# PAK BRUNEI INVESTMENT COMPANY LTD.

## UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

## FOR THE QUARTER AND NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2023

# DIRECTORS' REPORT

## FOR THE PERIOD ENDED SEPTEMBER 30, 2023

On behalf of the Board of Directors, we are pleased to present the Condensed Interim Financial Statements of Pak Brunei Investment Company Limited ("the Company") for the period ended September 30, 2023. These statements have been prepared in compliance with the requirements of BPRD Circular No. 05 dated March 22, 2019, and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'.

**ECONOMIC OUTLOOK**

Pakistan's economy slowed sharply in FY23 with real GDP estimated to have contracted by 0.6% YoY basis, after growing by 6.1 percent in FY22 and 5.8 percent in FY21. According to the World Bank's latest Pakistan Development Update: Restoring Fiscal Sustainability, the decline in economic activity reflects the cumulation of domestic and external shocks including the floods of 2022, government restrictions on imports and capital flows, domestic political uncertainty and tighter global financing. Without a sharp fiscal adjustment and decisive implementation of broad-based reforms, Pakistan's economy will remain vulnerable to domestic and external shocks. Predicated on the robust implementation of the IMF Stand-By Arrangement (SBA), new external financing and continued fiscal restraint, real GDP growth is projected to recover to 1.7% in FY24 and 2.4% in FY25.

However, the economy has started showing some improvement signs since July 2023, upon receipt of USD 1.2 Billion out of USD 3 billion bailout package from IMF. The stand-by agreement (SBA) with the IMF, improved current account balance, general decline in the global commodity prices and reduced budget deficit all contributed to this improvement. As a result, PKR appreciation against Foreign Currencies, current reduction in fuel prices and positive performance of KSE 100 index - enabled the central bank to maintain the status quo in policy rate in the last two consecutive Monetary Policy Reviews held on September 14 and October 30, 2023 respectively.

On the external front, Pakistan made major strides with trade deficit during Sep-23 dropping to USD 1.5bn. This was driven by 13% MoM decline in imports to USD 3.9bn in Sep-23. Federal government and central bank also took strong administrative and regulatory steps to curb speculative element in FX market which along with lower imports led to appreciation in PKR against USD which was up 6%. At end September 2023, SBP's foreign reserves had increased to USD 7,615 million with the total liquid reserves for the country clocking in at USD 13,030 million. The country continued to contend with high CPI readings, which rose to 31.4% in September, attributed to increased food and fuel prices. Nevertheless, there is anticipation of headline inflation to gradually subside from here on due to the PKR's appreciation, lower petroleum prices going forward, and the high base effect. The gradual improvement in the country's balance of payment has resulted in reduced pressure on PKR and bodes well for the medium-term PKR outlook. However, it remains vital that Pakistan successfully concludes the IMF review due in November 23. Any delay in concluding this review will create economic uncertainties for an already stuttering economy.

## BUSINESS AND FINANCIAL PERFORMANCE OVERVIEW

During the challenging economic times, the Company remained focused in managing the credit risk, diversifying the lending and treasury portfolio, increasing the non-fund based income along with cautious lending while ensuring credit quality.

With strong build-up in core earnings, Pak Brunei's Profit Before Tax (PBT) for the period ended September 2023 rose to Rs 929.46 million up 1.9 times from Rs. 321.20 million in corresponding period last year. Profit After Tax (PAT) posted a growth of 1.3 times to reach Rs. 606.24 million translating into Earning Per Share (EPS) of Rs. 1.01 compared to EPS of Rs. 0.44 reported in corresponding period last year.

Net markup income increased by 98% on account of raise in interest rates as well as on account of volumetric growth in comparison with the corresponding period last year. Non-markup income registered a growth of 2.7 times and aggregated to Rs. 365.56 million against Rs. 99.17 million in the corresponding period last year. The growth is mainly attributable to rise in dividend income by 79% and capital gain recognized on conclusion of Assets classified as Held-for-Sale transaction.

The total asset base of the Company grew by 48% and is reported at Rs. 118.33 billion with the major contribution coming from the investment book which increased by Rs. 48.97 billion (+109.30%). Gross advances registered a decline of Rs. 5.75 billion (-23.27%). On the liabilities side, borrowings have increased by Rs. 37.45 billion (+54.78%) while deposits remained at the same level as of December 2022. Return on Assets and Return on Equity reported as 0.82% and 8.07% respectively, whereas the book value per share was reported at Rs. 15.93.

## 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'.

## FUTURE OUTLOOK

Adherence to IMF's SBA is essential for the economic recovery to take foot. Any deviation from the agreed upon IMF agreement may quickly result in economic distress and erode the confidence gained over the last quarter. Pakistan economy is expected to grow at 2-3% for the fiscal year but difficult economic decisions will have to be taken for long-term growth. The inflationary pressures will continue to be a challenge for the country and will begin to ease further in the second half of FY24. Moreover, the influx of external funding remains crucial for which political and economic stability remains vital.

## ACKNOWLEDGEMENT AND APPRECIATION

We are grateful to our shareholders – 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 business dynamics.

We acknowledge and appreciate the sustained performance of our team under the guidance of the Board of Directors. At Pak Brunei Investment Company Limited, we take pride in our staying true to our principle of adding value in all spheres of operations.

For and on behalf of the Board of Directors

Karachi
Date: November 08, 2023

| | |
|---|---|
| **S.M. Aamir Shamim** | **Dk Noorul Hayati Pg Julaihi** |
| Managing Director | Chairperson |

**PAK BRUNEI INVESTMENT COMPANY LIMITED**
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**AS AT SEPTEMBER 30, 2023**

| September 30, 2023 | December 31, 2022 | | Note | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|---|---|---|
| ------ USD in '000 ------ | | | | ------ Rupees in '000 ------ | |
| | | **ASSETS** | | | |
| **1,064** | 1,170 | Cash and balances with treasury banks | 8 | **306,042** | 336,633 |
| **550** | 350 | Balances with other banks | 9 | **158,339** | 100,591 |
| **-** | 22,798 | Lendings to financial institutions | 10 | **-** | 6,559,967 |
| **325,543** | 155,716 | Investments | 11 | **93,671,250** | 44,805,384 |
| **62,578** | 84,131 | Advances | 12 | **18,006,121** | 24,207,863 |
| **182** | 56 | Property and equipment | 13 | **52,288** | 16,037 |
| **73** | 140 | Right of use assets | 14 | **20,932** | 40,269 |
| **8** | 11 | Intangible assets | 15 | **2,429** | 3,267 |
| **3,088** | 3,073 | Deferred tax assets | 16 | **888,426** | 883,994 |
| **17,205** | 9,133 | Other assets | 17 | **4,950,576** | 2,627,825 |
| **952** | 1,237 | Assets classified as held-for-sale | 18 | **273,904** | 355,799 |
| **411,243** | 277,815 | | | **118,330,306** | 79,937,629 |
| | | **LIABILITIES** | | | |
| **-** | - | Bills payable | | **-** | - |
| **367,517** | 237,439 | Borrowings | 19 | **105,748,806** | 68,320,235 |
| **190** | 190 | Deposits and other accounts | 20 | **54,768** | 54,768 |
| **-** | - | Liabilities against assets subject to finance lease | | **-** | - |
| **-** | - | Subordinated debt | | **-** | - |
| **-** | - | Deferred tax liabilities | | **-** | - |
| **8,510** | 5,422 | Other liabilities | 21 | **2,448,346** | 1,559,399 |
| **376,217** | 243,051 | | | **108,251,920** | 69,934,402 |
| **35,026** | 34,764 | **NET ASSETS** | | **10,078,386** | 10,003,227 |
| | | **REPRESENTED BY** | | | |
| **20,852** | 20,852 | Share capital | | **6,000,000** | 6,000,000 |
| **8,139** | 7,370 | Reserves | | **2,341,869** | 2,120,621 |
| **(4,609)** | (5,219) | Deficit on revaluation of assets | 22 | **(1,326,104)** | (1,501,592) |
| **10,644** | 11,761 | Unappropriated profit | | **3,062,621** | 3,384,198 |
| **35,026** | 34,764 | | | **10,078,386** | 10,003,227 |
| | | **CONTINGENCIES AND COMMITMENTS** | 23 | | |

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.

| Managing Director/ Chief Executive | Chief Financial Officer | Director | Director | Director |
|---|---|---|---|---|

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**PAK BRUNEI INVESTMENT COMPANY LIMITED**
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT**
**FOR THE PERIOD AND QUARTER ENDED SEPTEMBER 30, 2023**

| Period ended September 30, 2023 | Period ended September 30, 2022 | | Note | Period ended September 30, 2023 | Period ended September 30, 2022 | Quarter ended September 30, 2023 | Quarter ended September 30, 2022 |
|---|---|---|---|---|---|---|---|
| USD in '000 | | | | Rupees in '000 | | | |
| 54,624 | 15,797 | Mark-up / return / interest earned | 24 | 15,717,333 | 4,545,477 | 6,224,749 | 2,019,802 |
| 50,757 | 13,844 | Mark-up / return / interest expensed | 25 | 14,604,595 | 3,983,460 | 5,733,024 | 1,745,231 |
| 3,867 | 1,953 | Net mark-up / interest income | | 1,112,738 | 562,017 | 491,725 | 274,571 |
| | | **Non mark-up / interest income** | | | | | |
| 295 | 247 | Fee and commission income | 26 | 84,925 | 71,009 | 39,786 | 20,291 |
| 336 | 188 | Dividend income | | 96,617 | 53,955 | 24,305 | 10,559 |
| 297 | (101) | Gain / (loss) on securities | 27 | 85,523 | (28,967) | 48,769 | 28,972 |
| 342 | 11 | Other income | 28 | 98,497 | 3,175 | - | 1,591 |
| 1,270 | 345 | Total non-markup / interest income | | 365,562 | 99,172 | 112,860 | 61,413 |
| 5,137 | 2,298 | Total income | | 1,478,300 | 661,189 | 604,585 | 335,984 |
| | | **Non mark-up / interest expenses** | | | | | |
| 1,382 | 1,044 | Operating expenses | 29 | 397,526 | 300,293 | 127,176 | 103,995 |
| 65 | 6 | Sindh Workers' Welfare Fund | 30 | 18,924 | 1,829 | 9,664 | - |
| - | - | Other charges | | - | - | - | - |
| 1,447 | 1,050 | Total non mark-up / interest expenses | | 416,450 | 302,122 | 136,840 | 103,995 |
| 3,690 | 1,248 | Profit before credit loss allowance | | 1,061,850 | 359,067 | 467,745 | 231,989 |
| 460 | 132 | Credit loss allowance and write offs - | 31 | 132,386 | 37,867 | (7,979) | 2,477 |
| - | - | Extraordinary / unusual items | | - | - | - | - |
| 3,230 | 1,116 | **Profit before taxation** | | 929,464 | 321,200 | 475,724 | 229,512 |
| 1,123 | 204 | Taxation | 32 | 323,224 | 58,681 | 100,001 | 94,597 |
| 2,107 | 912 | **Profit after taxation** | | 606,240 | 262,519 | 375,723 | 134,915 |
| USD | | | | Rupees | | | |
| 0.00351 | 0.00152 | **Basic and diluted earnings per share** | 33 | 1.01 | 0.44 | 0.63 | 0.22 |

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.

| Managing Director/ Chief Executive | Chief Financial Officer | Director | Director | Director |
|---|---|---|---|---|

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD AND QUARTER ENDED SEPTEMBER 30, 2023

| Period ended | | | Period ended | | Quarter ended | |
|---|---|---|---|---|---|---|
| September 30, 2023 | September 30, 2022 | | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| ---------- USD in '000 ---------- | | | ---------- Rupees in '000 ---------- | | | |
| 2,107 | 912 | Profit after taxation for the year | 606,240 | 262,519 | 375,723 | 134,915 |
| | | **Other comprehensive loss** | | | | |
| | | ***Items that may be reclassified to profit and loss account in subsequent periods:*** | | | | |
| (1,084) | (215) | Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax | (311,828) | (61,925) | (16,492) | 70,879 |
| | | ***Items that will not be reclassified to profit and loss account in subsequent periods:*** | | | | |
| - | - | Remeasurement loss on defined benefit obligations - net of tax | - | - | - | - |
| 1,694 | (110) | Movement in surplus / (deficit) on revaluation of equity investments - net of tax | 487,316 | (31,687) | 158,993 | (3,993) |
| (1,595) | - | Loss on disposal of securities classified as fair value through other comprehensive income - net of tax | (458,862) | - | - | - |
| 1,122 | 587 | **Total comprehensive income / (loss)** | 322,866 | 168,908 | 518,224 | 201,801 |

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.

| Managing Director/ Chief Executive | Chief Financial Officer | Director | Director | Director |
|---|---|---|---|---|

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

| | Share capital | Capital reserve<br>Statutory reserve | General reserve | Surplus / (deficit) on revaluation of assets | Revenue reserve<br>Unappro-priated profit | Total |
|---|---|---|---|---|---|---|
| | Rupees in '000 | | | | | |
| **Balance as at January 1, 2022 (audited)** | 6,000,000 | 1,720,050 | 200,000 | (1,073,299) | 3,385,267 | 10,232,018 |
| **Total comprehensive income for the period** | | | | | | |
| Profit after taxation for the period ended September 30, 2022 | - | - | - | - | 262,519 | 262,519 |
| **Other comprehensive loss** | | | | | | |
| - Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax | - | - | - | (61,925) | - | (61,925) |
| - Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax | - | - | - | (31,687) | - | (31,687) |
| | - | - | - | (93,611) | 262,519 | 168,908 |
| Transfer to statutory reserve | - | 52,504 | - | - | (52,504) | - |
| Transfer to general reserve | - | - | 100,000 | - | (100,000) | - |
| **Transactions with owners, recorded directly in equity** | | | | | | |
| Final cash dividend paid for the year ended December 31, 2021 @ Re. 0.50 per share | - | - | - | - | (300,000) | (300,000) |
| **Balance as at September 30, 2022 (un-audited)** | **6,000,000** | **1,772,554** | **300,000** | **(1,166,910)** | **3,195,282** | **10,100,926** |
| **Total comprehensive income for the period** | | | | | | |
| Profit after taxation for the year ended December 31, 2022 | - | - | - | - | 240,338 | 240,338 |
| **Other comprehensive income / (loss)** | | | | | | |
| - Remeasurement gain on defined benefit obligations - net of tax | - | - | - | - | (3,355) | (3,355) |
| - Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax | - | - | - | (225,709) | - | (225,709) |
| - Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax | - | - | - | (108,973) | - | (108,973) |
| | - | - | - | (334,681) | 236,983 | (97,698) |
| Transfer to statutory reserve | - | 48,067 | - | - | (48,067) | - |
| **Balance as at December 31, 2022 (audited)** | **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 (note 3.2) | - | - | - | - | (247,707) | (247,707) |
| **Total comprehensive income for the period** | | | | | | |
| Profit after taxation for the period ended September 30, 2023 | - | - | - | - | 606,240 | 606,240 |
| **Other comprehensive income** | | | | | | |
| - Loss on disposal of securities classified as fair value through other comprehensive income - net of tax | - | - | - | - | (458,862) | (458,862) |
| - Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax | - | - | - | (311,828) | - | (311,828) |
| - Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax | - | - | - | 487,316 | - | 487,316 |
| | - | - | - | 175,488 | 147,378 | 322,866 |
| Transfer to statutory reserve | - | 121,248 | - | - | (121,248) | - |
| Transfer to general reserve | - | - | 100,000 | - | (100,000) | - |
| **Balance as at September 30, 2023 (un-audited)** | **6,000,000** | **1,941,869** | **400,000** | **(1,326,104)** | **3,062,621** | **10,078,386** |

(a) This represents reserve created under section 21(i)(a) of the Banking Companies Ordinance, 1962.

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.

| Managing Director/ Chief Executive | Chief Financial Officer | Director | Director | Director |
|---|---|---|---|---|

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

| Period ended September 30, 2023 | Period ended September 30, 2022 | | Note | Period ended September 30, 2023 | Period ended September 30, 2022 |
|---|---|---|---|---|---|
| ---------- USD in '000 ---------- | | | | ---------- Rupees in '000 ---------- | |
| | | **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| 3,230 | 1,116 | Profit before taxation | | 929,464 | 321,200 |
| 336 | 188 | Less: Dividend income | | 96,617 | 53,955 |
| 2,894 | 928 | | | 832,847 | 267,245 |
| | | **Adjustments:** | | | |
| 25 | 28 | Depreciation | | 7,374 | 8,129 |
| 67 | 57 | Depreciation on right-of-use assets | | 19,337 | 16,420 |
| 3 | 1 | Amortisation | 29 | 838 | 157 |
| 460 | 132 | Credit loss allowance and write offs - net | 31 | 132,386 | 37,867 |
| (6) | (11) | Gain on sale of fixed assets | 28 | (1,871) | (3,175) |
| (336) | - | Gain on sale of assets classified as held-for-sale | 28 | (96,626) | - |
| 65 | 6 | Provision for Sindh Workers' Welfare Fund | | 18,924 | 1,829 |
| (54) | (0) | Unrealised gain on revaluation of investments classified as fair value through profit and loss - net | 27 | (15,691) | (6) |
| 225 | 213 | | | 64,671 | 61,222 |
| 3,119 | 1,141 | | | 897,518 | 328,467 |
| | | **(Increase) / decrease in operating assets** | | | |
| 22,798 | 6,951 | Lendings to financial institutions | | 6,559,967 | 2,000,000 |
| (119,301) | (17,302) | Net investments in securities held at fair value as classified through profit and loss | | (34,327,412) | (4,978,591) |
| 20,210 | 4,033 | Advances | | 5,815,147 | 1,160,412 |
| (5,315) | (2,400) | Others assets (excluding advance taxation) | | (1,529,457) | (690,492) |
| (81,608) | (8,719) | | | (23,481,755) | (2,508,671) |
| | | **Increase/ (decrease) in operating liabilities** | | | |
| 130,078 | 69,367 | Borrowings | | 37,428,571 | 19,959,482 |
| - | - | Deposits | | - | - |
| 3,013 | 3,193 | Other liabilities | | 866,868 | 918,717 |
| 133,091 | 72,560 | | | 38,295,439 | 20,878,199 |
| (3,845) | (1,626) | Income tax paid | | (1,106,429) | (467,923) |
| 50,757 | 63,356 | Net cash flow from / (used in) operating activities | | 14,604,773 | 18,230,071 |
| | | **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| (51,788) | (61,688) | Net (investments) / divestments in securities classified as fair value through other comprehensive income | | (14,901,481) | (17,749,881) |
| - | (173) | Net investments in securities held at amortised cost | | - | (49,858) |
| - | - | Net investments in subsidiaries | | - | - |
| 285 | 174 | Dividends received | | 82,097 | 50,196 |
| (160) | (27) | Investments in property and equipment | | (46,007) | (7,772) |
| - | (1) | Investments in operating intangible assets | | - | (273) |
| 15 | 12 | Proceeds from sale of property and equipment | | 4,253 | 3,477 |
| 985 | 697 | Proceeds from sale assets classified as held-for-sale | | 283,521 | 200,500 |
| (50,663) | (61,006) | Net cash flow from / (used in) investing activities | | (14,577,617) | (17,553,611) |
| | | **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| - | (1,043) | Dividend paid | | - | (300,000) |
| - | (1,043) | Net cash flow from / (used in) financing activities | | - | (300,000) |
| 94 | 1,307 | **(Decrease) / increase in cash and cash equivalents** | | 27,157 | 376,460 |
| 1,520 | 651 | Cash and cash equivalents at beginning of the period | | 437,224 | 187,445 |
| 1,614 | 1,958 | **Cash and cash equivalents at end of the period** | | 464,381 | 563,905 |

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.

| Managing Director/ | Chief Financial Officer | Director | Director | Director |
|---|---|---|---|---|

## 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 specific 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 (2022: 2) one located in Karachi and the other in Lahore.

## 2 BASIS OF PRESENTATION

### 2.1 Statement of compliance

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

- International Accounting Standards (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

- Provisions of, and directives issued under the Banking Companies Ordinance, 1962 and 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 IAS 34, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.2 These condensed interim unconsolidated financial statements do not include all the information and disclosures required in the annual audited unconsolidated financial statements, and are limited based on the format prescribed by the State Bank of Pakistan (SBP) through BPRD Circular Letter No. 05 dated March 22, 2019 and IAS 34, and should be read in conjunction with the annual audited unconsolidated financial statements for the year ended December 31, 2022.

The disclosures made in these condensed interim financial statements have been based on the format prescribed by the SBP vide BPRD Circular No.2 dated February 09, 2023 and IAS 34. These condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements for the year ended December 31, 2022.

2.3 The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standards 40, Investment Property, for banking companies / DFIs till further instructions. Further, the SECP, through S.R.O. 411(1) / 2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, for banks and DFIs. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim unconsolidated financial statements

The Company has adopted IFRS 9 Financial Instruments from January 01, 2023 and the detail of the first time adoption is disclosed in note 3 . The SECP, through S.R.O. 411(1)/2008 dated 28 April 2008, has deferred the applicability of IFRS 7 to the Banks and DFIs.

2.4 **Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current period:**

There are certain amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim unconsolidated financial statements, except for adoption of IFRS-9 as described in note 3.

3 **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2022, except for early adoption of IFRS 9 as described below;

3.1 **Impact of Adoption of IFRS 9**

3.1.1 **Classification and measurement of financial instrument:**

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and Fair value through profit and loss ("FVTPL"). This classification is generally based on the business model in which a financial asset is managed and is based on its contractual cash flows.

3.1.2 **Impairment of Financial Assets:**

IFRS 9 replaces the current credit loss measurement method with an 'expected credit loss' model ("ECL"). The IFRS 9 requires the Company to record an allowance for ECLs for all financial assets not held at FVTPL. The allowance is based on ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination.

3.1.3 **Transition**

Changes in accounting policies resulting from the adoption of the complete IFRS 9 have been applied retrospectively, except as described below;

Comparative periods have not been restated. A difference in the carrying amounts of financial assets and financial liabilities resulting from the adoption of the IFRS 9 are recognized in retained earnings as at January 01, 2023.

Accordingly, the impairment allowance presented for 2022 does not reflect the requirements of the IFRS 9 and therefore impairment allowance is not comparable to the information presented for 2023 under the IFRS 9.

The assessment for the determination of the business model within which a financial asset is held, considers the facts and circumstances that existed at the date of initial application.

3.2 **Impact of adoption of IFRS 9**

On January 01, 2023, the Company adopted IFRS 9 "Financial Instruments". IFRS 9 introduces new requirements for the classification and measurement of financial instruments, the recognition and measurement of credit impairment provisions.

As permitted by transitional provisions of IFRS 9, the Company has not restated comparative information. Any adjustment to carrying amount of the financial assets and liabilities at the date of transition was recognised in the opening retained earnings of the current period.

IFRS-9 primarily impacts provisioning of financial assets which is determined on an expected credit loss model, however the provisioning is recorded higher of amount determined under IFRS 9 and the prudential regulations requirements of SBP. It also impacts fair valuation of advances that earn below market rate interest (employee loan) and provision against off balance sheet obligations.

The Company has recorded net expected credit loss, fair valuation of advances and provision against off balance sheet obligations of Rs 313.736 million (note 12.3), Rs. 46.2 million and Rs. 9.68 million respectively which was adjusted against unappropriated profit. The new IFRS 9 accounting policies are stated in the note 3.3 and Impairment in note 3.4.

**The adoption of IFRS-9 resulted in following :**

| Financial Asset | Original classification as at December 31, 2022 | New classification as per IFRS 9 | Carrying amount as on December 31, 2022 | Carrying amount as on January 01, 2023 | Effect on January 01, 2023 on Retained Earnings |
|---|---|---|---|---|---|
| | | | (Rupees in '000) | | |
| **Financial Assets :** | | | | | |
| Cash and balances with treasury banks | LR | AC | 336,633 | 336,633 | - |
| Balances with other banks | LR | AC | 100,591 | 100,591 | - |
| Advances (Refer note 9.4) | LR | AC | 24,207,863 | 24,521,599 | (313,736) |
| Listed equity securities | HFT | FVTPL | - | - | - |
| Listed equity securities | AFS | FVOCI | 1,340,790 | 1,340,790 | - |
| Federal Government Securities | AFS | FVOCI | 38,973,866 | 38,973,866 | - |
| Non Government Securities | AFS | FVOCI | 2,477,356 | 2,477,356 | |
| Commercial papers | HTM | AC | - | - | - |
| Other assets | LR | AC | 2,627,825 | 2,627,825 | |
| **Financial Liabilities :** | | | | | |
| Borrowings | AC | AC | 68,320,235 | 68,320,235 | - |
| Deposits and other accounts | AC | AC | 54,768 | 54,768 | - |
| Other liabilities | OFL | AC | 1,559,399 | 1,559,399 | - |
| | | | | | **(313,736)** |
| Impact of deferred taxation | | | | | **-** |
| Net impact after deferred taxation | | | | | **(313,736)** |

-"LR" is loans and receivables
- "AC" is amortised cost
- "HFT" is held for trading
- "FVTPL" is fair value through profit or loss
- "OFL" is other financial liabilities
- "HTM" is Hold to Maturity

## 3.3 FINANCIAL INSTRUMENTS

IFRS 9 contains three principal classification categories for financial assets :

**Financial asset at amortised cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL.

1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows;and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial asset held at fair value through other comprehensive income**

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL

1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial asset held at fair value through profit or loss**

All other financial assets are classified as measured at FVTPL (for example: equity held for trading and debt securities not classified either as AC or FVOCI).

Financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the statement of profit and loss.

**Initial recognition**

The Company classifies its financial assets into the above categories: amortised cost; fair value through other comprehensive income; and fair value through profit or loss. Financial liabilities are classified as amortised cost. Management determines the classification of its financial assets and liabilities at initial recognition of the instrument or, where applicable, at the time of reclassification.

Whether financial assets are held at amortised cost or at FVOCI depend on the objectives of the business models under which the assets are held. A business model refers to how the Company manages financial assets to generate cash flows.

The Company makes an assessment of the objective of a business model in which an asset is held at the individual product business line, and where applicable within business lines depending on the way the business is managed.

Financial assets which have SPPI characteristics and that are held within a business model whose objective is to hold financial assets to collect contractual cash flows (hold to collect) are recorded at amortised cost. Conversely, financial assets which have SPPI characteristics but are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (Hold to collect and sell) are classified as held at FVOCI.

Financial assets which are not held at amortised cost or that are not held at fair value through other comprehensive income are held at fair value through profit or loss

**Subsequent measurement**

**Financial assets and financial liabilities held at amortised cost**

Financial assets and financial liabilities held at amortised cost are subsequently carried at amortised cost using the effective interest method.

**Financial assets held at held at fair value through other comprehensive income**

Debt instruments held at FVOCI are subsequently carried at fair value, with all unrealised gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in a separate component of equity. Changes in expected credit losses are recognised in the profit or loss and are accumulated in equity. On derecognition, the cumulative fair value gains or losses, net of the cumulative expected credit loss reserve, are transferred to the profit or loss. Equity instruments held at FVOCI are subsequently carried at fair value, with all unrealised gains and losses arising from changes in fair value recognised in other comprehensive income. On derecognition, the cumulative fair value gains or losses,can not be transferred to the profit or loss.

Equity instrument designated at FVOCI are subsequently carried at fair value with all unrealised gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in a separate component of equity. On derecognition, the cumulative reserve is transferred to retained earnings and is not recycled to profit or loss.

**Financial assets and liabilities held at fair value through profit or loss**

Financial assets and liabilities held at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the profit or loss. The company keeps portfolio of listed shares in FVTPL.

**Derecognition of financial instruments**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all risks and rewards of ownership.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss except for equity instruments elected FVOCI.

Financial liabilities are derecognised when they are extinguished. A financial liability is extinguished when the obligation is discharged, cancelled or expires

## 3.4 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.

**Expected credit losses**

Expected credit losses are determined for all financial debt instruments except government securities, that are classified at amortised cost or fair value through other comprehensive income, undrawn commitments and financial guarantees.

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee.

A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that the Company expects to receive over the contractual life of the instrument.

**Measurement**

Expected credit losses are computed as unbiased, probability weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information that is forward looking. The estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

**Staging of financial instruments**

Financial instruments that are not already credit-impaired are originated into stage 1 and a 12-month expected credit loss provision is recognized.

Instruments will remain in stage 1 until they are repaid, unless they experience significant credit deterioration (stage 2) or they become credit-impaired (stage 3).

Instruments will transfer to stage 2 and a lifetime expected credit loss provision recognised when there has been a significant change in the credit risk compared with what was expected at origination.

Forward-looking economic assumptions are incorporated where relevant and where they influence credit risk, such as GDP growth rates, interest rates, consumer price index among others. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally.

**Probability of default (PD)**

The probability at a point in time that a counterparty will default, calibrated over up to 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating the impact of forward-looking economic assumptions. The PD is estimated at a point in time that means it will fluctuate in line with the economic cycle. The term structure of the PD is based on statistical models, calibrated using historical data and adjusted to incorporate forward-looking economic assumptions.

**Loss given default (LGD)**

The loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the difference between the contractual cash flows due and those that the Company expects to receive.

**Exposure at default (EAD)**

Exposure at Default (EAD) represents the amount of potential exposure that is at risk. EAD input will be forward-looking as well as based on the time-period when the default is likely to occur. It includes all outstanding exposure and off-balance sheet exposures after adjustment with contractual cash flows to reflect the exposure expected when default occurs. For revolving products (such as overdrafts, running finance and credit cards) the estimation of EAD shall consider any expected changes in the exposure after the assessment date, including expected drawdowns on committed facilities through the application of a credit conversion factor (CCF).

**Recognition 12 months expected credit losses (Stage 1)**

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the reporting date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit impaired.

**Significant increase in credit risk (Stage 2)**

If a financial asset experiences a significant increase in credit risk (SICR) since initial recognition, an expected credit loss provision is recognised for default events that may occur over the lifetime of the asset.

The Company considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject borrower.An assessment of SICR shall incorporate all relevant, reasonable, and supportable information, including forward-looking information, that is available without undue cost or effort. Such information might include both qualitative and quantitate factors

**Credit impaired (or defaulted) exposures (Stage 3)**

Financial assets which have objective evidence of impairment at the reporting date are considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The Company uses a PD of 100% and LGD is used as per SBP instructions. Therefore, the stage 3 provision is aligned with regulatory requirements.

**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.

**3.5 Interest free / below market rate loans to employees**

Initial recognition

The company recognize 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 statement of profit & loss between nominal value and fair value of loan.

Subsequent measurement

The company calculates and recognizes 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 recognized as interest income by the Company over the term of the loan.

4 **BASIS OF MEASUREMENT**

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

- Certain investments are marked to market and carried at fair value; and

- Obligation in respect of staff retirement benefits and lease liabilities which have been carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and certain specified costs) and depreciated over the respective lease terms.

5 **FUNCTIONAL AND PRESENTATION CURRENCY**

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

The US dollar amounts shown in the condensed interim unconsolidated statement of financial position, condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income and condensed interim unconsolidated cash flow statement are provided as additional information solely for the convenience of users of the financial statements. For the purpose of conversion to US Dollars, the rate of Rs 287.7384 to US Dollars has been used for 2023 and 2022 as it was the prevalent rate on September 30, 2023.

6 **CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of these condensed interim unconsolidated financial statements in conformity with the accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and 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 significant judgments and estimates made by the management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2022 except for impact of adoption of IFRS 9.

7 **FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2022, except for impact of adoption of IFRS 9.

| | | Note | **(Un-audited) September 30, 2023** | (Audited) December 31, 2022 |
|---|---|---|---|---|
| | | | **----------- Rupees in '000 ----------** | |
| 8 | **CASH AND BALANCES WITH TREASURY BANKS** | | | |
| | Cash in hand | | **80** | - |
| | With State Bank of Pakistan in: | | | |
| | Local currency current account | 8.1 | **305,962** | 336,633 |
| | | | **306,042** | 336,633 |

8.1 This includes the minimum cash reserve required to be maintained with the SBP in accordance with the requirement of BSD Circular No. 04 dated May 22, 2004.

| | Note | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|---|
| | | ---------- Rupees in '000 ---------- | |
| **9 BALANCES WITH OTHER BANKS** | | | |
| In Pakistan | | | |
| In deposit accounts | 9.1 | **158,339** | 100,591 |
| Less: Credit loss allowance held against balances with other banks | | - | - |
| Balances with other banks - net of credit loss allowance | | **158,339** | 100,591 |

9.1 These carry mark-up at the rate from 11.00% to 20.5% per annum (December 31, 2022: 4.40% to 14.51% per annum).

| | Note | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|---|
| | | ---------- Rupees in '000 ---------- | |
| **10 LENDINGS TO FINANCIAL INSTITUTIONS** | | | |
| Repurchase agreement lendings (reverse repo) | 10.2 | - | 6,559,967 |
| Term deposit receipts (TDRs) | | - | - |
| | | - | 6,559,967 |
| Less: Credit loss allowance held against lending to financial institutions | | - | - |
| Lendings to financial institutions - net of credit loss allowance | | - | 6,559,967 |

10.1 These carry mark-up at the rate of Nil per annum (December 31, 2022: 15.50% to 16.20% per annum) with maturity latest by Nil (December 31, 2022: January 16, 2023).

| | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|
| | ---------- Rupees in '000 ---------- | |
| **10.2 Particulars of lending** | | |
| In local currency | - | 6,559,967 |
| In foreign currencies | - | - |
| | - | 6,559,967 |

| | September 30, 2023 (Unaudited) | | December 31, 2022 (Audited) | |
|---|---|---|---|---|
| | **Lending** | **Credit loss allowance held** | Lending | Credit loss allowance held |
| **Lending to FIs- Particulars of credit loss allowance** | | | | |
| **Domestic** | | | | |
| Performing | - | - | 6,559,967 | - |
| Under performing | - | - | - | - |
| Non-performing | | | | |
| Substandard | - | - | - | - |
| Doubtful | - | - | - | - |
| Loss | - | - | - | - |
| | - | - | - | - |
| | - | - | 6,559,967 | - |

## 11 INVESTMENTS

### 11.1 Investments by type:

| | Note | September 30, 2023 (Unaudited) Cost / amortised cost | Credit loss allowance | Surplus / (deficit) | Carrying value | December 31, 2022 (Audited) Cost / amortised cost | Credit loss allowance | Surplus / (deficit) | Carrying value |
|---|---|---|---|---|---|---|---|---|---|
| | | Rupees in '000 | | | | | | | |
| **FVTPL** | | | | | | | | | |
| Previously AFS | | | | | | | | | |
| **Federal government securities** | | | | | | | | | |
| GoP Ijara Sukuk Bond | | - | - | - | - | - | - | - | - |
| Market Treasury Bills | | 31,294,474 | - | 30,980 | 31,325,454 | - | - | - | - |
| Pakistan Investment Bonds - Floating Rate | | 455,097 | - | 77 | 455,174 | | | | |
| **Ordinary shares** | | 389,228 | - | (4,166) | 385,062 | - | - | - | - |
| **Non-government debt securities** | | | | | | | | | |
| Listed companies | | 948,375 | - | (11,200) | 937,175 | - | - | - | - |
| Unlisted companies | | 1,240,238 | - | - | 1,240,238 | - | - | - | - |
| | | 34,327,412 | - | 15,691 | 34,343,103 | - | - | - | - |
| **FVOCI** | | | | | | | | | |
| Previously AFS | | | | | | | | | |
| **Federal government securities** | 11.1.1 | | | | | | | | |
| Market Treasury Bills | | - | - | - | - | - | - | - | - |
| Pakistan Investment Bonds - Fixed Rate | | 8,289,373 | - | (1,934,897) | 6,354,476 | 8,314,870 | - | (1,704,313) | 6,610,558 |
| Pakistan Investment Bonds - Floating Rate | | 50,409,706 | - | (233,599) | 50,176,107 | 32,354,361 | - | 8,948 | 32,363,308 |
| **Ordinary shares** | | | | | | | | | |
| Listed companies | | 551,262 | - | 151,842 | 703,104 | 1,777,544 | (4,984) | (431,770) | 1,340,790 |
| Unlisted companies* | | - | - | - | - | 21,331 | (21,331) | - | - |
| **Non-government debt securities** | 11.1.1 | | | | | | | | |
| Listed companies | | 200,466 | (14,378) | - | 186,088 | 1,148,841 | (14,361) | (7,716) | 1,126,764 |
| Unlisted companies | | 244,282 | (244,282) | - | - | 1,599,563 | (248,971) | - | 1,350,592 |
| | | 59,695,089 | (258,660) | (2,016,654) | 57,419,775 | 45,216,510 | (289,647) | (2,134,851) | 42,792,012 |
| **Subsidiaries** | 11.3 | 1,908,372 | - | - | 1,908,372 | 2,013,372 | - | - | 2,013,372 |
| **Total investments** | | 95,930,873 | (258,660) | (2,000,963) | 93,671,250 | 47,229,882 | (289,647) | (2,134,851) | 44,805,384 |

*

The Company has shares of Pakistan Mercantile Exchange Limited which were acquired at a cost of Rs. 21.3 million which were fully provided as at December 31, 2022 on adoption of IFRS 9, the cost has been net off by provision.

| | | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|---|
| 11.1.1 | **Investments given as collateral** | ------ Rupees | in '000 ------ |
| | Market Treasury Bills | **28,548,708** | - |
| | Pakistan Investment Bonds | **49,016,908** | 33,205,965 |
| | Term finance / sukuks certificates | **724,559** | 752,045 |
| | Ordinary shares | **73,718** | 87,156 |
| | | **78,363,892** | 34,045,166 |

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

| | | | |
|---|---|---|---|
| 11.2.1 | Opening balance | **289,647** | 294,112 |
| | Adjustment of provision against shares | **(21,331)** | - |
| | Charge / (reversals) | | |
| | Charge for the period / year | **-** | 14,972 |
| | Reversals on disposals for the period / year | **(9,657)** | (19,437) |
| | | **(9,657)** | (4,465) |
| | Closing balance | **258,660** | 289,647 |

**Particulars of credit loss allowance against debt securities**

| **Domestic** | | September 30, 2023 | | December 31, 2022 | |
|---|---|---|---|---|---|
| | | **Outstanding amount** | **Credit loss allowance held** | Outstanding amount | Credit loss allowance held |
| | | ---------------------------- | Rupees in '000 | ---------------------------- | |
| Performing | Stage 1 | **58,885,184** | **17** | 43,154,303 | - |
| Underperforming | Stage 2 | **-** | **-** | - | - |
| Non-performing | Stage 3 | | | | |
| Substandard | | **-** | **-** | - | - |
| Doubtful | | **-** | **-** | - | - |
| Loss | | **258,643** | **258,643** | 263,332 | 263,332 |
| | | **258,643** | **258,643** | 263,332 | 263,332 |
| Total | | **59,143,827** | **258,660** | 43,417,635 | 263,332 |

**11.3 Summary of financial information of subsidiaries**

| | September 30, 2023 (Un-audited) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Percentage of holding** | **Country of incorpora-tion** | **Total assets** | **Total liabilities** | **Revenue** | **Profit / (loss) after tax** | **Total comprehensive income / (loss)** | **Cost** |
| **Investment in subsidiaries** | | | ---------------------- | ---------------------- | **Rupees in '000** | ---------------------- | ---------------------- | ---------------------- |
| **Primus Leasing Limited** | **100.0%** | **Pakistan** | **2,703,978** | **1,514,281** | **350,144** | **130,225** | **130,225** | **1,000,000** |
| **Awwal Corporate Restructuring Company Limited** | **89.8%** | **Pakistan** | **1,313,510** | **67,416** | **129,352** | **61,567** | **61,657** | **908,372** |
| | | | | | | | | **1,908,372** |

| | December 31, 2022 (Audited) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Percentage of holding | Country of incorporatio n | Total assets | Total liabilities | Revenue | Profit / (loss) after tax | Total comprehensive income / (loss) | Cost |
| Investment in subsidiaries | | | ---------------------- | ---------------------- | Rupees in '000 | ---------------------- | ---------------------- | ---------------------- |
| Awwal Modaraba Management Limited | 100.00% | Pakistan | 141,533 | 123,436 | 12,079 | (31,091) | (51,983) | 105,000 |
| Awwal Modaraba | 89.78% | Pakistan | 1,198,364 | 40,291 | 97,427 | 27,854 | 22,544 | 898,372 |
| Primus Leasing Limited | 100.00% | Pakistan | 2,761,253 | 1,701,782 | 304,088 | 126,192 | 126,192 | 1,000,000 |
| Awwal Corporate Restructuring Company Limited | 100.00% | Pakistan | 10,546 | 1,228 | 546 | (682) | (682) | 10,000 |
| | | | | | | | | 2,013,372 |

## 12 ADVANCES

| | Note | September 30, 2023 (Un-audited) Performing | Non Performing | Total |
|---|---|---|---|---|
| | | (Rupees in '000) | | |
| Loans, cash credits, running finances, etc. | 12.2 | **17,874,038** | **1,085,330** | **18,959,368** |
| Islamic financing and related assets | | **-** | **-** | **-** |
| Bills discounted and purchased | | **-** | **-** | **-** |
| Advances - gross | 12.1 | **17,874,038** | **1,085,330** | **18,959,368** |
| Credit loss allowance against advances | | | | |
| -Stage 1 | | **(60,642)** | **-** | **(60,642)** |
| -Stage 2 | | **(17,835)** | **-** | **(17,835)** |
| -Stage 3 | | **-** | **(874,770)** | **(874,770)** |
| | | **(78,477)** | **(874,770)** | **(953,247)** |
| Advances - net of credit loss allowance | | **17,795,561** | **210,560** | **18,006,121** |

| | December 31, 2022 (Audited) Performing | Non Performing | Total |
|---|---|---|---|
| | (Rupees in '000) | | |
| Loans, cash credits, running finances, etc. | 23,826,850 | 881,635 | 24,708,485 |
| Islamic financing and related assets | - | - | - |
| Bills discounted and purchased | - | - | - |
| Advances - gross | 23,826,850 | 881,635 | 24,708,485 |
| Provision against advances | | | |
| - Specific (Stage 3) | - | (500,622) | (500,622) |
| - General | - | - | - |
| | - | (500,622) | (500,622) |
| Advances - net of provision | 23,826,850 | 381,013 | 24,207,863 |

### 12.1 Particulars of advances (gross)

| | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|
| | Rupees in '000 | |
| In local currency | **18,959,368** | 24,207,863 |
| In foreign currencies | **-** | - |
| | **18,959,368** | 24,207,863 |

**12.2** Advances include Rs. 1,085.330 million (2022: Rs. 881.635 million) which have been placed under the non-performing / stage 3 status as detailed below:

| Category of classification | Note | (Un-audited) September 30, 2023 Non performing loans | Provision | (Audited) December 31, 2022 Non performing loans | Provision |
|---|---|---|---|---|---|
| **Domestic** | | ---------- Rupees in '000 ---------- | | | |
| Other assets especially mentioned | 12.2.1 | **46,532** | **20,246** | 7,175 | 717 |
| Substandard | | **174,389** | **110,690** | 3,528 | 882 |
| Doubtful | | **-** | **-** | 15,220 | 7,386 |
| Loss | | **864,408** | **743,834** | 855,712 | 491,637 |
| **Total** | | **1,085,330** | **874,770** | 881,635 | 500,622 |

**12.2.1** The 'Other assets especially mentioned' category pertains to small enterprise finance.

**12.3 Particulars of credit loss allowance against advances**

| | Unaudited 30 September 2023 Stage 3 | Stage 2 | Stage 1 | Total |
|---|---|---|---|---|
| Opening balance | 500,622 | - | - | 500,622 |
| Charge for the period / year | 158,684 | 3,817 | - | 162,501 |
| Reversals during the period / year | (7,821) | - | (15,792) | (23,613) |
| | 150,863 | 3,817 | (15,792) | 138,888 |
| Impact of first time adoption of IFRS 9 charged to opening retained earnings | 223,284 | 14,018 | 76,434 | 313,736 |
| | | | - | - |
| Closing balance | 874,770 | 17,835 | 60,642 | 953,247 |

| | 31 December 2022 (Audited) Specific | General | Total |
|---|---|---|---|
| | ---------- (Rupees in '000) ---------- | | |
| Opening balance | 497,025 | 50,000 | 547,025 |
| Charge for the year | 101,127 | - | 101,127 |
| Reversals | (110,075) | (50,000) | (160,075) |
| | (8,948) | (50,000) | (58,948) |
| Amounts written off | - | - | |
| Provision due to conversion of investment | 12,545 | - | 12,545 |
| Closing balance | 500,622 | - | 500,622 |

**12.3.1** Stage 1 includes loans and advances that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For Stage 1 loans, 12-month expected credit losses ('ECL') are recognized and interest revenue is calculated on the gross carrying amount of the loan amount. 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date.

12.3.2 Stage 2 includes loans and advances where credit risk is higher since initiation or they have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these loans, lifetime ECL are recognized, but interest revenue is still calculated on the gross carrying amount of the loan amount. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the loans. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.

Stage 1 comprises of EAD (principal plus markup) amounting to Rs. 17,821.52 million and ECL of Rs. 60.642 million and stage 2 comprises of EAD amounting to Rs. 356.49 million and ECL of Rs. 17.835 million.

Forced Sale Value (FSV) benefit amounting to Rs. 342.077 million (2022: Rs. 483.916 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 period end as credit loss allowance has been computed under IFRS 9 - Financial Intruments.

| | September 30, 2023 (Un-audited) | | |
|---|---|---|---|
| | Stage 1 | Stage 2 | Stage 3 |
| | ---------- Rupees in '000 ---------- | | |
| Opening balance | - | - | 500,622 |
| Impact on adoption of IFRS 9 | 76,434 | 14,018 | 223,284 |
| New Advances | 7,745 | 3,243 | 2,103 |
| Advances derecognised or repaid | (7,444) | (4,468) | (14,827) |
| Transfer to stage 1 | 1,116 | (1,116) | - |
| Transfer to stage 2 | (688) | 718 | (30) |
| Transfer to stage 3 | (383) | (4,968) | 5,351 |
| Amounts written off / charged off | | | |
| Changes in risk parameters | (16,138) | 10,407 | 158,267 |
| Closing balance | 60,642 | 17,835 | 874,769 |

| | | September 30, 2023 (Un-audited) | |
|---|---|---|---|
| | | Outstanding amount | Credit loss allowance Held |
| **Advances - Category of classification** | | ----- Rupees in '000 ----- | |
| Performing | Stage 1 | 17,821,529 | 60,642 |
| Underperforming | Stage 2 | 356,490 | 17,835 |
| Non-Performing | Stage 3 | | |
| Other Assets Especially Mentioned | | 46,532 | 20,246 |
| Substandard | | 174,389 | 110,690 |
| Doubtful | | - | - |
| Loss | | 864,408 | 743,834 |
| | | 19,263,349 | 953,247 |

Comparative disclosures of note 12.5 and note 12.6 under IFRS-9 have not been presented in these condensed interim unconsolidated financial statements , as they are impracticable.

| | | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|---|
| 13 | **PROPERTY AND EQUIPMENT** | ----------- Rupees in '000 ----------- | |
| | Property and equipment | **52,288** | 16,037 |
| | Capital work-in-progress | **-** | - |
| | | **52,288** | 16,037 |

| | | (Un-audited) September 30, 2023 | (Un-audited) September 30, 2022 |
|---|---|---|---|
| 13.1 | **Additions to property and equipment** | ----------- Rupees in '000 ----------- | |

The following additions have been made to property and equipment during the period:

| | | |
|---|---|---|
| **Property and equipment** | | |
| Electrical office and computer equipment | 10,479 | 1,780 |
| Vehicles | 34,926 | 5,754 |
| Others | 602 | 238 |
| | 46,007 | 7,772 |

13.2 **Disposal of property and equipment**

The net book value of Property and Equipment disposed off during the period is as follows:

| | | |
|---|---|---|
| Furniture and fixture | - | - |
| Electrical office and computer equipment | 148 | - |
| Vehicles | 2,234 | 302 |
| Others | - | - |
| Total | 2,382 | 302 |

13.3 Details of disposals of fixed assets whose original cost or the book value exceeds Rs. 1 million or Rs. 250,000 whichever is less and assets disposed of to the chief executive or to a director or to executives or to any related party, irrespective of the

| 13.4 | Description | Cost | Accumulated Depreciation | Net Book Value | Sale Proceeds | Mode of Disposal | Particulars of Buyer |
|---|---|---|---|---|---|---|---|
| | | -------------------------Rs. In '000------------------------- | | | | | |
| | BMW 530W Car | 19,350 | 17,260 | 2,090 | 2,090 | As per the terms of employment | Ms Ayesha Aziz (MD) |
| | Laptop | 280 | 156 | 124 | 124 | As per the terms of employment | Ms Ayesha Aziz (MD) |

| | | Note | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|---|---|
| 14 | **RIGHT OF USE ASSETS** | | ------ Rupees in '000 ------ | |
| | At January 1, | | | |
| | Cost | | **154,306** | 127,060 |
| | Accumulated depreciation | | **(114,037)** | (91,600) |
| | Net carrying amount at January 1 | | **40,269** | 35,460 |
| | Additions / modification during the period/year | | **-** | 27,246 |
| | Depreciation charge for the period/year | | **(19,337)** | (22,437) |
| | Net carrying amount at September 30, 2023 / December 31, 2022 | | **20,932** | 40,269 |

| | | | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|---|---|
| | | | ---------- Rupees in '000 ---------- | |
| 15 | **INTANGIBLE ASSETS** | | | |
| | Computer software | | **2,429** | 3,267 |
| | Capital work-in-progress | | **-** | - |
| | | | **2,429** | 3,267 |
| 16 | **DEFERRED TAX ASSETS** | | | |
| | Deductible temporary differences on: | | | |
| | - Provision for diminution in the value of investments | | **93,488** | 94,761 |
| | - Provision against advances, other assets, etc. | | **331,604** | 165,205 |
| | - Deficit on revaluation of investments | | **690,550** | 633,259 |
| | - Accelerated tax depreciation | | **3,211** | 2,602 |
| | - Lease liability against right-of-use asset | | **10,392** | 9,515 |
| | - Provision for bonus | | **9,838** | 19,470 |
| | - Unrealized loss on equity investments | | **1,036** | 170 |
| | - Amortisation of premium on investments | | **-** | 21,094 |
| | | | **1,140,119** | 946,076 |
| | Taxable temporary differences on: | | | |
| | - Net investment in finance lease | | **(41,191)** | (48,524) |
| | - Post retirement employee benefits | | **(269)** | (269) |
| | - Amortisation of discount on investments | | **(201,175)** | - |
| | - Right-of-use assets | | **(9,058)** | (13,289) |
| | | | **(251,693)** | (62,082) |
| | | | **888,426** | 883,994 |
| 17 | **OTHER ASSETS** | | | |
| | Income / mark-up accrued in local currency | | **2,884,881** | 1,405,833 |
| | Advances, deposits, advance rent and other prepayments | | **42,454** | 17,472 |
| | Advance taxation (payments less provisions) | | **1,934,442** | 1,155,669 |
| | Advance against subscription of term finance certificates | | **20,000** | - |
| | Dividend receivable | | **14,520** | - |
| | Receivable from related parties | 17.1 | **14,162** | 4,985 |
| | Lease receivable under IFRS-16 | 17.2 | **117** | 606 |
| | Advance against investment in right shares -related party | | **40,000** | 40,000 |
| | Receivable from defined benefit plan - related party | | **-** | 3,260 |
| | | | **4,950,576** | 2,627,825 |
| | Less: Credit loss allowance held against other assets | | **-** | - |
| | | | **4,950,576** | 2,627,825 |
| 17.1 | **Receivable from related parties** | | | |
| | Receivable from Awwal Modarabah Management Company Limited (subsidiary) | | **8,660** | 1,124 |
| | Receivable from other Modarabas managed by Awwal Modaraba Management Limited (related parties) | | **2,874** | 810 |
| | Receivable from Primus Leasing Company Limited (subsidiary) | | **2,628** | 931 |
| | Receivable from Awwal Corporate Restructuring Company Limited (subsidiary) | | **-** | 2,120 |
| | | | **14,162** | 4,985 |

17.2 This represents lease receivable against sublease under IFRS-16 amounting to Rs. 0.117 million (December 31, 2022: Rs. 0.606 million million) from Primus Leasing Limited.

| | | Note | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|---|---|
| | | | ------ Rupees in '000 ------ | |
| 18 | **ASSETS CLASSIFIED AS HELD-FOR-SALE** | | | |
| | ***Land, building and machinery acquired from:*** | 18.1 | | |
| | Sufi Steel Industries (Private) Limited | | - | 186,895 |
| | Lion Steel Industries (Private) Limited | | **168,904** | 168,904 |
| | Awwal Modaraba Management Limited | 18.2 | **105,000** | - |
| | **Total assets classified as held-for-sale** | | **273,904** | 355,799 |

**18.1** These represent land, building and machinery which have been classified as 'non-current assets as held for sale' as at September 30, 2023. The Company acquired these assets by settling total outstanding principal and mark-up of Rs 454 million and Rs 62 million respectively. During the period the Company sold land and building amounting to Rs 186.895 million. It is expected that the process of sale of remaining assets will be completed in the near future.

**18.2** During the period, the Company has decided to divest in one of its subsidiaries i.e. Awwal Modaraba Management Limited. The Company is committed to divestment transaction and the same is expected to complete within one year from the date of its classification as asset held for sale.

| | | Note | September 30, 2023 | December 31, 2022 |
|---|---|---|---|---|
| | | | ------ Rupees in '000 ------ | |
| 19 | **BORROWINGS** | | | |
| | ***Secured*** | | | |
| | Borrowings from State Bank of Pakistan: | | | |
| | - Long-Term Finance Facility (LTFF) scheme | 19.1 | **3,431,158** | 4,085,463 |
| | - Power Plants Using Renewable Energy (PPRE) scheme | 19.2 | **172,489** | 170,662 |
| | - Temporary Economic Refinance Facility (TERF) | 19.3 | **770,134** | 789,398 |
| | - Finance for Storage of Agriculture Produce (FSAP) scheme | 19.4 | **191,822** | 89,302 |
| | - Credit Guarantee (CGS) Scheme | 19.5 | **145,252** | 119,462 |
| | - Special Persons (SP) Scheme | 19.6 | **2,880** | 3,710 |
| | - Working capital (WC) Scheme | 19.7 | **954,805** | 750,046 |
| | - COVID - 19 Scheme | 19.8 | **-** | 6,000 |
| | - Balancing, Modernization & Replacement (BMR) scheme | 19.9 | **540,925** | 363,649 |
| | | | **6,209,465** | 6,377,692 |
| | Repurchase agreement borrowings | 19.10 | **66,886,939** | 13,876,732 |
| | Borrowings from banks | 19.11 | **23,891,667** | 36,229,167 |
| | ***Total secured*** | | **96,988,071** | 56,483,591 |
| | ***Unsecured*** | | | |
| | Letters of placement: | 19.12 | **8,760,735** | 11,836,644 |
| | | | **105,748,806** | 68,320,235 |

**19.1** The Company has entered into agreements for financing with the SBP for Long-Term Financing Facility (LTFF) 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 2.00% to 11.00% per annum (December 31, 2022: 2.00% to 7.00% per annum). These are secured against demand promissory notes and are repayable within 8 years (December 31, 2022: 9 years).

**19.2** 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 (December 31, 2022: 2.00% to 5.00% per annum) and are due to mature latest by June 28, 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.

**19.3** 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 (December 31, 2022: 1% to 2% per annum) payable on quarterly basis, with maturities upto May 18, 2032 (December 31, 2022: 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.

**19.4** 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 from 2.5% to 4% per annum (December 31, 2022: 2.5% per annum) and are due to mature latest by June 02, 2029.

**19.5** These represent borrowings from the SBP under scheme for refinance and credit guarantee schemes. The mark-up rate applicable on these facilities is 0% per annum (December 31,2022: 0% per annum) payable on quarterly basis, with maturities upto August 30, 2028 (December 31, 2022: November, 2027). 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.

**19.6** 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 (December 31, 2022: 5% per annum) by SBP whereas SBP's refinance rate for this facility is 0% per annum (December 31, 2022: 0% per annum) . 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. These borrowings have maturity date of September 17, 2032.

**19.7** In accordance with the refinance facility for working capital, the Company has entered into agreements for financing with the SBP for extending financing to meet working capital requirements of the customers. The profit rate on this facility is 2.00% per annum (December 31, 2022: 2.00%) payable on quarterly basis with maturities upto May 29, 2028 (December 31, 2022: December 2023). As per the agreements, the Company has granted the SBP the right to recover the outstanding amounts from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP.

**19.8** In accordance with the refinance facility for combating COVID-19, the Company has entered into agreements for financing with the SBP for extending medical equipment finances to the customers. The average profit rate on this facility is 0% (December 31, 2022: 0%) with maturities upto October 22, 2025. As per the agreements, the Company has granted the SBP the right to recover the outstanding amounts from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP.

**19.9** These represent borrowings from the SBP under scheme for balancing, modernization & replacement scheme. The mark-up rate applicable on these facilities is 1% to 2% per annum (December 31, 2022: 1% to 2% per annum) payable on quarterly basis, with maturities upto June 09, 2029 (December 31, 2022: April 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.

**19.10** These represent collateralised borrowings against Pakistan Investment Bonds and Market Treasury Bills. The mark-up rates on these borrowings ranges from 21.40% to 22.60% per annum (December 31, 2022: 16.09% to 16.10% per annum).

**19.11** This represents secured borrowings from commercial banks. These borrowings carry mark-up at rates ranging from 21.84% to 23.58% per annum (December 31, 2022: 15.92% to 17.29% per annum) and are repayable by June 14, 2027 (December 31, 2022: 5 years).

**19.12** This represents clean borrowings from financial institutions and corporate. These borrowings carry mark-up at rates ranging from 21.15% to 21.50% per annum (2022: 7.10% to 16.50% per annum) and are repayable by December 20, 2023 (2022: May 2023).

| | | Note | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|---|---|
| **20** | **DEPOSITS AND OTHER ACCOUNTS** | | ---------- Rupees in '000 --------- | |
| | **Customers** | | | |
| | - Certificate of investments (COIs) - In local currency | 20.2 | **54,768** | 54,768 |
| | **Financial Institutions** | | | |
| | - Certificate of investments (COIs) - In local currency | | **-** | - |
| | | 20.1 | **54,768** | 54,768 |
| **20.1** | **Composition of deposits** | | | |
| | - Public sector entities | | **-** | - |
| | - Private sector | | **54,768** | 54,768 |
| | | | **54,768** | 54,768 |

**20.2** These Certificate of Investments (COIs) carry mark-up rate of 15.00% per annum (2022: 15.00% per annum) with maturity on December 22, 2023 (2022: December 22, 2023).

| | | Note | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|---|---|
| **21** | **OTHER LIABILITIES** | | -------- Rupees in '000 -------- | |
| | Mark-up / return / interest payable in local currency | | **1,784,842** | 797,888 |
| | Unearned commission and income on bills discounted | | **22,410** | 28,998 |
| | Accrued expenses | | **63,699** | 86,826 |
| | Brokerage / commission payable | | **2,140** | 1,584 |
| | Payable against purchase of shares | | **-** | 120,362 |
| | Security deposits against advances | | **291,128** | 295,565 |
| | Provision for Sindh Worker's Welfare Fund | | **167,919** | 148,995 |
| | Lease liability against right-of-use assets | | **31,775** | 28,834 |
| | Provision for off balance sheet obligations | | **12,835** | - |
| | Payable to defined benefit plan - related party | | **1,607** | - |
| | Payable to related party | | **-** | 28 |
| | Others | | **69,991** | 50,319 |
| | | | **2,448,346** | 1,559,399 |
| **22** | **DEFICIT ON REVALUATION OF ASSETS - NET OF TAX** | | | |
| | Deficit on revaluation of | | | |
| | - Securities measured at FVOCI-Debt | 11.1 | **(2,168,496)** | (1,703,081) |
| | - Securities measured at FVOCI-Equity | | **151,842** | (431,770) |
| | | | **(2,016,654)** | (2,134,851) |
| | Deferred tax on deficit on revaluation of: | | | |
| | - Securities measured at FVOCI-Debt | | **715,604** | 562,017 |
| | - Securities measured at FVOCI-Equity | | **(25,054)** | 71,242 |
| | | | **(1,326,104)** | (1,501,592) |

| | | Note | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|---|---|
| | | | -------- Rupees in '000 -------- | |
| **23** | **CONTINGENCIES AND COMMITMENTS** | | | |
| | - Guarantees | 23.1 | **1,118,772** | 1,330,000 |
| | - Commitments | 23.2 | **76,110,075** | 23,342,227 |
| | - Other contingent liabilities | 23.3 | **-** | - |
| | | | **77,228,847** | 24,672,227 |
| **23.1** | **Guarantees** | | | |
| | Financial guarantees | | **1,118,772** | 1,330,000 |
| **23.2** | **Commitments** | | | |
| | Documentary credits and short-term trade-related transactions | | | |
| | - letters of credit | | **-** | 4,103 |
| | Commitments in respect of: | | | |
| | - repo transactions | 23.2.1 | **69,290,041** | 20,732,735 |
| | - forward lendings | 23.2.2 | **3,494,085** | 2,485,027 |
| | - future purchase and sale transactions | 23.2.3 | **3,325,949** | |
| | - other commitments | | **-** | 120,362 |
| | | | **76,110,075** | 23,342,227 |
| **23.2.1** | **Commitments in respect of repo transactions** | | | |
| | Repurchase of government securities | | **69,290,041** | 14,157,761 |
| | Reverse repurchase of government securities | | **-** | 6,574,974 |
| | | | **69,290,041** | 20,732,735 |
| **23.2.2** | **Commitments in respect of forward lendings** | | | |
| | Undrawn formal standby facilities, credit lines and other commitments to lend* | | **3,494,085** | 2,485,027 |
| | | | **3,494,085** | 2,485,027 |
| **23.2.3** | **Commitments in respect of future transactions** | | | |
| | Purchase | | **2,870,775** | - |
| | Sale | | **455,174** | - |
| | | | **3,325,949** | - |

*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.

**23.3 Other contingent liabilities**

**23.3.1** 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 favour of the Company.

23.3.2 The returns of income of the Company from tax years 2008 to 2023 had been filed with the tax authorities. From tax year 2008 upto 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 September 30, 2023. 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 (note 17). The management is confident that the matters will eventually be decided in favour 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.

| | | Note | (Un-audited) | |
|---|---|---|---|---|
| | | | **Period ended September 30, 2023** | Period ended September 30, 2022 |
| | | | ---------- **Rupees in '000** ---------- | |
| **24** | **MARK-UP / RETURN / INTEREST EARNED** | | | |
| | On: | | | |
| | a) Loans and advances | | **2,203,552** | 1,511,180 |
| | b) Investments | | **12,736,271** | 2,932,769 |
| | c) Lendings to financial institutions | | **731,266** | 94,712 |
| | d) Sub-lease of premises | | **60** | 59 |
| | e) Balances with banks | | **16,336** | 6,758 |
| | | | **15,687,485** | 4,545,477 |
| | **Interest income (calculated using effective interest rate method) recognised on:** | | | |
| | Financial assets measured at amortised cost | | **29,848** | - |
| | | | **15,717,333** | **4,545,477** |
| **25** | **MARK-UP / RETURN / INTEREST EXPENSED** | | | |
| | Deposits | | **6,145** | 4,207 |
| | Interest expense on lease liability | | **3,863** | 2,137 |
| | Borrowings | | **14,594,587** | 3,977,116 |
| | | | **14,604,595** | 3,983,460 |
| **26** | **FEE AND COMMISSION INCOME** | | | |
| | Advisory / arrangement fee | | **19,614** | 10,825 |
| | Processing fee income | | **15,212** | 11,467 |
| | Commitment fee | | **4,148** | 6,382 |
| | Trustee fee | | **45,934** | 42,335 |
| | Front end fee | | **17** | - |
| | | | **84,925** | 71,009 |
| **27** | **GAIN / (LOSS) ON SECURITIES** | | | |
| | Realised gain on sale of securities | 27.1 | **69,895** | (28,973) |
| | Unrealised gain on securities held at fair value through profit and loss | | **15,691** | 6 |
| | Unrealised loss on arbitrag shares | | **(63)** | - |
| | | | **85,523** | (28,967) |
| **27.1** | **Realised gain / (loss) on:** | | | |
| | Federal government securities | | **39,131** | 5,298 |
| | Ordinary shares | | **30,432** | (34,271) |
| | Non-government debt securities | | **332** | - |
| | | | **69,895** | (28,973) |

| | | Note | (Un-audited) Period ended September 30, 2023 | Period ended September 30, 2022 |
|---|---|---|---|---|
| | | | ---------- Rupees in '000 --------- | |
| 28 | **OTHER INCOME** | | | |
| | Gain on sale of assets classified as held-for-sale | | **96,626** | - |
| | Gain on sale of fixed assets - net | | **1,871** | 3,175 |
| | | | **98,497** | 3,175 |
| 29 | **OPERATING EXPENSES** | | | |
| | **Total compensation expense** | | **201,858** | 152,454 |
| | **Property expense** | | | |
| | Rent and taxes | | **-** | - |
| | Insurance | | **4,462** | 4,665 |
| | Security | | **1,862** | 2,228 |
| | Utilities cost | | **5,664** | 4,488 |
| | Repairs and maintenance (including janitorial charges) | | **7,657** | 6,896 |
| | Depreciation | | **19,337** | 16,420 |
| | | | **38,982** | 34,697 |
| | **Information technology expenses** | | | |
| | Software maintenance | | **191** | 2,866 |
| | Hardware maintenance | | **726** | 949 |
| | Depreciation | | **3,050** | 2,768 |
| | Amortisation | | **838** | 157 |
| | | | **4,805** | 6,739 |
| | **Other operating expenses** | | | |
| | Directors' fees and allowances | | **4,800** | 3,600 |
| | Fees and subscription | | **3,355** | 1,165 |
| | Legal and professional charges | | **15,692** | 15,470 |
| | Outsourced services costs | | **6,941** | 5,655 |
| | Travelling and conveyance | | **33,215** | 39,413 |
| | Brokerage commission | | **19,399** | 6,369 |
| | Depreciation | | **4,324** | 5,361 |
| | Training and development | | **1,940** | 716 |
| | Postage and courier charges | | **247** | 350 |
| | Communication | | **2,784** | 2,658 |
| | Stationery and printing | | **1,201** | 1,346 |
| | Marketing, advertisement and publicity | | **151** | 277 |
| | Donations | | **2,000** | 5,000 |
| | Auditors' remuneration | | **2,587** | 1,974 |
| | Expenses incurred on assets held for sale | | **42,685** | 12,904 |
| | Service charges for business development - leases | | **5,011** | - |
| | Others | | **5,549** | 4,144 |
| | | | **151,881** | 106,403 |
| | | | **397,526** | 300,293 |
| 30 | **SINDH WORKERS' WELFARE FUND** | | | |
| | Provision for Sindh Workers' Welfare Fund | | **18,924** | 1,829 |

| | | Note | (Un-audited) Period ended September 30, 2023 | Period ended September 30, 2022 |
|---|---|---|---|---|
| | | | ---------- Rupees in '000 --------- | |
| 31 | **Credit loss allowance and write offs - net** | | | |
| | Credit loss allowance for diminution in value of investments | 11.2.1 | **(9,657)** | (5,166) |
| | Credit loss allowance against loans and advances | 12.3 | **138,888** | 43,033 |
| | Credit loss allowance against off balance sheet obligations | | **3,155** | - |
| | | | **132,386** | 37,867 |
| 32 | **TAXATION** | | | |
| | Current | | **148,362** | 115,072 |
| | Prior years | | **-** | 24,597 |
| | Deferred | | **174,862** | (80,988) |
| | | | **323,224** | 58,681 |
| 33 | **BASIC EARNINGS PER SHARE** | | | |
| | Profit for the period | | **606,240** | 262,519 |
| | | | **Number of shares** | |
| | Weighted average number of ordinary shares | | **600,000** | 600,000 |
| | | | --------------- Rupees --------------- | |
| | Basic earnings per share | | **1.01** | 0.44 |

33.1 **Diluted earnings per share**

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

34 **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.

34.1 **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

- **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 / units of modaraba certificates | Fair values of investments in listed equity securities and units of modaraba certificates 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. |
| 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:

| | (Un-audited) | | | |
|---|---|---|---|---|
| | September 30, 2023 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **On balance sheet financial instruments** | ---------- Rupees in '000 ---------- | | | |
| **Financial assets - measured at fair value** | | | | |
| Investments | | | | |
| Federal government securities | - | 88,311,211 | - | 88,311,211 |
| Shares | 1,088,166 | - | - | 1,088,166 |
| Non-Government debt securities | - | 1,123,263 | - | 1,123,263 |
| **Off-balance sheet financial instruments - measured at fair value** | | | | |
| Commitments in respect of repo transactions | - | 69,290,041 | - | 69,290,041 |

| | (Audited) | | | |
|---|---|---|---|---|
| | December 31, 2022 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| **On balance sheet financial instruments** | ---------- Rupees in '000 ---------- | | | |
| **Financial assets - measured at fair value** | | | | |
| Investments | | | | |
| Federal government securities | - | 38,973,866 | - | 38,973,866 |
| Shares | 1,340,790 | - | - | 1,340,790 |
| Non-Government debt securities | - | 2,477,356 | - | 2,477,356 |
| **Off-balance sheet financial instruments - measured at fair value** | | | | |
| Commitments in respect of repo transactions | - | 20,732,735 | - | 20,732,735 |

## 35 SEGMENT INFORMATION

| | For the period ended September 30, 2023 | | | |
|---|---|---|---|---|
| | Corporate finance | Trading and sales | Commercial banking | Total |
| | ---------- Rupees in '000 ---------- | | | |
| **Condensed interim unconsolidated profit and loss account for the period ended September 30, 2023 (un-audited)** | | | | |
| Net Mark-up / return / interest income | - | 963,082 | 149,656 | 1,112,738 |
| Non mark-up / return / interest income | 84,925 | 280,637 | - | 365,562 |
| **Total income** | 84,925 | 1,243,719 | 149,656 | 1,478,300 |
| Segment direct expenses | 23,924 | 350,365 | 42,159 | 416,449 |
| **Total expenses** | 23,924 | 350,365 | 42,159 | 416,449 |
| Provisions | - | 6,172 | 126,215 | 132,387 |
| **Profit before tax** | 61,001 | 887,181 | (18,718) | 929,464 |

| | September 30, 2023 | | | |
|---|---|---|---|---|
| | Corporate finance | Trading and sales | Commercial banking | Total |
| | Rupees in '000 | | | |
| **Condensed interim unconsolidated statement of financial position as at September 30, 2023 (un-audited)** | | | | |
| Cash and bank balances | 26,678 | 390,692 | 47,011 | 464,381 |
| Investments | - | 93,671,250 | - | 93,671,250 |
| Lendings to financial institutions | - | - | - | - |
| Advances - performing | - | 1,195,282 | 16,600,279 | 17,795,561 |
| - non-performing | - | 52,551 | 158,009 | 210,560 |
| Others | 4,346 | 5,531,438 | 652,770 | 6,188,554 |
| **Total assets** | 31,024 | 100,841,213 | 17,458,069 | 118,330,306 |
| Borrowings | - | 94,390,785 | 11,358,021 | 105,748,806 |
| Deposits and other accounts | - | 48,868 | 5,900 | 54,768 |
| Others | - | 2,185,571 | 262,776 | 2,448,347 |
| **Total liabilities** | - | 96,625,224 | 11,626,697 | 108,251,921 |
| Equity | 31,024 | 4,215,989 | 5,831,372 | 10,078,385 |
| **Total equity and liabilities** | 31,024 | 100,841,213 | 17,458,069 | 118,330,306 |
| **Contingencies and commitments** | - | 73,734,762 | 3,494,085 | 77,228,847 |

| | Period ended September 30, 2022 | | | |
|---|---|---|---|---|
| | Corporate finance | Trading and sales | Commercial banking | Total |
| | Rupees in '000 | | | |
| **Unconsolidated profit and loss account for the period ended September 30, 2022 (un-audited)** | | | | |
| Net mark-up / return / interest income | - | 425,702 | 136,315 | 562,017 |
| Non mark-up / return / interest income | 71,009 | 28,163 | - | 99,172 |
| **Total income** | 71,009 | 453,865 | 136,315 | 661,189 |
| Segment direct expenses | 32,447 | 207,388 | 62,287 | 302,122 |
| Total expenses | 32,447 | 207,388 | 62,287 | 302,122 |
| Provisions | - | 12,278 | 25,589 | 37,867 |
| **Profit before tax** | 38,562 | 234,199 | 48,439 | 321,200 |

| | December 31, 2022 | | | |
|---|---|---|---|---|
| | Corporate finance | Trading and sales | Commercial banking | Total |
| | Rupees in '000 | | | |
| **Unconsolidated statement of financial position (audited)** | | | | |
| Cash and bank balances | 40,616 | 327,428 | 69,180 | 437,224 |
| Investments | - | 44,805,384 | - | 44,805,384 |
| Lendings to financial institutions | - | 6,559,967 | - | 6,559,967 |
| Advances - performing | - | 1,288,503 | 22,538,347 | 23,826,850 |
| - non-performing | - | 11,249 | 369,764 | 381,013 |
| Others | 5,534 | 3,237,605 | 684,052 | 3,927,191 |
| **Total assets** | 46,150 | 56,230,136 | 23,661,343 | 79,937,629 |
| Borrowings | - | 56,403,229 | 11,917,006 | 68,320,235 |
| Deposits and other accounts | - | 45,215 | 9,553 | 54,768 |
| Others | - | 1,287,395 | 272,004 | 1,559,399 |
| **Total liabilities** | - | 57,735,839 | 12,198,563 | 69,934,402 |
| Equity | 46,150 | (1,505,703) | 11,462,780 | 10,003,227 |
| **Total equity and liabilities** | 46,150 | 56,230,136 | 23,661,343 | 79,937,629 |
| **Contingencies and commitments** | - | 20,732,735 | 3,939,492 | 24,672,227 |

## 36 RELATED PARTY TRANSACTIONS

The Company has related party relationship with subsidiary companies (Primus Leasing Limited, Awwal Corporate Restructuring Company Limited and Awwal Modaraba Management Limited), First Prudential Modaraba, 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. Transactions with owners have been disclosed in 'condensed interim 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 transactions with subsidiaries that are based on agreed terms. The details of transactions with related parties during the period and balances with them as at period end, other than those which have been disclosed elsewhere in these condensed interim unconsolidated financial statements, are as follows:

### 36.1 Balances with related parties

| | (Un-audited) September 30, 2023 | | | | (Audited) December 31, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Directors | Key management personnel | Subsidiaries | Other related parties | Directors | Key management personnel | Subsidiaries | Other related parties |
| | (Rupees in '000) | | | | | | | |
| **Investments** | | | | | | | | |
| Opening balance | - | - | 2,013,372 | - | - | - | 2,003,372 | - |
| Investment made during the period / year | - | - | - | - | - | - | 10,000 | - |
| Investment disposed off / transferred to Held for Sale | | | (105,000) | | | | | |
| during the period / year | - | - | - | - | - | - | - | - |
| Closing balance | - | - | 1,908,372 | - | - | - | 2,013,372 | - |
| **Advances** | | | | | | | | |
| Opening balance | - | 72,204 | 574,803 | 178,207 | - | 89,209 | 371,223 | - |
| Addition during the period / year | - | 19,558 | 115,540 | 150,000 | - | 46,336 | 570,095 | 300,000 |
| Repaid during the period / year | - | (31,435) | (250,385) | (157,974) | - | (10,432) | (366,515) | (150,000) |
| Transfer in / (out) - net | - | - | - | - | - | (52,909) | - | 28,207 |
| Closing balance | - | 60,327 | 439,958 | 170,233 | - | 72,204 | 574,803 | 178,207 |
| **Lending to financial institutions** | | | | | | | | |
| Opening balance | - | - | - | 26,000 | - | - | - | - |
| Investment | - | - | - | 301,600 | - | - | - | 58,000 |
| Repayment | - | - | - | (327,600) | - | - | - | (32,000) |
| Closing balance | - | - | - | - | - | - | - | 26,000 |
| **Other assets** | | | | | | | | |
| Interest / mark-up accrued | - | - | 29,684 | 203 | - | - | 13,613 | 423 |
| Lease receivable under IFRS-16 | - | - | 556 | - | - | - | 606 | - |
| Receivable from defined benefit plan | - | - | - | - | - | - | - | 3,260 |
| Preliminary expense | - | - | - | - | - | - | 931 | - |
| Advance against investments in right shares | - | - | 40,000 | - | - | - | 40,000 | - |
| Others | - | - | 13,259 | 1,154 | - | - | 3,244 | 810 |
| | - | - | 83,498 | 1,356 | - | - | 58,394 | 4,493 |
| **Borrowings** | | | | | | | | |
| Opening balance | - | - | - | - | - | - | 39,000 | 191,154 |
| Borrowings during the period / year | - | - | - | 54,079 | - | - | - | 28,444 |
| Settled during the period / year | - | - | - | (54,079) | - | - | (39,000) | (219,598) |
| Closing balance | - | - | - | - | - | - | - | - |
| **Other liabilities** | | | | | | | | |
| Interest / mark-up payable | - | - | - | - | - | - | - | - |
| Payable to defined benefit plan | | | | 1,607 | | | | |
| Other liabilities | - | - | - | - | - | - | 28 | - |
| | - | - | - | 1,607 | - | - | 28 | - |

## 36.2 Transactions with related parties

| | (Un-audited) September 30, 2023 | | | | (Un-audited) September 30, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Directors | Key management personnel | Subsidiaries | Other related parties | Directors | Key management personnel | Subsidiaries | Other related parties |
| | (Rupees in '000) | | | | | | | |
| **Income** | | | | | | | | |
| Mark-up / return / interest earned | - | 2,376 | 73,001 | 24,585 | - | 1,687 | 48,787 | 16,227 |
| Reverse Repo | - | - | - | - | - | - | - | - |
| **Expense** | | | | | | | | |
| Mark-up / return / interest expensed | - | - | - | 93 | - | - | 46 | 1,289 |
| Operating expenses | 3,200 | 116,989 | - | - | 3,200 | 99,846 | - | 6,026 |
| Reimbursement of expenses | - | 12,614 | 4,890 | 122 | - | 6,744 | - | - |
| Expenses charged | - | - | 17,941 | 6,981 | - | - | 15,899 | 7,349 |
| Fixed assets disposal | - | 2,214 | - | - | - | - | - | - |

## 37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

| | (Un-audited) September 30, 2023 | (Audited) December 31, 2022 |
|---|---|---|
| | -------- Rupees in '000 -------- | |
| **Minimum Capital Requirement (MCR):** | | |
| Paid-up capital | 6,000,000 | 6,000,000 |
| **Capital Adequacy Ratio (CAR):** | | |
| Eligible Common Equity Tier 1 (CET 1) Capital | 7,376,287 | 7,555,743 |
| Eligible Additional Tier 1 (ADT 1) Capital | - | - |
| Total Eligible Tier 1 Capital | 7,376,287 | 7,555,743 |
| Eligible Tier 2 Capital | - | - |
| Total Eligible Capital (Tier 1 + Tier 2) | 7,376,287 | 7,555,743 |
| **Risk Weighted Assets (RWAs):** | | |
| Credit Risk | 19,496,513 | 25,209,260 |
| Market Risk | 5,253,821 | 5,629,213 |
| Operational Risk | 1,981,195 | 1,981,195 |
| Total | 26,731,529 | 32,819,668 |
| Common Equity Tier 1 Capital Adequacy ratio - percentage | 27.59% | 23.02% |
| Tier 1 Capital Adequacy Ratio - percentage | 27.59% | 23.02% |
| Total Capital Adequacy Ratio - percentage | 27.59% | 23.02% |
| **Leverage Ratio (LR):** | | |
| Eligible Tier-1 Capital | 7,376,287 | 7,555,743 |
| Total Exposures | 126,987,234 | 78,312,993 |
| Leverage Ratio (%) | 5.81% | 9.65% |
| **Liquidity Coverage Ratio (LCR):** | | |
| Total High Quality Liquid Assets | 11,038,546 | 7,989,493 |
| Total Net Cash Outflow | 8,808,176 | 7,107,724 |
| Liquidity Coverage Ratio (Ratio) | 125.32% | 112.41% |
| **Net Stable Funding Ratio (NSFR):** | | |
| Total Available Stable Funding | 25,740,105 | 27,729,097 |
| Total Required Stable Funding | 21,732,280 | 23,794,119 |
| Net Stable Funding Ratio (%) | 118.44% | 116.54% |

**38 CORRESPONDING FIGURES**

Corresponding figures are rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant reclassification or restatement were made in these condensed interim unconsolidated financial statements during the period.

**39 GENERAL**

**39.1** Figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest thousand Rupees unless otherwise stated.

**40 DATE OF AUTHORISATION FOR ISSUE**

These condensed interim unconsolidated financial statements were authorised for issue on November 08, 2023 by the Board of Directors of the Company.

| | | | | |
|---|---|---|---|---|
| Managing Director/ Chief Executive | Chief Financial Officer | Director | Director | Director |