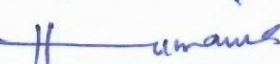



PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

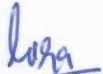
| (Audited) | | (Audited) | | | |
|--------------------------------------|----------------------|------------------|----------------------|------|--------------------|
| June 30, 2024 | December 31, 2023 | June 30, 2024 | December 31, 2023 | Note | Rupees in '000 |
| ----- US Dollar in '000 ----- | | | | | |
| ASSETS | | | | | |
| 2,667 | 2,482 | 6 | 739,919 | | 688,559 |
| 2,804 | 2,060 | 7 | 777,894 | | 571,384 |
| 3,572 | - | 8 | 990,798 | | - |
| 677,149 | 565,093 | 9 | 187,847,898 | | 156,762,694 |
| 81,387 | 80,380 | 10 | 22,577,652 | | 22,298,274 |
| 369 | 428 | 11 | 102,465 | | 118,852 |
| 36 | 88 | 12 | 9,911 | | 24,160 |
| 38 | 46 | 13 | 10,609 | | 12,799 |
| 4,876 | 4,460 | 14 | 1,352,786 | | 1,237,193 |
| 43,038 | 26,647 | 15 | 11,939,273 | | 7,392,212 |
| 681 | 704 | 16 | 188,739 | | 195,387 |
| 816,617 | 682,388 | | 226,537,944 | | 189,301,514 |
| LIABILITIES | | | | | |
| - | - | | - | | - |
| 758,578 | 630,717 | 17 | 210,437,043 | | 174,967,331 |
| 597 | - | 18 | 165,705 | | - |
| 30 | 34 | | 8,447 | | 9,527 |
| - | - | | - | | - |
| - | - | | - | | - |
| 17,241 | 12,315 | 19 | 4,782,930 | | 3,416,400 |
| 776,446 | 643,066 | | 215,394,125 | | 178,393,258 |
| 40,171 | 39,322 | | 11,143,819 | | 10,908,256 |
| NET ASSETS | | | | | |
| REPRESENTED BY | | | | | |
| 21,629 | 21,629 | | 6,000,000 | | 6,000,000 |
| 8,804 | 8,616 | | 2,442,377 | | 2,390,092 |
| 12,064 | 12,079 | | 3,346,656 | | 3,350,949 |
| (2,334) | (3,010) | 20 | (647,383) | | (835,029) |
| 40,163 | 39,314 | | 11,141,650 | | 10,906,012 |
| 8 | 8 | | 2,169 | | 2,244 |
| 40,171 | 39,322 | | 11,143,819 | | 10,908,256 |
| CONTINGENCIES AND COMMITMENTS | | | | | |
| 21 | | | | | |


The annexed notes 1 to 39 and annexure I form an integral part of these consolidated financial statements.


Managing Director/
Chief Executive


Chief Financial Officer


Director


Director



Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2024

| Half year ended | | | Half year ended | | Quarter ended | |
|--|---------------|--|----------------------------|---------------|---------------|---------------|
| June 30, 2024 | June 30, 2023 | | June 30, 2024 | June 30, 2023 | June 30, 2024 | June 30, 2023 |
| ----- US Dollar in '000 ----- | | | ----- Rupees in '000 ----- | | | |
| 75,702 | 35,151 | Mark-up / return / interest earned | 21,000,489 | 9,751,212 | 10,791,033 | 5,919,726 |
| 74,090 | 32,173 | Mark-up / return / interest expensed | 20,553,419 | 8,925,237 | 10,657,735 | 5,525,164 |
| 1,612 | 2,978 | Net mark-up / interest income | 447,070 | 825,975 | 133,298 | 394,562 |
| Non mark-up / interest income | | | | | | |
| 221 | 178 | Fee and commission income | 61,273 | 49,250 | 29,606 | 24,120 |
| 599 | 261 | Dividend income | 166,069 | 72,312 | 65,058 | 8,492 |
| - | - | Foreign exchange income | - | - | - | - |
| - | - | Income / (loss) from derivatives | - | - | - | - |
| 904 | 132 | Gain / (loss) on securities | 250,738 | 36,754 | 191,511 | 40,369 |
| 17 | 381 | Other income | 4,695 | 105,804 | 4,690 | 102,567 |
| 1,741 | 952 | Total non-markup / interest income | 482,775 | 264,120 | 290,865 | 175,548 |
| 3,353 | 3,930 | Total income | 929,845 | 1,090,095 | 424,163 | 570,110 |
| Non mark-up / interest expenses | | | | | | |
| 1,230 | 1,206 | Operating expenses | 341,382 | 334,629 | 151,151 | 177,901 |
| - | - | Other charges | - | - | - | - |
| 51 | 46 | Workers' Welfare Fund | 14,058 | 12,829 | 7,025 | 11,573 |
| 1,281 | 1,252 | Total non mark-up / interest expenses | 355,440 | 347,458 | 158,176 | 189,474 |
| 2,072 | 2,678 | Profit before credit loss allowance | 574,405 | 742,637 | 265,987 | 380,636 |
| 22 | 506 | Credit loss allowance and write offs - net | 6,073 | 140,367 | (6,811) | 123,423 |
| 2,050 | 2,172 | Profit before levies and taxation from continuing operations | 568,332 | 602,270 | 272,798 | 257,213 |
| 963 | 27 | Levies | 266,939 | 7,455 | 261,831 | 1,739 |
| 1,087 | 2,145 | Profit before taxation from continuing operations | 301,393 | 594,815 | 10,967 | 255,474 |
| (56) | 940 | Taxation | (15,654) | 260,736 | (100,008) | 151,292 |
| 1,143 | 1,205 | Profit for the year from continuing operations | 317,048 | 334,079 | 110,976 | 104,182 |
| 66 | - | Discontinued Operations | 17,896 | - | 4,633 | - |
| 1,209 | 1,205 | Profit for the year | 334,944 | 334,079 | 115,608 | 104,182 |
| Attributable to: | | | | | | |
| 1,208 | 1,204 | Equity holders of the Holding Company | 334,894 | 333,966 | 115,616 | 104,114 |
| 1 | 1 | Non-controlling interest | 50 | 113 | (8) | 68 |
| 1,209 | 1,205 | | 334,944 | 334,079 | 115,608 | 104,182 |
| ----- USD ----- | | | ----- Rupees in '000 ----- | | | |
| 0.00201 | 0.00201 | Basic and diluted earnings per share | 0.56 | 0.56 | 0.19 | 0.18 |

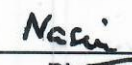
The annexed notes 1 to 39 and annexure I form an integral part of these consolidated financial statements.


**Managing Director/
Chief Executive**


Chief Financial Officer


Director

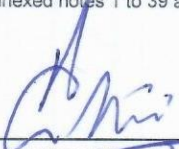

Director


Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2024

| Half year ended | | | Half year ended | | Quarter ended | |
|-------------------------------|------------------|---|----------------------------|------------------|------------------|------------------|
| June 30, 2024 | June 30, 2023 | | June 30, 2024 | June 30, 2023 | June 30, 2024 | June 30, 2023 |
| ----- US Dollar in '000 ----- | | | ----- Rupees in '000 ----- | | | |
| | | Profit after taxation for the year attributable to: | | | | |
| 1,208 | 1,204 | Equity holders of the Holding Company | 334,894 | 333,966 | 115,616 | 104,114 |
| 1 | 1 | Non-controlling interest | 50 | 113 | (8) | 68 |
| 1,209 | 1,205 | | 334,944 | 334,079 | 115,608 | 104,182 |
| | | Other comprehensive loss | | | | |
| | | <i>Items that may be reclassified to consolidated profit and loss account in subsequent periods:</i> | | | | |
| (429) | (1,269) | Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax | 20.1 (119,076) | (352,306) | 291,306 | 178,593 |
| - | - | Movement in surplus / (deficit) on revaluation of equity investments - net of tax | - | - | - | - |
| | | <i>Items that will not be reclassified to consolidated profit and loss account in subsequent periods:</i> | | | | |
| - | - | - Remeasurement loss on defined benefit obligation - net of tax | - | - | - | - |
| 1,105 | 1,440.00 | Movement in surplus / (deficit) on revaluation of equity investments - net of tax | 306,722 | 399,565 | 323,733 | 184,879 |
| 48 | (1,660.00) | Loss on disposal of securities classified as fair value through other comprehensive income - net of tax | 13,098 | (460,507) | 6,340 | (201,808) |
| 1,933 | (284) | Total comprehensive income / (loss) | 535,688 | (79,169) | 736,987 | 265,846 |

The annexed notes 1 to 39 and annexure I form an integral part of these consolidated financial statements.


Managing Director/
Chief Executive


Chief Financial Officer


Director


Director


Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2024

| | Share capital | Capital reserve | Revenue reserve | (Deficit) / surplus on revaluation of assets | Unappropriated profit | Non-controlling interest | Total |
|---|------------------|---------------------|--------------------|--|-----------------------|--------------------------|-------------------|
| | | Statutory reserve * | General reserve ** | | | | |
| ----- Rupees in '000 ----- | | | | | | | |
| Balance as at January 01, 2023 (restated) | 6,000,000 | 1,820,621 | 300,000 | (1,516,622) | 3,353,115 | 2,221 | 9,959,335 |
| Impact of first time adoption of IFRS 9 | | | | | (247,707) | | (247,707) |
| Comprehensive income for the period | | | | | | | |
| Profit after taxation for the period ended June 30, 2023 | - | - | - | - | 333,966 | 113 | 334,079 |
| Other comprehensive income - net of tax | | | | | | | |
| - Loss on disposal of securities classified as fair value through other comprehensive income - net of tax | - | - | - | - | (460,507) | - | (460,507) |
| - Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax | - | - | - | (352,306) | - | - | (352,306) |
| - Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax | - | - | - | 399,565 | - | - | 399,565 |
| | - | - | - | 47,259 | (126,541) | 113 | (79,169) |
| Transfer to statutory reserve | - | 46,103 | - | - | (46,103) | - | - |
| Transfer to general reserve | - | - | 100,000 | - | (100,000) | - | - |
| Balance as at July 01, 2023 | 6,000,000 | 1,866,724 | 400,000 | (1,469,363) | 2,832,764 | 2,334 | 9,632,459 |
| Comprehensive income for the year | | | | | | | |
| Profit after taxation for the year ended December 31, 2023 | - | - | - | - | 626,148 | (90) | 626,058 |
| Other comprehensive income - net of tax | | | | | | | |
| - Remeasurement loss on defined benefit obligation - net of tax | - | - | - | - | 3,263 | - | 3,263 |
| - Loss on disposal of securities classified as fair value through other comprehensive income - net of tax | - | - | - | - | 12,142 | - | 12,142 |
| - Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax | - | - | - | 423,174 | - | - | 423,174 |
| - Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax | - | - | - | 211,160 | - | - | 211,160 |
| | - | - | - | 634,334 | 641,553 | (90) | 1,275,797 |
| Transfer to statutory reserve | | 123,368 | | | (123,368) | | |
| Opening Balance as at January 01, 2024 | 6,000,000 | 1,990,092 | 400,000 | (835,029) | 3,350,949 | 2,244 | 10,908,256 |
| Comprehensive income for the period | | | | | | | |
| Profit after taxation for the period ended June 30, 2024 | - | - | - | - | 334,894 | 50 | 334,944 |
| Other comprehensive income - net of tax | | | | | | | |
| - Loss on disposal of securities classified as fair value through other comprehensive income - net of tax | - | - | - | - | 13,098 | - | 13,098 |
| - Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax | - | - | - | (119,076) | - | - | (119,076) |
| - Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax | - | - | - | 306,722 | - | - | 306,722 |
| | - | - | - | 187,646 | 347,992 | 50 | 535,688 |
| Transfer to statutory reserve | - | 52,285 | - | - | (52,285) | - | - |
| Final cash dividend paid for the year ended December 31, 2023 @ Re. 0.50 per share | - | - | - | - | (300,000) | - | (300,000) |
| Dividend payout by Awwal Corporate Restructuring Company Limited @ Rs. 0.5 per share | - | - | - | - | - | (125) | (125) |
| Closing Balance as at June 30, 2024 | 6,000,000 | 2,042,377 | 400,000 | (647,383) | 3,346,656 | 2,169 | 11,143,819 |

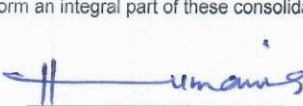
* This reserve is created under the requirement of section of 42(2) of SBP Act, 1956.

** This reserve is created under the requirement of Companies Act, 2017 for future losses (if any) and other contingencies.

The annexed notes 1 to 39 and annexure I form an integral part of these consolidated financial statements.



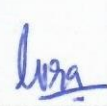
**Managing Director/
Chief Executive**



Chief Financial Officer



Director



Director



Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED JUNE 30, 2024

| Half year ended | | Half year ended | |
|--|------------------|------------------|------------------|
| June 30, 2024 | June 30, 2023 | June 30, 2024 | June 30, 2023 |
| US Dollar in '000 | | Rupees in '000 | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 1,984 | 2,171 | 550,436 | 602,270 |
| 65 | - | 17,896 | - |
| 599 | 261 | 166,069 | 72,312 |
| 1,450 | 1,910 | 402,263 | 529,958 |
| Adjustments: | | | |
| 66 | 33 | 27 | 18,206 |
| 51 | 60 | 27 | 14,250 |
| 9 | 3 | 27 | 2,508 |
| 51 | 46 | 28 | 14,058 |
| 22 | 506 | 29 | 6,073 |
| 1 | 12 | 23 | 217 |
| - | 348 | 26 | (13) |
| - | 7 | 25 | 4,202 |
| 15 | 23 | 59,502 | 287,386 |
| 215 | 1,038 | 461,765 | 817,344 |
| 1,665 | 2,948 | | |
| (Increase) / decrease in operating assets | | | |
| (3,572) | 6,838 | (990,798) | 1,896,730 |
| 925 | (153,186) | 256,596 | (42,495,276) |
| (1,025) | 13,640 | (284,361) | 3,783,630 |
| (7,889) | (5,855) | (2,188,587) | (1,624,238) |
| (11,561) | (138,563) | (3,207,150) | (38,439,154) |
| Increase/ (decrease) in operating liabilities | | | |
| 127,860 | 238,114 | 35,469,712 | 66,055,192 |
| 597 | - | 165,705 | - |
| (5) | (12) | (1,297) | (3,253) |
| 4,856 | 3,164 | 1,347,044 | 877,631 |
| 133,308 | 241,266 | 36,981,163 | 66,929,570 |
| - | - | - | - |
| (962) | - | (266,939) | - |
| (8,798) | (2,878) | (2,440,663) | (798,277) |
| 113,652 | 102,773 | 31,528,176 | 28,509,483 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| (112,227) | (105,362) | (31,132,229) | (29,228,394) |
| 592 | 261 | 164,172 | 72,312 |
| (7) | (112) | (1,819) | (31,048) |
| (1) | - | - | - |
| 1 | 15 | (318) | - |
| - | 1,023 | 13 | 4,253 |
| (111,642) | (104,175) | - | 283,521 |
| | | (30,970,181) | (28,899,356) |

Half year ended
 June 30, 2024 June 30, 2023
 ----- US Dollar in '000 -----

| | |
|---------|---------|
| (1,081) | - |
| - | - |
| - | - |
| (1,081) | - |
| 929 | (1,402) |
| 4,542 | 3,016 |
| 5,471 | 1,614 |

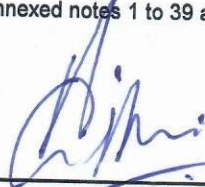
CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid to equity shareholders of the Holding Company
 Dividend paid to non-controlling interests
 Rentals paid during the year
 Net cash used in financing activities
 Increase in cash and cash equivalents
 Cash and cash equivalents at beginning of the year
 Cash and cash equivalents at end of the year


Half year ended
 June 30, 2024 June 30, 2023
 Note ----- Rupees in '000 -----

| | |
|-----------|-----------|
| (300,000) | - |
| (125) | - |
| - | - |
| (300,125) | - |
| 257,870 | (389,873) |
| 1,259,943 | 836,622 |
| 1,517,813 | 446,749 |

The annexed notes 1 to 39 and annexure I form an integral part of these consolidated financial statements.



 Managing Director/
 Chief Executive



 Chief Financial Officer



 Director



 Director



 Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED JUNE 30, 2024

1 STATUS AND NATURE OF BUSINESS

The "Group" consists of:

Holding Company

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

Subsidiaries

- Awwal Modaraba Management Limited (AMML) - 100% holding

Awwal Modaraba Management Limited (AMML) was incorporated in Pakistan on June 05, 2014 as an unlisted public company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Subsequently, it was registered as a Modaraba Management Company with the Registrar of Modaraba Companies and Modarabas under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. AMML is a wholly owned subsidiary of Pak Brunei Investment Company Limited (the Holding Company) with its registered office situated at Horizon Vista, Commercial-10, Block-4, Scheme-5, Clifton, Karachi, Pakistan.

The principal activity of the Company is to engage in the business of floatation of Modarabas and to function as a Modaraba Management Company within the meaning of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

The Company floated Awwal Modaraba on January 4, 2016 and was managing Awwal Modaraba since then. The Securities and Exchange Commission of Pakistan (SECP) via order no. SC/M/PRDD/KASB/2019/36 dated January 31, 2020, appointed Awwal Modaraba Management Limited as the Management Company of KASB Modaraba, First Prudential Modaraba and First Pak Modaraba with effect from February 3, 2020.

These Modarabas are perpetual in nature and are engaged in providing working capital, term finance, ijarah, musharaka, morabaha and other shariah compliant instruments to credit worthy customers and investment in securities. These Modarabas are listed on the Pakistan Stock Exchange Limited.

As part of the business plan, the Board of Directors of Holding Company in their meeting held on March 11, 2022 approved to merge the Awwal Modaraba with and into Awwal Corporate Restructuring Company Limited (ACRCL) and KASB Modaraba, First Pak Modaraba with and into First Prudential Modaraba. The proposed schemes of arrangement for the mergers were approved / sanctioned by the Sindh High Court on March 02, 2023, effective from December 31, 2021. Consequently, the surviving Modaraba i.e. First Prudential Modaraba is being managed by the Company.

The Board of Directors of Holding Company has decided to proceed with divestment of its total interest in AMML. Accordingly, the Board of Directors in their meeting held on September 30, 2023 directed to disseminate the significant development to relevant authorities and stakeholders in a timely and transparent manner.

The material information was sent to the PSX and SECP of Pakistan on September 30, 2023.

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

On November 21, 2023, the Holding Company informed the Registrar Modaraba, SECP about the receipt of bids from various parties. The SECP vide letter dated November 21, 2023, directed to apply to the Registrar Modaraba for the transfer of AMML shares and management rights of the modaraba to the proposed acquirer.

As of the reporting date, the process of evaluation / review of the bids, received by the Holding Company, is in progress for selection of successful party. After finalisation of the assessment process the matter shall be forwarded to the Registrar Modaraba to seek permission for transfer of AMML shares along with the management rights of the modaraba as advised by SECP.

Standalone financial statements of AMML have been prepared on a going concern basis as the Modaraba under the Management company is in profitable operations and Holding company's (PBICL) financial support exists at the reporting date. Holding Company would continue its financial support to the Company till divestment of its total interest, however assets and liabilities have been classified under held for sale in these consolidated financial statement. Bids received by the Holding Company indicate that no impairment is required in the assets of the Company.

- **Primus Leasing Limited (PLL) - 100% holding**

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

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

- **Awwal Corporate Restructuring Company Limited - 99.78% holding**

Awwal Corporate Restructuring Company Limited (ACRCL) is an unlisted public limited company incorporated, under the Companies Act 2017, on December 24, 2021. The registered office of Awwal Corporate Restructuring Company Limited is situated at 3rd floor, Horizon Vista, Plot No. Commercial 10, Block No. 4, Scheme No.5, Clifton, Karachi.

The principal activity of ACRCL is to conduct business as per Corporate Restructuring Act 2016 and Corporate Restructuring Rules 2019 notified by the Securities & Exchange Commission of Pakistan (SECP).

2 BASIS OF PRESENTATION

2.1 These consolidated condensed interim financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 02 of 2023 dated February 09, 2023 effective from the accounting year ending December 31, 2023.

2.2 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;

- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

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

- 2.3** The SBP through its BSD Circular letter No. 11 dated September 11, 2002 has deferred the implementation of IAS 40 'Investment Property' for Non-Banking Financial Institutions (NBFIs) in Pakistan. The Holding Company has adopted IFRS 9 'Financial Instruments' from January 01, 2023. Adoption of IFRS 9 and new format has included IFRS 7 disclosures in these consolidated financial statements therefore the Group has also adopted IFRS 7 from January 01, 2023.

2.4 Critical accounting estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

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

3.2 US Dollar equivalent

The US dollar amounts shown in the consolidated statement of financial position, consolidated statement of profit and loss account, consolidated statement of comprehensive income and consolidated cash flow statement are provided as additional information solely for the convenience of users of the consolidated financial statements. For the purpose of conversion to US Dollars, the rate of Rs. 277.4100 to US Dollars has been used for 2024 and 2023 as it was the prevalent rate on June 30, 2024.

3.3 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year.

4.1 Taxation / Levies

i. Current

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

ii. Levies

Levies as per IFRIC 21, minimum taxes and final taxes on dividend income.

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

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

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

iii. Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the effective rate of tax as determined in approach (b) to the guide issued by ICAP.

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

Deferred tax assets and liabilities are measured at enacted tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

5 FINANCIAL RISK MANAGEMENT

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

| | Note | (Un-Audited) June 30, 2024 | (Audited) December 31, 2023 |
|--|------|----------------------------------|-----------------------------------|
| ----- Rupees in '000 ----- | | | |
| 6 CASH AND BALANCES WITH TREASURY BANKS | | | |
| Cash in hand | | 80 | - |
| With State Bank of Pakistan in: | | | |
| Local currency current account | 6.1 | 739,839 | 688,559 |
| Less: Credit loss allowance held against cash and balances with treasury banks | | - | - |
| Cash and balances with treasury banks - net of credit loss allowance | | <u>739,919</u> | <u>688,559</u> |

6.1 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.

| 7 | BALANCES WITH OTHER BANKS | Note | (Un-Audited) | (Audited) |
|---|--|------|----------------------------|-------------------|
| | | | June 30, 2024 | December 31, 2023 |
| | | | ----- Rupees in '000 ----- | |
| | In Pakistan | | | |
| | Cash in hand | | 11 | 3.00 |
| | In current accounts | | 12,629 | 14,225 |
| | In deposit accounts | 7.1 | 765,258 | 557,158 |
| | Less: Credit loss allowance held against balances with other banks | | (4) | (2) |
| | Balances with other banks - net of credit loss allowance | | <u>777,894</u> | <u>571,384</u> |

7.1 These carry mark-up rates of 7.23% to 20.51% per annum (2023: 5.50% to 20.51% per annum).

| 8 | LENDINGS TO FINANCIAL INSTITUTIONS | (Un-Audited) | (Audited) |
|---|--|----------------------------|-------------------|
| | | June 30, 2024 | December 31, 2023 |
| | | ----- Rupees in '000 ----- | |
| | Repurchase agreement lendings (reverse repo) | 990,800 | - |
| | Term deposit receipts (TDRs) | - | - |
| | | <u>990,800</u> | <u>-</u> |
| | Less: Credit loss allowance held against lending to financial institutions | (2) | |
| | Lendings to financial institutions - net of credit loss allowance | <u>990,798</u> | <u>-</u> |

8.1 This carry mark-up at the rate of 20.55% per annum (December 31, 2023: Nil per annum) secured against Pakistan Investment Bonds and will mature latest by July 05, 2024 (December 31, 2023: Nil).

8.2 Particulars of lending

| | | |
|-----------------------|----------------|----------|
| In local currency | 990,800 | - |
| In foreign currencies | - | - |
| | <u>990,800</u> | <u>-</u> |

| | (Un-audited) | | (Audited) | |
|--|----------------|----------------------------|-------------------|----------------------------|
| | June 30, 2024 | | December 31, 2023 | |
| | Lending | Credit loss allowance held | Lending | Credit loss allowance held |
| Lending to financial institutions | | | | |
| - Particulars of credit loss allowance | | | | |
| Domestic | | | | |
| Performing | 990,800 | (2) | - | - |
| Under performing | - | - | - | - |
| Non-performing | | | | |
| Substandard | - | - | - | - |
| Doubtful | - | - | - | - |
| Loss | - | - | - | - |
| | <u>990,800</u> | <u>(2)</u> | <u>-</u> | <u>-</u> |

8.3 Securities held as collateral against lendings to financial institutions

| | (Un-audited) | | | Audited | | |
|---------------------------|----------------------------|-----------------------------|------------------|-------------------|-----------------------------|----------|
| | June 30, 2024 | | | December 31, 2023 | | |
| | Held by Group | Further given as collateral | Total | Held by Group | Further given as collateral | Total |
| | ----- Rupees in '000 ----- | | | | | |
| Pakistan Investment Bonds | - | - | - | - | - | - |
| Market Treasury Bills | 1,000,000 | - | 1,000,000 | - | - | - |
| Total | 1,000,000 | - | 1,000,000 | - | - | - |

9 INVESTMENTS

9.1 Investments by type:

| | June 30, 2024 | | | | Audited December 31, 2023 | | | |
|---|----------------------------|-----------------------|---------------------|--------------------|------------------------------|-----------------------|---------------------|--------------------|
| | Cost / amortised cost | Credit loss allowance | Surplus / (deficit) | Carrying value | Cost / amortised cost | Credit loss allowance | Surplus / (deficit) | Carrying value |
| | ----- Rupees in '000 ----- | | | | | | | |
| DEBT INSTRUMENTS | | | | | | | | |
| - Classified / Measured at FVPL | | | | | | | | |
| Federal government securities | | | | | | | | |
| Market Treasury Bills | | | | | | | | |
| Pakistan Investment Bonds - Floating Rate | 1,993,524 | - | 1,076 | 1,994,600 | 999,932 | - | (1,232) | 998,700 |
| Non-government debt securities | | | | | | | | |
| Listed companies | 948,375 | - | (17,710) | 930,665 | 948,375 | - | (11,200) | 937,175 |
| Unlisted companies | 9.1.1 | - | - | - | 1,250,188 | - | - | 1,250,188 |
| | 2,941,899 | - | (16,634) | 2,925,265 | 3,198,495 | - | (12,432) | 3,186,063 |
| - Classified / Measured at FVOCI | | | | | | | | |
| Previously AFS | | | | | | | | |
| Federal government securities | | | | | | | | |
| Market Treasury Bills | | | | | | | | |
| Pakistan Investment Bonds - Fixed Rate | 8,289,373 | - | (1,934,897) | 6,354,476 | 8,261,346 | - | (1,789,356) | 6,471,990 |
| Pakistan Investment Bonds - Floating Rate | 175,116,483 | - | (14,730) | 175,101,753 | 128,094,144 | - | 31,520 | 128,125,664 |
| Non-government debt securities | | | | | | | | |
| Listed companies | 9.1.1 | 114,361 | (14,389) | 99,972 | 300,466 | (14,361) | - | 286,105 |
| Unlisted companies | 9.1.1 | 1,911,973 | (236,786) | 1,675,187 | 241,189 | (241,154) | - | 35 |
| Modaraba certificates | | | | | | | | |
| | - | - | - | - | - | - | - | - |
| | 185,432,190 | (251,175) | (1,949,627) | 183,231,388 | 154,625,249 | (255,515) | (1,754,419) | 152,615,315 |
| | 188,374,089 | (251,175) | (1,966,261) | 186,156,653 | 157,823,744 | (255,515) | (1,766,851) | 155,801,378 |
| EQUITY INSTRUMENTS | | | | | | | | |
| Ordinary shares | | | | | | | | |
| Listed companies | | | | | | | | |
| | - | - | - | - | - | - | - | - |
| - Classified / Measured at FVOCI (Non -Reclassifiable) | | | | | | | | |
| Ordinary shares | | | | | | | | |
| Listed companies | | | | | | | | |
| | 992,033 | - | 699,212 | 1,691,245 | 639,085 | - | 322,231 | 961,316 |
| Unlisted companies * | - | - | - | - | - | - | - | - |
| | 992,033 | - | 699,212 | 1,691,245 | 639,085 | - | 322,231 | 961,316 |
| Total investments | 189,366,122 | (251,175) | (1,267,049) | 187,847,898 | 158,462,829 | (255,515) | (1,444,620) | 156,762,694 |

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

9.2 Investments given as collateral

| | (Un-Audited) | | | (Audited) | | |
|---|-----------------------------|------------------------|--------------------|-----------------------------|------------------------|--------------------|
| | June 30, 2024 | | | December 31, 2023 | | |
| | Cost / amortised cost | Surplus / (deficit) | Carrying value | Cost / amortised cost | Surplus / (deficit) | Carrying value |
| ----- Rupees in '000 ----- | | | | | | |
| Pakistan Investment Bonds | 137,274,342 | (1,462,166) | 135,812,176 | 131,100,838 | (1,671,341) | 129,429,497 |
| Market Treasury Bills | - | - | - | - | - | - |
| Term finance certificates / sukuks certificates | 1,664,792 | - | 1,664,792 | 699,826,000 | (49,213) | 699,776,787 |
| Ordinary shares | 80,290 | 82,790 | 163,080 | 73,718 | 43,372 | 117,090 |
| | <u>139,019,424</u> | <u>(1,379,376)</u> | <u>137,640,048</u> | <u>831,000,556</u> | <u>(1,677,182)</u> | <u>829,323,374</u> |

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

9.3 Credit loss allowance for diminution in value of investments

| | (Un-Audited) | Audited |
|--|------------------|----------------------|
| | June 30, 2024 | December 31, 2023 |
| ----- Rupees in '000 ----- | | |
| Opening balance | 255,515 | 289,647 |
| Adjustment of provision against shares | - | (21,331) |
| Charge / (reversals) | | |
| Charge for the period / year | - | - |
| Reversals for the period / year | (4,340) | (12,801) |
| | <u>(4,340)</u> | <u>(12,801)</u> |
| Closing balance | <u>251,175</u> | <u>255,515</u> |

9.4 Particulars of credit loss allowance against debt securities

| | (Un-Audited) | | Audited | |
|------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| | June 30, 2024 | | December 31, 2023 | |
| | Outstanding amount | Credit loss allowance held | Outstanding amount | Credit loss allowance held |
| ----- Rupees in '000 ----- | | | | |
| Performing Stage 1 | 188,038,041 | 28 | 157,483,335 | 7 |
| Underperforming Stage 2 | - | - | - | - |
| Non-Performing Stage 3 | - | - | - | - |
| Substandard | - | - | - | - |
| Doubtful | - | - | - | - |
| Loss | 336,048 | 251,147 | 340,409 | 255,508 |
| | <u>188,374,089</u> | <u>251,175</u> | <u>157,823,744</u> | <u>255,515</u> |

10 ADVANCES

| | Performing | | Non-performing | | Total | |
|---|---------------|-------------------|----------------|-------------------|---------------|-------------------|
| | June 30, 2024 | December 31, 2023 | June 30, 2024 | December 31, 2023 | June 30, 2024 | December 31, 2023 |
| ----- Rupees in '000 ----- | | | | | | |
| Loans, cash credits, running finances, etc. | 22,440,996 | 22,174,618 | 1,441,178 | 1,424,446 | 23,882,174 | 23,599,064 |
| Advances - gross | 22,440,996 | 22,174,618 | 1,441,178 | 1,424,446 | 23,882,174 | 23,599,064 |
| Credit loss allowance against advances | | | | | | |
| -Stage 1 | 82,566 | 81,284 | - | - | 82,566 | 81,284 |
| -Stage 2 | 21,684 | 24,770 | - | - | 21,684 | 24,770 |
| -Stage 3 | - | - | 1,200,272 | 1,194,736 | 1,200,272 | 1,194,736 |
| | 104,250 | 106,054 | 1,200,272 | 1,194,736 | 1,304,522 | 1,300,790 |
| Advances - net of credit loss allowance | 22,336,746 | 22,068,564 | 240,905 | 229,710 | 22,577,652 | 22,298,274 |

| | (Un-Audited) June 30, 2024 | (Audited) December 31, 2023 |
|----------------------------|----------------------------------|-----------------------------------|
| ----- Rupees in '000 ----- | | |
| In local currency | 23,882,174 | 23,599,064 |
| In foreign currencies | - | - |
| | 23,882,174 | 23,599,064 |

10.1 Particulars of advances (gross)

In local currency
In foreign currencies

10.2 Particulars of credit loss allowance

10.2.1 Advances - Exposure

| | (Un-Audited) June 30, 2024 | | | | (Audited) December 31, 2023 | | | |
|-----------------------------------|-------------------------------|-----------|-----------|-------------|--------------------------------|-----------|-----------|-------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| ----- Rupees in '000 ----- | | | | | | | | |
| Gross carrying amount - opening | 21,656,731 | 517,887 | 1,424,446 | 23,599,064 | 25,921,643 | 513,408 | 1,181,635 | 27,616,686 |
| New advances | 3,654,250 | 97,066 | 1,308 | 3,752,624 | 4,544,407 | 118,569 | 140,483 | 4,803,460 |
| Advances derecognised or repaid | (3,296,676) | (148,339) | (24,498) | (3,469,513) | (8,581,660) | (145,693) | (75,632) | (8,802,984) |
| Transfer to stage 1 | 25,675 | (25,675) | - | - | 266,466 | (266,466) | - | - |
| Transfer to stage 2 | (80,190) | 80,190 | - | - | (441,305) | 441,305 | - | - |
| Transfer to stage 3 | (13,062) | (26,859) | 39,921 | - | (52,820) | (143,237) | 196,057 | - |
| | 289,997 | (23,617) | 16,731 | 283,111 | (4,264,912) | 4,479 | 260,909 | (3,999,524) |
| Amounts written off / charged off | - | - | - | - | - | - | (18,098) | (18,098) |
| Closing balance | 21,946,728 | 494,269 | 1,441,177 | 23,882,174 | 21,656,731 | 517,887 | 1,424,446 | 23,599,064 |

10.2.2 Advances - Credit loss allowance

| | (Un-Audited) June 30, 2024 | | | | (Audited) December 31, 2023 | | | |
|--|-------------------------------|----------|-----------|-----------|--------------------------------|---------|-----------|-----------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| ----- Rupees in '000 ----- | | | | | | | | |
| Opening balance | 81,284 | 24,770 | 1,194,736 | 1,300,790 | 22,528 | 7,562 | 724,431 | 754,521 |
| Impact of Adoption of IFRS 9 | - | - | - | - | 76,434 | 14,018 | 223,284 | 313,736 |
| New Advances | 14,488 | 924 | 582 | 15,994 | 14,545 | 4,497 | 138,149 | 157,191 |
| Advances derecognised or repaid | (16,944) | (10,086) | (17,490) | (44,521) | (9,988) | (6,982) | (98,977) | (115,947) |
| Transfer to stage 1 | 2,718 | (2,718) | - | - | 1,003 | (1,003) | - | - |
| Transfer to stage 2 | (1,595) | 1,595 | - | - | (1,050) | 1,278 | (228) | - |
| Transfer to stage 3 | (140) | (6,198) | 6,338 | - | (276) | (4,463) | 4,739 | - |
| | (1,473) | (16,483) | (10,571) | (28,527) | 4,234 | (6,672) | 43,683 | 41,244 |
| Amounts written off / charged off | - | - | - | - | - | - | - | - |
| Changes in risk parameters (PDs/LGDs/EADs) | 2,755 | 13,396 | 16,107 | 32,259 | (21,912) | 9,862 | 203,338 | 191,289 |
| Closing balance | 82,566 | 21,684 | 1,200,272 | 1,304,522 | 81,284 | 24,770 | 1,194,736 | 1,300,790 |

10.2.3 Advances - Category of classification

| | (Un-Audited) | | | | (Audited) | | | |
|-----------------------------------|-------------------|----------------|------------------|-------------------|-------------------|----------------|------------------|-------------------|
| | June 30, 2024 | | | | December 31, 2023 | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| ----- Rupees in '000 ----- | | | | | | | | |
| Outstanding gross exposure | | | | | | | | |
| Performing - Stage 1 | 21,946,728 | - | - | 21,946,728 | 21,656,731 | - | - | 21,656,731 |
| Under Performing - Stage 2 | | 494,269 | - | 494,269 | - | 517,887 | - | 517,887 |
| Non-performing - Stage 3 | | | | | | | | |
| Other Assets Especially Mentioned | - | - | 8,326 | 8,326 | - | - | 600 | 600 |
| Substandard | - | - | 2,748 | 2,748 | - | - | 29,967 | 29,967 |
| Doubtful | - | - | 53,443 | 53,443 | - | - | 233,776 | 233,776 |
| Loss | - | - | 1,376,661 | 1,376,661 | - | - | 1,160,103 | 1,160,103 |
| | - | - | 1,441,178 | 1,441,178 | - | - | 1,424,446 | 1,424,446 |
| Total | 21,946,728 | 494,269 | 1,441,178 | 23,882,175 | 21,656,731 | 517,887 | 1,424,446 | 23,599,064 |
| Corresponding ECL | | | | | | | | |
| Stage 1 and stage 2 | 82,566 | 21,684 | - | 104,250 | 81,284 | 24,770 | - | 106,054 |
| Stage 3 | - | - | 1,200,272 | 1,200,272 | - | - | 1,194,736 | 1,194,736 |
| | 21,864,161 | 472,585 | 240,906 | 22,577,652 | 21,575,447 | 493,117 | 229,710 | 22,298,274 |

| | (Un-Audited) | | Audited | |
|-----------------------------------|----------------------|------------------|----------------------|------------------|
| | June 30, 2024 | | December 31, 2023 | |
| | Non performing loans | Provision | Non performing loans | Provision |
| ----- Rupees in '000 ----- | | | | |
| Domestic | | | | |
| Other Assets Especially Mentioned | 8,326 | 5,132 | 600 | 400 |
| Substandard | 2,748 | 1,694 | 29,967 | 19,995 |
| Doubtful | 53,443 | 32,949 | 233,776 | 172,131 |
| Loss | 1,376,661 | 1,160,497 | 1,160,103 | 1,002,210 |
| Total | 1,441,178 | 1,200,272 | 1,424,446 | 1,194,736 |

10.2.3.1 Category of classification in stage 3

| | | | | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| Domestic | | | | |
| Other Assets Especially Mentioned | 8,326 | 5,132 | 600 | 400 |
| Substandard | 2,748 | 1,694 | 29,967 | 19,995 |
| Doubtful | 53,443 | 32,949 | 233,776 | 172,131 |
| Loss | 1,376,661 | 1,160,497 | 1,160,103 | 1,002,210 |
| Total | 1,441,178 | 1,200,272 | 1,424,446 | 1,194,736 |

Advances include Rs. 1,441.178 million (2023: Rs. 1,424.446 million) which have been placed under the non-performing status.

- 10.3** 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 recognised 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.
- 10.3.1** 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 recognised, 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.
- 10.3.2** Forced Sale Value (FSV) benefit amounting to Rs. 371.28 (2023: Rs. 371.28) 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 Instruments.

| | | (Un-audited) June 30, 2024 | (Audited) December 31, 2023 |
|---|------|----------------------------------|-----------------------------------|
| | Note | ----- Rupees in '000 ----- | |
| 11 PROPERTY AND EQUIPMENT | | | |
| Property and equipment | 11.1 | 102,466 | 118,852 |
| Capital work in progress | | - | - |
| | | <u>102,465</u> | <u>118,852</u> |
| 11.1 This includes ijara assets amounting to Rs. 53.733 million (2023: Rs. 53.213.) | | | |
| 12 RIGHT-OF-USE ASSETS | | | |
| At January 01, | | | |
| Cost | | 197,996 | 188,198 |
| Accumulated Depreciation | | (173,836) | (141,269) |
| Net Carrying amount at January 01, | | <u>24,160</u> | <u>46,929</u> |
| Additions / reassessment during the period / year | | - | 9,798 |
| Deletions during the period / year | | - | - |
| Reclassified to asset held for sale | | - | (4,197) |
| Depreciation Charge for the period / year | | (14,250) | (28,370) |
| Net Carrying amount at June 30, 2024 / December 31, 2023 | | <u>9,911</u> | <u>24,160</u> |
| 13 INTANGIBLE ASSETS | | | |
| Intangible assets | | 10,609 | 12,799 |
| Capital work-in-progress | 13.1 | - | - |
| | | <u>10,609</u> | <u>12,799</u> |
| 13.1 Capital work-in-progress | | | |
| Advance against software | | - | - |

| 14 | DEFERRED TAX ASSETS | (Un-audited) | (Audited) |
|----|--|----------------------------|----------------------|
| | | June 30, 2024 | December 31, 2023 |
| | | ----- Rupees in '000 ----- | |
| | Deductible temporary differences on | | |
| | - Lease liability against right-of-use assets | 2,314 | 3,039 |
| | - Carry forward of alternate corporate tax | - | - |
| | - Provision for Bonus | 14,095 | 37,831 |
| | - Provision for diminution in the value of investments | 97,958 | 99,652 |
| | - Provision against advances, other assets, etc. | 496,810 | 496,594 |
| | - Amortisation of premium on investments | 74,209 | - |
| | - Net investment in finance lease | 57,633 | - |
| | - Deficit on revaluation of investments | 760,354 | 684,223 |
| | - Unrealized loss on debt investments (FVPL) | 6,487 | 4,848 |
| | - Payable against post retirement employee benefits | 2,633 | 172 |
| | - Provision for off-balance sheet obligations | 7,303 | 5,186 |
| | | 1,519,796 | 1,331,545 |
| | Taxable temporary differences on | | |
| | - Net investment in finance lease | - | 2,426 |
| | - Right-of-use assets | (2,994) | (9,712) |
| | - Accelerated tax depreciation | (3,339) | (6,055) |
| | - Unrealized loss on equity investments | (157,323) | (72,502) |
| | - Amortisation of discount on investments | - | (9,271) |
| | - Lease liability against right-of-use asset | (975) | - |
| | - Lease receivable against sub lease | (12) | (170) |
| | - Post retirement employee benefits | (2,367) | 933 |
| | | (167,010) | (94,352) |
| | | 1,352,786 | 1,237,193 |
| 15 | OTHER ASSETS | | |
| | Income / mark-up accrued in local currency | 7,792,201 | 5,519,040 |
| | Advances, deposits, advance rent and other prepayments | 54,412 | 14,628 |
| | Advance taxation (payments less provisions) | 4,027,341 | 1,695,305 |
| | Dividend receivable | 3,250 | 1,353 |
| | Advance against subscription of privately placed term finance certificates | 50,000 | 122,845 |
| | Receivable against sale of shares | 12,213 | 27,261 |
| | Receivable against advisory fee | 6,870 | 27,480 |
| | Receivable from related parties | (1,825) | 9,674 |
| | Lease receivable against IFRS 16 | 31 | - |
| | Advance against bid amount | - | - |
| | Others | - | 456 |
| | | 11,944,493 | 7,418,042 |
| | Less: Provision held against other assets | (5,220) | (25,830) |
| | | 11,939,273 | 7,392,212 |
| 16 | ASSETS CLASSIFIED AS HELD-FOR-SALE | | |
| | | Note | |
| | Land, building and machinery acquired from: | | |
| | Lion Steel Industries (Private) Limited | 16.1 | 168,904 |
| | Subsidiary held for sale | 16.2 | 26,483 |
| | Total assets classified as held-for-sale | | 188,739 |
| | | | 195,387 |

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

16.2 Asset Held For Sale Discontinued Operation

On September 30, 2023, the Group publicly announced the decision of its Board of Directors to sell AMML, a wholly owned subsidiary. The sale of AMML is expected to be completed within a year from the reporting date. At June 30, 2024, AMML is classified as a disposal group held for sale and as a discontinued operation. The results of AMML for the period are presented below:

The major classes of assets and liabilities of AMML classified as held for sale as at June 30, 2024 are, as follows:

| | (Un-audited) June 30, 2024 | Audited December 31, 2023 |
|--|----------------------------------|---------------------------------|
| | ----- Rupees in '000 ----- | |
| Assets | | |
| Bank balances | 1,336 | 13,089 |
| Right-of-use assets | 665 | 4,569 |
| Property and equipment | 4,562 | 5,460 |
| Investments | 24,843 | 24,714 |
| Accrued profit | - | 68 |
| Prepayments & other receivables | 132 | 57 |
| Taxation - net | - | 632 |
| Receivable from Modarabas under management - related parties | 10,363 | 2,166 |
| Assets held for sale | <u>41,901</u> | <u>50,755</u> |
| Liabilities | | |
| Lease liability under IFRS-16 | (715) | (4,740) |
| Accrued expenses and other liabilities | (21,350) | (19,532) |
| Liabilities directly associated with assets held for sale | <u>(22,065)</u> | <u>(24,272)</u> |
| Net assets directly associated with disposal group | <u><u>19,836</u></u> | <u><u>26,483</u></u> |

| | | (Un-audited) June 30, 2024 | Audited December 31, 2023 |
|------|--|----------------------------------|---------------------------------|
| | | ----- Rupees in '000 ----- | |
| 17 | BORROWINGS | | |
| | Secured | | |
| | Borrowings from State Bank of Pakistan under: | | |
| | - Long-Term Finance Facility (LTFF) scheme | 17.2 | 2,707,548 |
| | - Power Plants Using Renewable Energy (PPRE) scheme | 17.3 | 155,786 |
| | - Temporary Economic Refinance Facility (TERF) | 17.4 | 701,625 |
| | - Finance for Storage of Agriculture Produce (FSAP) scheme | 17.5 | 301,774 |
| | - Credit Guarantee (CGS) Scheme | 17.6 | 180,576 |
| | - Special Persons (SP) Scheme | 17.7 | 2,160 |
| | - Working Capital (WCF) Scheme | 17.8 | 1,216,818 |
| | - Balancing, Modernisation & Replacement (BMR) scheme | 17.9 | 738,197 |
| | | 6,004,484 | 5,871,859 |
| | Repurchase agreement borrowings | 17.10 | 138,467,319 |
| | Borrowings from banks | 17.11 | 15,104,999 |
| | Total secured | 159,576,802 | 148,884,616 |
| | Unsecured | | |
| | Letters of placement: | 17.12 | 50,860,241 |
| | | 210,437,043 | 174,967,331 |
| 17.1 | Particulars of borrowings with respect to currencies | | |
| | In local currency | 210,437,043 | 174,967,331 |
| | In foreign currencies | - | - |
| | | 210,437,043 | 174,967,331 |
| 17.2 | 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% to 11% per annum (December 31, 2023: 2% to 11% per annum). These are secured against demand promissory notes and are repayable within 7 years (December 31, 2023: 8 years). | | |
| 17.3 | These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2% to 5% per annum (December 31, 2023: 2% to 5% 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. | | |
| 17.4 | These represent borrowings from the SBP under scheme for temporary economic refinance facility. The mark-up rate applicable on these facilities is 1% to 2% per annum (December 31, 2023: 1.% to 2% per annum) payable on quarterly basis, with maturities upto May 18, 2032 (December 31, 2023: May 2032). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP. | | |
| 17.5 | These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at rate of from 2% to 4% per annum (December 31, 2023: 2% to 4% per annum) and are due to mature latest by February 28, 2030 (December 31, 2023: June 02, 2029). | | |
| 17.6 | These represent borrowings from the SBP under scheme for refinance and credit guarantee schemes. The mark-up rate applicable on these facilities is 0% per annum (December 31, 2023: 0% per annum) payable on quarterly basis, with maturities upto May 30, 2029 (December 31, 2023: November, 2028). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP. | | |

18 DEPOSITS AND OTHER ACCOUNTS

| Note | (Un-audited) | | | (Audited) | | |
|-------------------------------------|----------------------------|-----------------------|-------|-------------------|-----------------------|-------|
| | June 30, 2024 | | | December 31, 2023 | | |
| | In local currency | In foreign currencies | Total | In local currency | In foreign currencies | Total |
| | ----- Rupees in '000 ----- | | | | | |
| Deposit (Ijara arrangement) | 18.1 | - | - | - | - | - |
| Customers | | | | | | |
| - Certificate of investments (COIs) | | 165,705 | - | 165,705 | - | - |
| Financial institutions | | | | | | |
| - Certificate of investments (COIs) | | - | - | - | - | - |
| | 18.2 | 165,705 | - | 165,705 | - | - |

18.1 This represents sum received under ijara lease arrangement, adjustable at the expiry of the lease period.

| Note | (Un-audited) | (Audited) |
|------------------------------|----------------------------|-------------------|
| | June 30, 2024 | December 31, 2023 |
| | ----- Rupees in '000 ----- | |
| 18.2 Composition of deposits | | |
| - Public sector entities | - | - |
| - Private sector | 165,705 | 54,768 |
| | 165,705 | 54,768 |

19 OTHER LIABILITIES

| | | |
|---|-----------|-----------|
| Mark-up / return / interest payable in local currency | 3,298,297 | 1,929,378 |
| Unearned commission and income on bills discounted | 16,919 | 32,359 |
| Accrued expenses | 77,211 | 140,229 |
| Brokerage / commission payable | 3,733 | 2,695 |
| Sindh sales tax payable on management fee | - | - |
| Payable against purchase of shares | - | - |
| Payable to related party | 0 | 4,417 |
| Payable to defined benefit plan - related party | 20,653 | 12,462 |
| Security deposits against advances | 1,015,483 | 984,780 |
| Provision for Worker's Welfare Fund | 208,989 | 195,727 |
| Provision for off balance sheet obligations | 18,725 | 13,298 |
| Unclaimed dividends | 211 | 189 |
| Tax payable | 20,636 | 24,128 |
| Advance from customers | 202 | 751 |
| Others | 101,871 | 75,987 |
| | 4,782,930 | 3,416,400 |

20 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS

| | | |
|--|-----|-------------|
| Surplus / (Deficit) on revaluation of | | |
| - Securities measured at FVOCI-Debt | 9.1 | (1,949,627) |
| - Securities measured at FVOCI-Equity | | 699,212 |
| | | (1,250,415) |
| Deferred tax on surplus / (deficit) on revaluation of: | | |
| - Securities measured at FVOCI-Debt | | 760,355 |
| - Securities measured at FVOCI-Equity | | (157,323) |
| | | (647,383) |
| | | (835,029) |

| | | (Un-audited) June 30, 2024 | (Audited) December 31, 2023 |
|--|--------|----------------------------------|-----------------------------------|
| | Note | ----- Rupees in '000 ----- | |
| 20.1 Movement in revaluation of assets | | | |
| Deficit on revaluation as at January 01 | | (1,446,750) | (2,149,881) |
| Revaluation deficit recognised during the year | | 196,335 | 703,131 |
| Deficit on revaluation as at December 31 | | (1,250,415) | (1,446,750) |
| Less: related deferred tax asset on | | | |
| - Revaluation as at January 01 | | 611,721 | 633,259 |
| - Revaluation recognised during the year | | (8,689) | (21,538) |
| | | 603,032 | 611,721 |
| Deficit on revaluation of assets - net of tax | | <u>(647,383)</u> | <u>(835,029)</u> |
| 21 CONTINGENCIES AND COMMITMENTS | | | |
| - Guarantees | 21.1 | 200,000 | 200,000 |
| - Commitments | 21.2 | 173,421,689 | 122,973,308 |
| - Other contingent liabilities | 21.3 | - | - |
| | | <u>173,621,689</u> | <u>123,173,308</u> |
| 21.1 Guarantees | | | |
| Financial guarantees | | <u>200,000</u> | <u>200,000</u> |
| 21.2 Commitments | | | |
| Documentary credits and short-term trade-related transactions | | | |
| - letters of credit | | 1,176,350 | 1,176,350 |
| Commitments in respect of: | | | |
| - forward lendings | 21.2.1 | 6,998,197 | 3,884,675 |
| - future purchase and sale transactions | 21.2.2 | 2,805,555 | 4,956,324 |
| - repo transactions | 21.2.3 | 162,441,587 | 112,955,959 |
| | | <u>173,421,689</u> | <u>122,973,308</u> |
| 21.2.1 Commitments in respect of forward lendings | | | |
| Undrawn formal standby facilities, credit lines and other commitments to lend | | <u>6,998,197</u> | <u>3,884,675</u> |
| These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Company without the risk of incurring significant penalty or expense. | | | |
| 21.2.2 Commitments in respect of future transactions | | | |
| Purchase | | - | - |
| Sale | | 2,805,555 | 4,956,324 |
| | | <u>2,805,555</u> | <u>4,956,324</u> |
| 21.2.3 Commitments in respect of repo transactions | | | |
| Repurchase of government securities | | 162,441,587 | 112,955,959 |
| Reverse repurchase of government securities | | - | - |
| | | <u>162,441,587</u> | <u>112,955,959</u> |

21.3 Other contingent liabilities

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

21.3.2 The returns of income of the Company from tax years 2008 to 2023 had been filed with the tax authorities. From tax year 2008 up to tax year 2020, these returns have been revised and additional tax demands have been raised of which Rs. 782.07 million are outstanding as at December 31, 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 13). The management is confident that the matters will eventually be decided in favor of the Company and that the Company will be able to adjust amounts in respect of matters decided against the Company (if any) against the tax refunds currently being claimed by it.

| | Note | (Un-audited) | |
|--|------|-------------------|------------------|
| | | June 30, 2024 | June 30, 2023 |
| ----- Rupees in '000 ----- | | | |
| 22 MARK-UP / RETURN / INTEREST EARNED | | | |
| On: | | | |
| a) Loans and advances | | 1,780,061 | 1,602,955 |
| b) Investments | | 18,565,598 | 7,616,978 |
| c) Lendings to financial institutions | | 610,170 | 496,103 |
| d) Sub-lease of premises | | 10 | 11,763 |
| e) Balances with banks | | 44,650 | 11,230 |
| | | <u>21,000,489</u> | <u>9,739,029</u> |
| 22.1 Interest income (calculated using effective interest rate method) recognised on: | | | |
| Financial assets measured at amortised cost: | | 2,434,881 | 12,183 |
| Financial assets measured at FVOCI | | 9,243,091 | - |
| | | <u>11,677,972</u> | <u>9,751,212</u> |
| 23 MARK-UP / RETURN / INTEREST EXPENSED | | | |
| Deposits | | 11,102 | - |
| Interest expense on lease liability against right-of-use assets | | 217 | 3,253 |
| Borrowings | | 20,542,100 | 8,921,984 |
| | | <u>20,553,419</u> | <u>8,925,237</u> |
| 24 FEE AND COMMISSION INCOME | | | |
| Processing fee income | | 19,680 | 9,755 |
| Advisory / participation fee / management fee | | 12,813 | 2,318 |
| Commitment fee | | 614 | 3,896 |
| Commission of letter of credit | | - | - |
| Trustee fee | | 26,424 | 31,630 |
| Front end fee | | 1,742 | 1,651 |
| | | <u>61,273</u> | <u>49,250</u> |

| | | (Un-audited) | |
|-------------|---|----------------------------|------------------|
| | | June 30, 2024 | June 30, 2023 |
| | | ----- Rupees in '000 ----- | |
| 25 | GAIN ON SECURITIES | | |
| | Realised gain / (loss) | 255,841 | 43,031 |
| | Unrealised loss on securities classified as fair value through profit or loss - net | (4,202) | (6,277) |
| | Unrealised loss on arbitrage shares | (901) | - |
| | | <u>250,738</u> | <u>36,754</u> |
| 25.1 | Realised gain / (loss) on: | | |
| | Federal government securities | 207,707 | 30,799 |
| | Shares | 48,134 | 11,900 |
| | Non-government debt securities | - | 332 |
| | Commercial paper | - | - |
| | | <u>255,841</u> | <u>43,031</u> |
| 26 | OTHER INCOME | | |
| | Gain / (loss) on sale of assets classified as held-for-sale | - | 96,626 |
| | Gain on sale of fixed assets - net | 13 | 1,871 |
| | Others | 4,682 | 7,307 |
| | | <u>4,695</u> | <u>105,804</u> |
| 27 | OPERATING EXPENSES | | |
| | Total compensation expenses | 179,639 | 186,658 |
| | Property expense | | |
| | Rent and taxes | 5,164 | 268 |
| | Insurance | 5,513 | 3,879 |
| | Utilities cost | 3,370 | 1,286 |
| | Security (including guards) | 1,105 | 2,982 |
| | Repairs and maintenance (including janitorial charges) | 7,455 | 6,812 |
| | Depreciation on Ijara Assets | 4,960 | |
| | Depreciation on Right-of Use Assets | 14,250 | 16,521 |
| | | 41,818 | 31,748 |
| | Information technology expenses | | |
| | Software maintenance | 2,862 | 6 |
| | Hardware maintenance | 433 | 501 |
| | Depreciation | 2,816 | 1,961 |
| | Amortisation | 2,508 | 750 |
| | | 8,619 | 3,218 |
| | Other operating expenses | | |
| | Directors' fees and allowances | 4,150 | 6,124 |
| | Fees and subscription | 3,647 | 7,570 |
| | Legal and professional charges | 19,671 | 11,192 |
| | Travelling and conveyance | 28,132 | 10,948 |
| | Brokerage commission | 22,092 | 13,548 |
| | Depreciation | 10,430 | 6,931 |
| | Training and development | 507 | 1,300 |
| | Postage and courier charges | 287 | 211 |
| | Communication | 4,253 | 2,752 |
| | Outsourced service cost | (0) | - |
| | Stationery and printing | 848 | 925 |
| | Marketing, advertisement and publicity | 632 | 648 |
| | Donations | 500 | 2,000 |
| | Auditors' remuneration | 2,802 | 2,535 |
| | Expenses incurred in relation to assets held for sale | 4,435 | 40,312 |
| | Service charges for lease rental recoveries | 2,187 | 2,807 |
| | Others | 6,733 | 3,202 |
| | | <u>111,306</u> | <u>113,005</u> |
| | | <u>341,382</u> | <u>334,629</u> |

33 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.

33.1 Fair value of financial assets

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

Valuation techniques and inputs used in determination of fair values

| Item | Valuation techniques and input used |
|---|---|
| Fully paid-up ordinary shares | Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange. |
| Pakistan Investment Bonds / Market Treasury Bills | Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV / PKFRV rates (FMA report). |
| Term finance / sukuku 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:

| | June 30, 2024 | | | |
|--|----------------------------|-------------|---------|-------------|
| | 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 | - | 183,450,829 | - | 183,450,829 |
| Ordinary shares | 1,691,245 | - | - | 1,691,245 |
| Non-government debt securities | | 1,030,637 | - | 1,030,637 |
| Off-balance sheet financial instruments | | | | |
| Commitments | | | | |
| - future purchase and sale transactions | - | 2,805,555 | - | 2,805,555 |
| | | | | |
| On balance sheet financial instruments | ----- Rupees in '000 ----- | | | |
| Financial assets - measured at fair value | | | | |
| Investments | | | | |
| Federal government securities | - | 153,327,875 | - | 153,327,875 |
| Ordinary shares | 961,316 | - | - | 961,316 |
| Non-government debt securities | - | 2,473,503 | - | 2,473,503 |
| Off-balance sheet financial instruments | | | | |
| Commitments | | | | |
| Forward shares | - | 4,956,324 | - | 4,956,324 |

34 SEGMENT INFORMATION

34.1 Segment details with respect to business activities

Consolidated statement of Profit and Loss Account

Net Mark-up / return / profit

Non mark-up / return / interest income

Total income

Total expenses

Credit loss allowance and write offs - net

Profit before levies and taxation

Income from discontinuing operations

Expenses from discontinuing operations

Profit before tax from discontinuing operation

Consolidated Statement of Financial Position

Cash and bank balances

Investments

Lendings to financial institutions

Advances - performing

- non-performing

Others

Total assets

Borrowings

Deposits & other accounts

Lease liabilities

Others

Total liabilities

Equity

Total equity and liabilities

Contingencies and commitments

| June 30, 2024 | | | |
|--------------------------|----------------------|-----------------------|-------------|
| Corporate finance | Trading and sales | Commercial banking | Total |
| -----Rupees in '000----- | | | |
| - | 360,479 | 86,591 | 447,070 |
| 57,097 | 481,715 | 1,386 | 540,198 |
| 57,097 | 842,194 | 87,977 | 987,268 |
| 21,907 | 297,799 | 35,734 | 355,440 |
| - | 5,856 | 217 | 6,073 |
| 35,190 | 538,540 | 52,026 | 625,755 |
| - | - | - | - |
| 2,717 | - | - | 2,717 |
| (2,717) | - | - | (2,717) |
| 89,315 | 1,092,563 | 335,935 | 1,517,813 |
| - | 187,847,898 | - | 187,847,898 |
| - | 990,798 | - | 990,798 |
| - | 3,437,502 | 18,899,245 | 22,336,747 |
| - | 28,452 | 212,454 | 240,906 |
| 4,365 | 13,104,293 | 495,125 | 13,603,783 |
| 93,680 | 206,501,506 | 19,942,759 | 226,537,945 |
| - | 195,529,560 | 14,907,484 | 210,437,043 |
| - | - | 165,705 | 165,705 |
| - | 8,397 | 50 | 8,447 |
| - | 4,657,511 | 125,419 | 4,782,930 |
| - | 200,195,468 | 15,198,658 | 215,394,126 |
| 93,680 | 6,306,037 | 4,744,102 | 11,143,819 |
| 93,680 | 206,501,505 | 19,942,760 | 226,537,945 |
| - | 165,247,142 | 8,374,547 | 173,621,689 |

Consolidated statement of Profit and Loss Account

Net mark-up / return / profit
 Non mark-up / return / interest income
 Total income
 Total expenses
 Credit loss allowance and write offs - net
 Profit before levies and taxation

| June 30, 2023 | | | |
|--------------------------|-------------------|--------------------|-----------|
| Corporate finance | Trading and sales | Commercial banking | Total |
| -----Rupees in '000----- | | | |
| - | 736,713 | 89,262 | 825,975 |
| 45,139 | 218,981 | - | 264,120 |
| 45,139 | 955,694 | 89,262 | 1,090,095 |
| 14,446 | 304,446 | 28,566 | 347,458 |
| - | 32,931 | 107,435 | 140,366 |
| 30,693 | 618,317 | (46,739) | 602,271 |

Consolidated Statement of Financial Position

Cash and bank balances
 Investments
 Lendings to financial institutions
 Advances - performing
 Advances - non-performing
 Others
Total assets

 Borrowings
 Deposits and other accounts
 Lease liabilities
 Others
Total liabilities
 Equity
Total equity and liabilities

| December 31, 2023 | | | |
|--------------------------|-------------------|--------------------|-------------|
| Corporate finance | Trading and sales | Commercial banking | Total |
| -----Rupees in '000----- | | | |
| 66,163 | 1,053,139 | 140,641 | 1,259,943 |
| - | 156,762,694 | - | 156,762,694 |
| - | - | - | - |
| - | 1,597,763 | 20,470,801 | 22,068,564 |
| - | 12,129 | 217,581 | 229,710 |
| 8,182 | 7,915,518 | 1,056,903 | 8,980,603 |
| 74,345 | 167,341,243 | 21,885,926 | 189,301,514 |
| - | 154,354,160 | 20,613,171 | 174,967,331 |
| - | 10,939 | 1,461 | 12,400 |
| - | 8,405 | 1,122 | 9,527 |
| - | 3,002,970 | 401,030 | 3,404,000 |
| - | 157,376,474 | 21,016,784 | 178,393,258 |
| 74,345 | 9,964,769 | 869,142 | 10,908,256 |
| 74,345 | 167,341,243 | 21,885,926 | 189,301,514 |
| - | 116,840,634 | 6,332,674 | 123,173,308 |

Contingencies and commitments

34.2 Segment details with respect to geographical location

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

35 RELATED PARTY TRANSACTIONS

The Group has related party relationship with associates, employees' defined benefit and defined contribution plans, its key management personnel and state controlled entities.

There are no transactions with key management personnel other than those carried out as per their terms of employment. Contributions to approved defined benefit and contribution plans are disclosed in notes 36 and 37 to these consolidated financial statements and are made in accordance with the actuarial valuations / terms of scheme. Remuneration to chief executive, directors and executives is disclosed in note 38 to the consolidated financial statements. Transactions with owners have been disclosed in 'Consolidated Statement of Changes in Equity'. All other transactions between the Group and its related parties are carried out under normal course of business except employee staff loans that are as per terms of employment. The details of transactions with related parties during the year and balances with them as at year end, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

| | June 30, 2024 | | | December 31, 2023 | | |
|---|---------------|--------------------------|-----------------------|-------------------|--------------------------|-----------------------|
| | Directors | Key management personnel | Other related parties | Directors | Key management personnel | Other related parties |
| ----- (Rupees in '000) ----- | | | | | | |
| Lendings | | | | | | |
| Opening balance | - | - | - | - | - | 26,000 |
| Addition during the year | - | - | - | - | - | 301,600 |
| Repaid during the year | - | - | - | - | - | (327,600) |
| Closing balance | - | - | - | - | - | - |
| Investments | | | | | | |
| Opening balance | - | - | - | - | - | - |
| Investment made during the year | - | - | - | - | - | - |
| Investment disposed off during the year | - | - | - | - | - | - |
| Classified as held-for-sale | - | - | - | - | - | - |
| Closing balance | - | - | - | - | - | - |
| Advances | | | | | | |
| Opening balance | - | 49,810 | 159,775 | - | 72,204 | 178,207 |
| Addition during the year | - | 8,828 | - | - | 19,558 | 300,000 |
| Repaid during the year | - | (5,790) | (232) | - | (41,952) | (318,432) |
| Transfer in / (out) - net | - | - | - | - | - | - |
| Closing balance | - | 52,848 | 159,543 | - | 49,810 | 159,775 |
| Other assets | | | | | | |
| Interest / mark-up accrued | - | - | 182 | - | - | 288 |
| Lease receivable under IFRS-16 | - | - | - | - | - | - |
| Receivable from defined benefit plan | - | - | - | - | - | - |
| Preliminary expense | - | - | - | - | - | - |
| Advance against investments in right shares | - | - | - | - | - | - |
| Others | - | - | 922 | - | - | 1,023 |
| | - | - | 1,104 | - | - | 1,311 |
| Assets classified as held-for-sale | | | | | | |
| Opening balance | - | - | - | - | - | - |
| Transfer during the year | - | - | - | - | - | - |
| Disposed off during the year | - | - | - | - | - | - |
| Closing balance | - | - | - | - | - | - |
| Borrowings | | | | | | |
| Opening balance | - | - | 4,827 | - | - | - |
| Borrowings during the year | - | - | 126,756 | - | - | 73,156 |
| Settled during the year | - | - | (110,755) | - | - | (68,329) |
| Closing balance | - | - | 20,828 | - | - | 4,827 |
| Deposits and other accounts | | | | | | |
| Opening balance | - | - | - | - | - | - |
| Received during the year | - | - | - | - | - | - |
| Withdrawn during the year | - | - | - | - | - | - |
| Closing balance | - | - | - | - | - | - |
| Other liabilities | | | | | | |
| Interest / mark-up payable | - | - | 34 | - | - | 6 |
| Payable to defined benefit plan | - | - | 20,653 | - | - | 12,462 |
| Other liabilities | - | - | - | - | - | - |
| | - | - | 20,687 | - | - | 12,468 |

| June 30, 2024 | | | June 30, 2023 | | |
|---------------|--------------------------|-----------------------|---------------|--------------------------|-----------------------|
| Directors | Key management personnel | Other related parties | June 30, 2023 | Key management personnel | Other related parties |

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

Income

| | | | | | | |
|------------------------------------|---|-------|--------|---|-------|--------|
| Mark-up / return / interest earned | - | 1,364 | 25,762 | - | 1,683 | 22,888 |
| Dividend income | - | - | 57,423 | - | - | - |

Expense

| | | | | | | |
|----------------------------------|-------|--------|-------|-------|--------|-------|
| Mark-up / return / interest paid | - | - | 1,571 | - | - | 93 |
| Operating expenses | 4,150 | 53,461 | | 2,000 | 87,483 | - |
| Reimbursement of expenses | - | 7,623 | | - | 9,223 | 98 |
| Expenses charged | - | | 2,187 | - | - | 4,672 |

CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

| | (Un-audited) June 30 2024 | (Audited) December 31 2023 |
|---|---------------------------------|----------------------------------|
| | ----- Rupees in '000 ----- | |
| Minimum Capital Requirement (MCR): | | |
| Paid-up capital (net of losses) | 6,000,000 | 6,000,000 |
| Capital Adequacy Ratio (CAR): | | |
| Eligible Common Equity Tier 1 (CET 1) Capital | 9,165,790 | 9,441,917 |
| Eligible Additional Tier 1 (ADT 1) Capital | - | - |
| Total Eligible Tier 1 Capital | 9,165,790 | 9,441,917 |
| Eligible Tier 2 Capital | - | - |
| Total Eligible Capital (Tier 1 + Tier 2) | 9,165,790 | 9,441,917 |
| Risk Weighted Assets (RWAs): | | |
| Credit Risk | 22,970,775 | 21,701,609 |
| Market Risk | 8,763,966 | 7,704,487 |
| Operational Risk | 3,131,354 | 3,131,354 |
| Total | 34,866,095 | 32,537,450 |
| Common Equity Tier 1 Capital Adequacy ratio | 26.29% | 29.02% |
| Tier 1 Capital Adequacy Ratio | 26.29% | 29.02% |
| Total Capital Adequacy Ratio | 26.29% | 29.02% |

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

The paid-up capital and CAR of the Group stands at Rs. 6 billion and 26.41% of its risk weighted exposure as at June 30, 2024.

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

| | (Un-audited) June 30 2024 | (Audited) December 31 2023 |
|---|---------------------------------|----------------------------------|
| | ----- Rupees in '000 ----- | |
| Notional minimum capital requirements prescribed by SBP | | |
| CET1 minimum ratio | 6.00% | 6.00% |
| Tier 1 minimum ratio | 7.50% | 7.50% |
| Total capital minimum ratio | 11.50% | 11.50% |
| Leverage Ratio (LR): | | |
| Eligible Tier-1 Capital | 9,165,790 | 9,441,917 |
| Total Exposures | 221,566,067 | 156,629,925 |
| Leverage Ratio | 4.14% | 6.03% |
| Liquidity Coverage Ratio (LCR): | | |
| Total High Quality Liquid Assets | 43,998,484 | 17,914,626 |
| Total Net Cash Outflow | 47,712,349 | 17,581,217 |
| Liquidity Coverage Ratio | 92.22% | 101.90% |
| Net Stable Funding Ratio (NSFR): | | |
| Total Available Stable Funding | 21,752,764 | 24,490,814 |
| Total Required Stable Funding | 20,021,551 | 18,812,749 |
| Net Stable Funding Ratio | 108.65% | 130.18% |

37 **CORRESPONDING FIGURES**





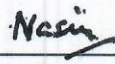
Corresponding figures are rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant reclassification or restatement were made in these condensed interim consolidated financial statements during the period.

38 **GENERAL**

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

39 **DATE OF AUTHORISATION**

These financial statements were authorised for issue on August 23, 2024 by the Board of Directors of the Holding Company.

| | | | | |
|---|---|---|---|---|
|  |  |  |  |  |
| _____ President / Chief Executive | _____ Chief Financial Officer | _____ Director | _____ Director | _____ Director |