/Imports	**–**	–	**675**	–	**–**	–	**–**	–	**–**	–
Transport, Storage and Communication	**1,432,874**	372,780	**16,568**	18,379	**2,241**	–	**874**	–	**14,921**	18,378
Financial	**715,000**	869,958	**–**	–	**114**	–	**–**	–	**–**	–
Insurance	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Services	**794,642**	242,765	**19,856**	519	**5,319**	1,128	**852**	–	**21,631**	6,439
Individuals	**–**	133,853	**–**	–	**30**	30	**–**	–	**–**	–
Education	**16,708**	16,750	**3,379**	3,750	**–**	185	**–**	–	**–**	2,502
Food and beverages	**3,819,165**	3,345,455	**242,937**	315,159	**15,112**	9,784	**5,561**	5,561	**307,165**	313,374
Others	**2,336,198**	1,350,291	**58,176**	256,470	**12,373**	41,843	**5,501**	8,001	**54,259**	19,830
	25,113,644	23,599,064	**1,465,029**	1,424,446	**68,629**	81,284	**22,497**	24,770	**1,169,550**	1,194,736
Credit risk by public / private sector										
Public / Government	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Private	**25,113,644**	23,599,064	**1,465,029**	1,424,446	**68,629**	81,284	**22,497**	24,770	**1,169,550**	1,194,736
	25,113,644	23,599,064	**1,465,029**	1,424,446	**68,629**	81,284	**22,497**	24,770	**1,169,550**	1,194,736

44.1.4 Contingencies and Commitments

	2024	2023
	(Rupees in '000)	
Credit risk by industry sector		
Agriculture, Forestry, Hunting and Fishing	**65,000**	95,000
Textile	**850,000**	100,006
Chemical and Pharmaceuticals	**389,965**	711,652
Construction	**145,000**	–
Sugar	**150,000**	250,000
Power (Electricity), Gas, Water, Sanitary	**3,278,124**	3,764,350
Transport, Storage And Communication	**105,390**	200,000
Financial	**18,964,521**	117,914,440
Services	**116,000**	50,000
Packaging	**138,220**	49,527
Food and beverages	**634,205**	15,000
Electronics and electrical appliances	**–**	–
Leather & footwear	**–**	2,000
Others	**42,500**	21,333
	24,878,925	123,173,308
Credit risk by public / private sector		
Public / Government	**18,885,521**	117,914,440
Private	**5,914,404**	5,258,868
	24,878,925	123,173,308

44.1.5 Concentration of advances

The Group's top 10 exposures on the basis of total funded and non-funded exposures are as following:

	2024	2023
	(Rupees in '000)	
Funded	**6,531,322**	5,774,765
Non Funded	**3,515,598**	3,749,549
Total Exposure	**10,046,920**	9,524,314

The sanctioned limits against these top 10 exposures aggregated to Rs. 12,304 million (2023: Rs. 19,514 million).

44.1.6 Advances - Province / Region-wise Disbursement and Utilisation

(Rupees in '000)

Province / Region	2024					
		Utilisation				
	Disbursements	Punjab	Sindh	Balochistan	Islamabad	KPK
Punjab	**9,432,058**	**9,432,058**	**–**	**–**	**–**	**–**
Sindh	**8,064,823**	**–**	**8,064,823**	**–**	**–**	**–**
Balochistan	**500,000**	**–**	**–**	**500,000**	**–**	**–**
Islamabad	**1,159,348**	**–**	**–**	**–**	**1,159,348**	**–**
KPK	**9,000**	**–**	**–**	**–**	**–**	**9,000**
Total	**19,165,229**	**9,432,058**	**8,064,823**	**500,000**	**1,159,384**	**9,000**

(Rupees in '000)

Province / Region	2023					
		Utilisation				
	Disbursements	Punjab	Sindh	Balochistan	Islamabad	KPK
Punjab	8,294,140	8,294,140	–	–	–	–
Sindh	10,954,855	–	10,954,855	–	–	–
Balochistan	901,500	–	–	901,500	–	–
Islamabad	–	–	–	–	–	–
KPK	3,000	–	–	–	–	3,000
Total	20,153,495	8,294,140	10,954,855	901,500	–	3,000

44.2 Market risk

The market risk is the risk of reductions in earnings, value and / or reserves arising from changes in market rates (such as interest rates, exchange rates, credit spreads) and market prices (such as commodities, equities, property etc.) as well as their correlations and volatilities. The Group is exposed to market risk primarily through its trading activities, which are centered in the Treasury and Capital market groups.

The Group classifies its assets in banking and trading books as per instructions from the SBP. The Group's trading book comprises positions in financial instruments held with trading intent or in order to hedge other elements of the trading book and free of any restrictive covenants on their tradability. In addition, positions need to be frequently and accurately valued and the portfolio should be actively managed. The positions which do not fulfil the criteria of trading book falls under the banking book and are treated as per SBP requirements.

The Group's trading book consists of investments in government securities, listed equities and mutual funds. The Group actively measures, controls and manages market risk in its trading book on a day-to-day basis. Controls are applied to all investment portfolios by setting limits to the exposures taken. This includes stop loss limits on shares in 'Held-for-trading' portfolio, individual and sectoral concentration limits, volatility and value-at-risk limits, etc.

The Group measures market risk using various techniques like duration analysis for interest rate risk in banking book, Value-at-Risk for adverse price movement, sensitivity analysis for investment in government securities, stress testing, etc. The results are communicated to ALCO and Risk Management Committee on monthly and quarterly basis respectively. Results are also communicated to the Board of Directors every quarter and to Board's Risk Management Committee on a half-yearly basis. Market risk is effectively managed at the portfolio level. The Group has adopted Standardised Approach of Basel II Accord.

44.2.1 Consolidated Statement of Financial Position split by trading and banking books - Basel II Specific

(Rupees in '000)

	2024			2023		
	Banking book	**Trading book**	**Total**	Banking book	Trading book	Total
Cash and balances with treasury banks	**796,314**	**–**	**796,314**	688,562	–	688,562
Balances with other banks	**1,042,491**	**–**	**1,042,491**	571,381	–	571,381
Lendings to financial institutions	**–**	**–**	**–**	–	–	–
Investments	**2,764,847**	**163,966,508**	**166,731,355**	1,040,083	155,722,611	156,762,694
Advances	**23,852,969**	**–**	**23,852,969**	22,298,274	–	22,298,274
Property and equipment	**103,403**	**–**	**103,403**	118,852	–	118,852
Right-of-use assets	**72,991**	**–**	**72,991**	24,160	–	24,160
Intangible assets	**8,020**	**–**	**8,020**	12,799	–	12,799
Deferred tax assets	**359,874**	**–**	**359,874**	1,237,193	–	1,237,193
Other assets	**10,776,256**	**–**	**10,776,256**	7,392,212	–	7,392,212
Assets classified as held-for-sale	**168,904**	**–**	**168,904**	195,387	–	195,387
	39,946,069	**163,966,508**	**203,912,577**	33,578,903	155,722,611	189,301,514

44.2.2 Foreign exchange risk

Foreign exchange risk is the risk of loss arising from fluctuations of exchange rates. The Group is not exposed to any significant funded or non-funded foreign exchange exposure.

44.2.3 Equity position risk

Equity position risk is the risk that the fair value will fluctuate as a result of changes in prices of individual stocks or the levels of equity indices. The Group's equity investments are either classified as fair value through Other Comprehensive Income (FVOCI) or fair value through profit or loss account (FVPL). The objective of the fair value through OCI portfolio is to maintain a medium term view of capital gains and dividend income while the Group takes advantage of short-term capital gains through its fair value through profit or loss (FVPL) portfolio investments. It is managed by the Group through its internal investment policy which is duly approved by the Board. The policy defines various position limits, portfolio limits and stop loss limits for the equity desk. The Group also applies stress tests on the equity portfolio which is part of the Group's overall market risk exposure limit on the banking book.

(Rupees in '000)

	2024		2023	
	Banking book	**Trading book**	Banking book	Trading book
Impact of 5% change in equity prices on				
- Consolidated statement profit and loss account	**–**	**–**	–	–
- Other comprehensive income	**–**	**(67,302)**	–	(48,066)

44.2.4 Yield / interest rate risk in the banking book (IRRBB) - Basel II Specific

Yield / interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity dates and for off-balance sheet instruments is based on settlement dates. This also refers to the non-trading market risk. Apart from the gap analysis between the market rate sensitive assets and liabilities as per the table given below, the Group also conducts interest rate sensitivity analysis in the banking book using the Duration Gap analysis based on its interest rate sensitive assets and interest rate sensitive liabilities. The Group also uses parallel shift in interest rates to determine the impact of adverse rate changes on investments in government securities.

- Interest rate sensitivity of assets and liabilities is measured based on actual re-pricing / maturity behaviour of all interest rate sensitive assets and liabilities.

- Duration GAP is calculated based on interest rate re-pricing of assets and liabilities and is used to determine impact of adverse interest rate movements on the Group's equity. Such an analysis is conducted every month and results are reported to the ALCO and RMC on a monthly and quarterly basis respectively.

(Rupees in '000)

	2024		2023	
	Banking book	**Trading book**	Banking book	Trading book
Impact of 1% change in interest rates on				
- Unconsolidated profit and loss account	**125,364**	**–**	(36,303)	–
- Other comprehensive income	**–**	**595,950**	–	(1,888,270)

44.2.5 Mismatch of interest rate sensitive assets and liabilities

(Rupees in '000)

	Effective yield/ interest rate %	Total	2024 Exposed to yield/interest risk: Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Non-interest Bearing Financial Instruments
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		796,314	796,314	–	–	–	–	–	–	–	–	–
Balances with other banks	5.02% to 20.50%	1,042,491	1,042,491	–	–	–	–	–	–	–	–	–
Lending to financial institutions		–	–	–	–	–	–	–	–	–	–	–
Investments	7.94% to 20.20%	166,731,355	25,026,972	40,694,552	89,237,936	–	1,424,258	–	8,004,974	744,741	251,879	1,346,043
Advances	2.25% to 30%	23,852,969	3,950,841	2,971,001	299,255	4,984,696	3,887,764	3,106,509	3,080,811	1,508,082	–	64,010
Other assets		5,489,442	–	–	–	–	–	–	–	–	–	5,489,442
		197,912,571	30,816,618	43,665,553	89,537,191	4,984,696	5,312,022	3,106,509	11,085,785	2,252,823	251,879	6,899,495
Liabilities												
Borrowings	0% to 19.06%	185,026,803	41,885,390	51,994,627	85,974,393	1,210,495	2,239,595	881,299	654,001	187,003	–	–
Deposits and other accounts		1,165,705	20,000	500,000	633,305	–	–	–	12,400	–	–	–
Other liabilities		4,462,093	–	–	–	–	–	–	–	–	–	4,462,093
		190,654,601	41,905,390	52,494,627	86,607,698	1,210,495	2,239,595	881,299	666,401	187,003	–	4,462,093
On-balance sheet gap		7,257,970	(11,088,772)	(8,829,074)	2,929,493	3,774,201	3,072,427	2,225,210	10,419,384	2,065,820	251,879	2,437,402
Non financial net assets		5,788,449										
Total net assets		13,046,419										
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		1,327,589	1,327,589	–	–	–	–	–	–	–	–	–
Commitments in respect of:												
– forward foreign exchange contracts		–	–	–	–	–	–	–	–	–	–	–
– forward lendings		4,850,815	4,850,815	–	–	–	–	–	–	–	–	–
– forward investments		–	–	–	–	–	–	–	–	–	–	–
– repo transactions		18,700,521	18,700,521	–	–	–	–	–	–	–	–	–
Other commitment		–	–	–	–	–	–	–	–	–	–	–
Off-balance sheet gap		24,878,925	24,878,925	–	–	–	–	–	–	–	–	–
Total yield / interest risk sensitivity gap			13,790,153	(8,829,074)	2,929,493	3,774,201	3,072,427	2,225,210	10,419,384	2,065,820	251,879	2,437,402
Cumulative yield / interest risk sensitivity gap			13,790,153	4,961,079	7,890,572	11,664,773	14,737,200	16,962,410	27,381,794	29,447,614	29,699,493	32,136,895

(Rupees in '000)

	Effective yield/ interest rate %	Total	2023									
			Exposed to yield/interest risk									Non-interest
			Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years	Bearing Financial Instruments
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks		688,559	688,559	–	–	–	–	–	–	–	–	–
Balances with other banks	20.50% to 20.51%	571,384	571,384	–	–	–	–	–	–	–	–	–
Lending to financial institutions		–	–	–	–	–	–	–	–	–	–	–
Investments	14.68% to 25.79%	156,762,694	64,979,855	38,635,150	30,753,019	15,885,743	–	923,447	2,636,741	1,774,866	212,557	961,316
Advances	2.7% to 29.67%	22,298,274	4,941,913	6,913,847	2,784,415	1,766,925	1,684,009	1,436,112	2,143,299	553,810	–	73,944
Other assets		5,998,016	–	–	–	–	–	–	–	–	–	5,998,016
		186,318,927	71,181,711	45,548,997	33,537,434	17,652,668	1,684,009	2,359,559	4,780,040	2,328,676	212,557	7,033,276
Liabilities												
Borrowings	0% to 23.26%	174,967,331	136,418,424	3,643,370	29,086,600	1,132,869	2,077,997	1,047,661	1,145,106	415,304	–	–
Deposits and other accounts		12,400	–	–	–	–	–	–	12,400	–	–	–
Other liabilities		3,413,527	–	–	–	–	–	–	–	–	–	3,413,527
		178,393,258	136,418,424	3,643,370	29,086,600	1,132,869	2,077,997	1,047,661	1,157,506	415,304	–	3,413,527
On-balance sheet gap		7,925,669	(65,236,713)	41,905,627	4,450,834	16,519,799	(393,988)	1,311,897	3,622,534	1,913,372	212,557	3,619,749
Non financial net assets		2,982,587										
Total net assets		10,908,256										
Off-balance sheet financial instruments												
Documentary credits and short-term trade-related transactions		1,376,350	1,376,350	–	–	–	–	–	–	–	–	–
Commitments in respect of:												
– forward foreign exchange contracts		–	–	–	–	–	–	–	–	–	–	–
– forward lendings		3,884,675	3,884,675	–	–	–	–	–	–	–	–	–
– forward investments		4,956,324	4,956,324	–	–	–	–	–	–	–	–	–
– repo transactions		–	–	–	–	–	–	–	–	–	–	–
Other commitment		–	–	–	–	–	–	–	–	–	–	–
Off-balance sheet gap		10,217,349	10,217,349	–	–	–	–	–	–	–	–	–
Total yield / interest risk sensitivity gap			(55,019,364)	41,905,627	4,450,834	16,519,799	(393,988)	1,311,898	3,622,534	1,913,372	212,557	3,619,749
Cumulative yield / interest risk sensitivity gap			(55,019,364)	(13,113,737)	(8,662,903)	7,856,896	7,462,908	8,774,806	12,397,340	14,310,712	14,523,269	18,143,018

44.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Group, like all financial institutions, is exposed to many types of operational risks, including the potential losses arising from internal activities or external events caused by breakdowns in information, communication, physical safeguards, business continuity, supervision, transaction processing, settlement systems and procedures and the execution of legal, fiduciary and agency responsibilities.

The Group maintains a system of internal controls designed to keep operational risk at appropriate levels, in view of the Group's financial strength and the characteristics of the activities and market in which it operates. These internal controls are periodically updated to conform to the industry's best practices. The Group also gathers operational risk losses to determine strengths and sufficiency of its internal controls.

The Group has developed a Business Continuity Plan applicable to all its functional areas and the plan is rehearsed at least twice in a year.

Furthermore, the Group's operations are relatively simple as compared to a large scale commercial bank. The Group only operates with its head office in Karachi with a liaison office in Lahore. Given simple operations and small scale, Group uses Basic Indicator Approach (BIA) to determine capital charge under Basel II.

44.4 Liquidity risk

Liquidity risk is the risk that the Group is unable to fund its current obligations and operations in the most cost efficient manner. ALCO is the forum to oversee liquidity management.

Liquidity risk can arise from the Group's activities and can be grouped into three categories:

- Inflows / outflows from on-balance sheet items (other than marketable securities and wholesale borrowings) and off-balance sheet items;
- Marketability of trading securities; and
- Capacity to borrow from the wholesale markets for funding as well as trading activities.

The Group's main funding source is the inter-bank money market. Changes in the government monetary policy and market expectations of interest rate are all important factors that can adversely affect our key funding sources. Efficient and accurate planning plays a critical role in liquidity management. The Group's MIS provides information on expected cash inflows / outflows which allows the Group to take timely decisions based on future requirements. The Group monitors all the possible sources from which liquidity risk can emanate including market reputation, borrowing terms, deterioration in quality of credit portfolio, etc. Other sources are also identified for which early warning indicators have been created and are being monitored for early intervention of management sensing a potential liquidity crunch.

Gap analysis and stress testing is done on a periodic basis to capture any adverse effect of market movements on liquidity position. Based on the results produced, ALCO devises the liquidity management strategy to maintain sufficient liquidity to deal with any related catastrophe.

44.4.1 Maturities of assets and liabilities - based on contractual maturities of assets and liabilities of the Company

(Rupees in '000)

	2024													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
Assets														
Cash and balances with treasury banks	796,314	796,314	–	–	–	–	–	–	–	–	–	–	–	–
Balances with other banks	1,042,491	1,042,491	–	–	–	–	–	–	–	–	–	–	–	–
Lendings to financial institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	166,731,355	–	–	–	–	–	269,182	289,107	19,413,934	11,499,373	27,326,026	4,706,478	81,133,305	22,093,950
Advances	23,852,969	348,857	594,593	1,152,548	862,610	786,062	880,389	3,111,444	1,214,766	3,637,647	3,535,655	3,089,149	3,067,156	1,572,093
Property and equipment	103,403	–	1,456	1,125	2,789	9,722	7,912	18,918	19,125	24,868	12,723	4,765	–	–
Right-of-use assets	72,991	–	127	127	3,029	3,319	3,319	11,594	11,594	18,877	21,005	–	–	–
Intangible assets	8,020	–	–	–	947	947	947	2,841	2,211	127	–	–	–	–
Deferred tax assets	359,874	–	305	305	610	1,307	1,307	3,920	3,921	44,415	663	250,036	53,085	–
Other assets	10,776,256	206,155	592,189	150,725	91,975	809,456	925,069	2,372,504	210,298	14,606	83,783	5,287,954	31,542	–
Assets classified as held-for-sale	168,904	–	–	–	–	–	–	–	–	168,904	–	–	–	–
	203,912,577	2,393,817	1,188,670	1,304,830	961,960	1,610,813	2,088,125	5,810,328	20,875,849	15,408,817	30,979,855	13,338,382	84,285,088	23,666,043
Liabilities														
Borrowings	185,026,803	–	18,717,725	6,073,513	16,215,237	28,340,989	19,565,386	83,597,191	1,191,658	2,480,769	4,823,509	2,869,870	946,438	204,518
Deposits and other accounts	1,165,705	–	20,000	–	–	–	500,000	645,705	–	–	–	–	–	–
Lease liabilities	61,649	–	223	223	894	1,397	1,404	4,192	37,180	13,910	2,226	–	–	–
Other liabilities	4,612,001	204,059	57,406	15,535	247,093	526,863	110,110	2,746,359	42,465	572,641	53,113	11,956	24,401	–
	190,866,158	204,059	18,795,354	6,089,271	16,463,224	28,869,249	20,176,900	86,993,447	1,271,303	3,067,320	4,878,848	2,881,826	970,839	204,518
Net assets	13,046,419	2,189,758	(17,606,684)	(4,784,441)	(15,501,263)	(27,258,436)	(18,088,775)	(81,183,119)	19,604,546	12,341,497	26,101,007	10,456,556	83,314,249	23,461,525
Share capital	6,000,000													
Reserves	2,512,190													
Unappropriated profit	3,948,804													
Non-controlling interest	2,260													
Deficit on revaluation of assets	583,165													
	13,046,419													

(Rupees in '000)

	2023													
	Total	Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
Assets														
Cash and balances with treasury banks	688,559	688,559	–	–	–	–	–	–	–	–	–	–	–	–
Balances with other banks	571,384	–	–	–	380,591	91,069	–	–	–	99,724	–	–	–	–
Lendings to financial institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	156,762,694	–	1,448,115	–	378,368	99,277	96,132	2,876,321	13,766,883	24,712,901	47,665,276	34,846,480	22,013,994	8,858,947
Advances	22,298,274	247,864	1,093,343	28,299	571,399	1,352,898	1,876,455	2,681,719	1,366,607	3,671,270	3,097,906	2,316,488	2,865,742	1,128,285
Property and equipment	118,852	–	–	–	4,550	4,085	4,085	5,526	7,336	14,718	30,511	23,184	24,858	–
Right-of-use assets	24,160	–	–	–	2,400	2,256	2,400	7,057	2,929	796	3,179	3,143	–	–
Intangible assets	12,799	–	–	–	1,277	1,277	1,277	3,189	78	1,929	3,772	–	–	–
Deferred tax assets	1,237,193	4,875	61,575	3,353	21,496	43,069	68,001	116,453	79,668	155,514	239,903	184,562	122,644	136,080
Other assets	7,392,212	144,538	1,716,817	144,111	356,750	812,872	1,218,606	931,866	168,933	5,975	–	1,848,407	43,337	–
Assets classified as held-for-sale	195,387	–	–	–	–	–	–	26,485	–	168,902	–	–	–	–
	189,301,515	1,085,839	4,319,850	175,763	1,716,831	2,406,803	3,266,955	6,648,616	15,392,434	28,831,729	51,040,547	39,222,264	25,070,575	10,363,312
Liabilities														
Borrowings	174,967,331	–	56,017,806	43,072,284	37,248,615	387,725	476,332	22,818,148	1,247,475	2,946,748	5,955,255	2,864,646	1,458,020	474,276
Deposits and other accounts	12,400	–	–	–	–	–	–	–	–	–	–	–	12,400	–
Lease liabilities	9,527	–	–	–	27	706	474	673	995	640	3,186	2,826	–	–
Other liabilities	3,404,000	90,721	183,662	460,429	499,091	84,866	88,584	881,969	95,126	165,352	245,764	427,440	178,721	2,275
	178,393,258	90,721	56,201,468	43,532,713	37,747,733	473,297	565,390	23,700,790	1,343,596	3,112,740	6,204,205	3,294,912	1,649,141	476,551
Net assets	10,908,256	995,118	(51,881,619)	(43,356,950)	(36,030,903)	1,933,506	2,701,565	(17,052,174)	14,048,838	25,718,986	44,836,342	35,927,352	23,421,434	9,646,761
Share capital	6,000,000													
Reserves	2,390,092													
Unappropriated profit	3,350,949													
Non-controlling interest	2,244													
Deficit on revaluation of assets	(835,029)													
	10,908,256													

44.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Company

(Rupees in '000)

	2024									
	Total	**Upto 1 month**	**Over 1 to 3 months**	**Over 3 to 6 months**	**Over 6 months to 1 year**	**Over 1 to 2 years**	**Over 2 to 3 years**	**Over 3 to 5 years**	**Over 5 to 10 years**	**Above 10 years**
Assets										
Cash and balances with treasury banks	**796,314**	**796,314**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Balances with other banks	**1,042,491**	**1,042,491**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Lendings to financial institutions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Investments	**166,731,355**	**–**	**269,182**	**289,107**	**30,913,307**	**27,326,026**	**4,706,478**	**81,133,305**	**22,093,950**	**–**
Advances	**23,852,969**	**2,958,608**	**1,666,451**	**3,111,444**	**4,852,413**	**3,535,655**	**3,089,149**	**3,067,156**	**1,572,093**	**–**
Property and equipment	**103,403**	**5,370**	**17,634**	**18,918**	**43,993**	**12,723**	**4,765**	**–**	**–**	**–**
Right-of-use assets	**72,991**	**3,283**	**6,638**	**11,594**	**30,471**	**21,005**	**–**	**–**	**–**	**–**
Intangible assets	**8,020**	**947**	**1,894**	**2,841**	**2,338**	**–**	**–**	**–**	**–**	**–**
Deferred tax assets	**359,874**	**1,220**	**2,614**	**3,920**	**48,336**	**663**	**250,036**	**53,085**	**–**	**–**
Other assets	**10,776,256**	**1,041,044**	**1,734,525**	**2,372,504**	**224,904**	**83,783**	**5,287,954**	**31,542**	**–**	**–**
Assets classified as held-for-sale	**168,904**	**–**	**–**	**–**	**168,904**	**–**	**–**	**–**	**–**	**–**
	203,912,577	**5,849,277**	**3,698,938**	**5,810,328**	**36,284,666**	**30,979,855**	**13,338,382**	**84,285,088**	**23,666,043**	**–**
Liabilities										
Borrowings	**185,026,803**	**41,006,475**	**47,906,375**	**83,597,191**	**3,672,427**	**4,823,509**	**2,869,870**	**946,438**	**204,518**	**–**
Deposits and other accounts	**1,165,705**	**20,000**	**500,000**	**645,705**	**–**	**–**	**–**	**–**	**–**	**–**
Lease liability	**61,649**	**1,340**	**2,801**	**4,192**	**51,090**	**2,226**	**–**	**–**	**–**	**–**
Other liabilities	**4,612,001**	**524,093**	**636,973**	**2,746,359**	**615,106**	**53,113**	**11,956**	**24,401**	**–**	**–**
	190,866,158	**41,551,908**	**49,046,149**	**86,993,447**	**4,338,623**	**4,878,848**	**2,881,826**	**970,839**	**204,518**	**–**
Net assets	**13,046,419**	**(35,702,631)**	**(45,347,211)**	**(81,183,119)**	**31,946,043**	**26,101,007**	**10,456,556**	**83,314,249**	**23,461,525**	**–**
Share capital	**6,000,000**									
Reserves	**2,512,190**									
Unappropriated profit	**3,948,804**									
Non-controlling interest	**2,260**									
Deficit on revaluation of assets	**583,165**									
	13,046,419									

44.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Company

(Rupees in '000)

	2023									
	Total	Upto 1 month	Over 1 to 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Above 10 years
Assets										
Cash and balances with treasury banks	688,559	688,559	–	–	–	–	–	–	–	–
Balances with other banks	571,381	380,591	91,069	–	99,721	–	–	–	–	–
Lendings to financial institutions	–	–	–	–	–	–	–	–	–	–
Investments	156,762,694	1,826,483	195,409	2,876,321	38,479,784	47,665,276	34,846,480	22,013,994	8,858,947	–
Advances	22,298,274	1,940,904	3,229,353	2,681,719	5,037,877	3,097,906	2,316,488	2,865,742	1,128,285	–
Property and equipment	118,852	4,550	8,169	5,526	22,054	30,511	23,184	24,858	–	–
Right-of-use assets	24,160	2,400	4,656	7,057	3,725	3,179	3,143	–	–	–
Intangible assets	12,799	1,277	2,554	3,189	2,007	3,772	–	–	–	–
Deferred tax assets	1,237,193	91,299	111,070	116,453	235,182	239,903	184,562	122,644	136,080	–
Other assets	7,392,212	2,362,216	2,031,478	931,866	174,908	–	1,848,407	43,337	–	–
Assets classified as held-for-sale	195,387	–	–	26,485	168,902	–	–	–	–	–
	189,301,514	7,298,282	5,673,758	6,648,616	44,224,160	51,040,547	39,222,264	25,070,575	10,123,312	–
Liabilities										
Borrowings	174,967,331	136,338,706	864,057	22,818,148	4,194,223	5,955,255	2,864,646	1,458,020	474,276	–
Deposits and other accounts	12,400	–	–	–	–	–	–	12,400	–	–
Lease liability	9,527	27	1,180	673	1,635	3,186	2,826	–	–	–
Other liabilities	3,404,000	1,233,903	173,450	881,969	260,478	245,764	427,440	178,721	2,275	–
	178,393,258	137,572,636	1,038,687	23,700,790	4,456,336	6,204,205	3,294,912	1,649,141	476,551	–
Net assets	10,908,256	(130,274,354)	4,635,071	(17,052,174)	39,767,824	44,836,342	35,927,352	23,421,434	9,646,761	–
Share capital	6,000,000									
Reserves	2,390,092									
Unappropriated profit	3,350,949									
Non-controlling interest	2,244									
Deficit on revaluation of assets	(835,029)									
	10,908,256									

45 EVENTS AFTER THE REPORTING DATE

The Board of Directors have proposed a final dividend for the year ended December 31, 2024 of Re. **0.5** per share (2023: Re. 0.5 per share), amounting to Rs. **300** million (2023: Rs. 300) at their meeting held on **March 05, 2025**, for approval of the members at the annual general meeting to be held on **March 27, 2025**. The consolidated financial statements for the year ended December 31, 2024 do not include the effect of these appropriations which will be accounted for in the consolidated financial statements for the year ending December 31, 2024.

46 GENERAL

46.1 Figures in these consolidated financial statements have been rounded off to the nearest thousand Rupees unless otherwise stated.

47 Date of authorisation

These financial statements were authorised for issue on **March 05, 2025** by the Board of Directors of the Holding Company.

President/Chief Executive	Chief Financial Officer	Director	Director	Director

Annexure - I

As referred in note 9.6 of the consolidated financial statements.

Statement showing written-off loans or any other financial relief of Rs. 500,000/- or above provided

During the year ended December 31, 2024

(Rupees in '000)

S. No.	Name and address of the borrower	Name of individuals/ partners/ directors (with CNIC No.)	Father's/ Husband's name	Outstanding Liabilities at beginning of year				Principal written-off	Interest/ Mark-up written-off/ waived	Other financial relief provided	Total (9+10+11)
				Principal	Interest/ mark-up	Other than Interest/ mark-up	Total				
1	2	3	4	5	6	7	8	9	10	11	12
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil