



PAK BRUNEI INVESTMENT COMPANY LTD.

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

FOR THE PERIOD ENDED MARCH 31, 2024

DIRECTORS' REPORT

FOR THE PERIOD ENDED MARCH 31, 2024

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 March 31, 2024.

ECONOMIC OUTLOOK

Pakistan's economy is expected to grow only by 1.8 percent in the current fiscal year ending June 2024. According to World Bank's latest Pakistan Development Update: Fiscal Impact of Federal State-Owned Enterprises, this subdued recovery reflects tight monetary and fiscal policy, continued import management measures aimed at preserving scarce foreign reserves, and muted economic activity amid weak confidence.

Inflation reading for the month of March was recorded at 20.7%, making the spot real interest rates positive. Core inflation also continued its downward trajectory as it is recorded at 15.7% y/y (a low of 18 months). High base effect has driven the reading downward. Inflation is further expected to decelerate in the coming months as base effect will become more pronounced, and expected to decline to 18-19% by Jun-24. The positive real interest rates in coming months shall give ample room for SBP to start monetary easing era. The country's exports during March 2024 increased by 8.0% year on year (YoY) to USD 2.56 billion, while imports increased by 25.9% to USD 4.73 billion, worsening the trade deficit by 56.3% to USD 2.17 billion. However, with increased remittances expected this month due to Eid we expect current account to stay marginally positive in continuation with the recent trend. On the fiscal side, FBR tax collection increased by 30.1% in 9MFY24 to PKR 6,709 billion, outpacing the target by a modest PKR 1bn.

BUSINESS AND FINANCIAL PERFORMANCE OVERVIEW

During this challenging time, the Company is trying to efficiently optimize its high-quality asset base with moderate growth. However, due to adverse movement in market yields trend a slight downturn is noted in the earnings for the period under review. Pak Brunei's Profit Before Tax (PBT) for the first quarter of 2024 remains at Rs 196 million down by 29% in comparison to corresponding period last year. Profit After Tax (PAT) remained at Rs. 139 million down by 24% in comparison of corresponding period last year.

Non-markup income registered a growth of 129% and aggregated to Rs. 189 million against Rs. 82.79 million in the corresponding period last year. The growth is mainly attributable to rise in dividend income by 58% and capital gain on disposal of securities by manifolds on the back of prudent investment decisions.

The total asset base of the Company grew by 18% and is reported at Rs. 222,333 million with the major contribution coming from the investment book which increased by Rs. 31,003 million (+19.54%). Gross advances registered a decline of Rs. 1,975 million (-10.07%). On the liabilities side, borrowings have increased by Rs. 33,174 million (+19%).

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'.

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: April 15, 2024



S. M. Aamir Shamim
Managing Director



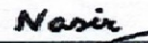




Dk Noorul Hayati Pg Julaihi
Chairperson

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

(Audited)		(Audited)	
March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
----- USD in '000 -----		----- Rupees in '000 -----	
ASSETS			
1,526	2,477	6	424,244
438	863	7	121,793
-	-	8	-
682,362	570,828	9	189,674,031
63,441	70,548	10	17,634,477
183	192	11	50,964
38	61	12	10,599
41	45	13	11,303
5,026	4,064	14	1,396,936
45,749	26,464	15	12,716,751
1,051	1,051	16	292,279
799,855	676,593		222,333,377
			188,070,201
LIABILITIES			
-	-	17	-
747,458	628,111	18	207,768,495
-	-	19	-
-	-	19	-
8	10	19	2,294
-	-	19	-
14,407	9,479	19	4,004,987
761,873	637,600		211,775,776
37,982	38,993		177,231,253
NET ASSETS			
			10,557,601
			10,838,948
REPRESENTED BY			
21,585	21,585		6,000,000
8,699	8,598		2,417,952
(4,489)	(2,952)	20	(1,247,861)
12,187	11,762		(820,467)
37,982	38,993		3,387,510
			3,269,321
			10,557,601
			10,838,948
CONTINGENCIES AND COMMITMENTS			
		21	



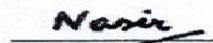
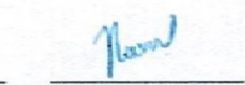

The annexed notes 1 to 37 forms an integral part of these financial statements.

				
Managing Director/ Chief Executive	Chief Financial Officer	Director	Director	Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD ENDED MARCH 31, 2024

Period Ended		Note	Period Ended	
March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
----- USD in '000 -----			----- Rupees in '000 -----	
36,194	13,361	22	10,060,729	3,713,942
35,528	12,143	23	9,875,664	3,375,233
666	1,218		185,065	338,709
Non mark-up / interest income				
105	81	24	29,183	22,636
363	230		101,011	63,820
213	(13)	25	59,227	(3,615)
0.02	-	26	5	(46)
681	298		189,426	82,795
1,347	1,516		374,491	421,504
Non mark-up / interest expenses				
580	456	27	161,151	126,796
14	-	28	4,004	-
594	456		165,155	126,796
753	1,060		209,336	294,708
47	61	29	13,154	16,944
-	-		-	-
705	999		196,182	277,764
205	338	30	56,893	93,942
501	661		139,289	183,822
----- USD -----				
0.00084	0.00110	31	0.23	0.31

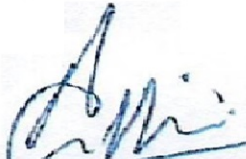




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 Managing Director/ Chief Executive	 Chief Financial Officer	 Director	 Director	 Director
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PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2024

Period Ended			Period Ended	
March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
----- USD in '000 -----			----- Rupees in '000 -----	
501	661	Profit after taxation for the year	139,289	183,822
Other comprehensive loss				
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
(1,476)	(1,898)	Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	(410,383)	(527,577)
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
-	-	Remeasurement loss on defined benefit obligations - net of tax	-	-
(61)	772	Movement in surplus / (deficit) on revaluation of equity investments - net of tax	(17,011)	214,686
(1,589)	(931)	Loss on disposal of securities classified as fair value through other comprehensive income - net of tax	(441,607)	(258,699)
<u>(2,625)</u>	<u>(1,396)</u>	Total comprehensive income / (loss)	<u>(729,712)</u>	<u>(387,768)</u>

The annexed notes 1 to 37 forms an integral part of these financial statements.

**Managing Director/
Chief Executive**
Chief Financial Officer
Director
Director
Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2024

	Share capital	Reserves		Deficit on revaluation of investments	Unappropriated profit	Total
		Statutory reserve	General reserve			
----- Rupees in '000 -----						
Opening Balance as at January 01, 2023	6,000,000	1,820,622	300,000	(1,501,592)	3,384,197	10,003,227
Impact of first time adoption of IFRS 9	-	-	-	-	(247,707)	(247,707)
Comprehensive income for the year						
Profit after taxation for the period ended March 31, 2023	-	-	-	-	183,822	183,822
Other comprehensive loss						
- Loss on disposal of securities classified as fair value through other comprehensive income - net of tax	-	-	-	-	(258,699)	(258,699)
- Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(527,577)	-	(527,577)
- Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	214,686	-	214,686
	-	-	-	(312,891)	(74,877)	(387,768)
Transfer to statutory reserve	-	36,764	-	-	(36,764)	-
Transfer to general reserve	-	-	100,000	-	(100,000)	-
Opening Balance as at April 01, 2023	<u>6,000,000</u>	<u>1,857,386</u>	<u>400,000</u>	<u>(1,814,483)</u>	<u>2,924,849</u>	<u>9,367,752</u>
Comprehensive income for the year						
Profit after taxation (December 31, 2023)	-	-	-	-	663,532	663,532
Other comprehensive loss						
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	3,314	3,314
- Loss on disposal of securities classified as fair value through other comprehensive income - net of tax	-	-	-	-	(189,666)	(189,666)
- Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	598,445	-	598,445
- Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	395,571	-	395,571
	-	-	-	994,016	477,180	1,471,196
Transfer to statutory reserve	-	132,707	-	-	(132,707)	-
Opening Balance as at January 01, 2024	<u>6,000,000</u>	<u>1,990,094</u>	<u>400,000</u>	<u>(820,467)</u>	<u>3,269,321</u>	<u>10,838,948</u>
Comprehensive income for the year						
Profit after taxation for the period ended March 31, 2024	-	-	-	-	139,289	139,289
Other comprehensive loss						
- Gain on disposal of securities classified as fair value through other comprehensive income - net of tax	-	-	-	-	6,758	6,758
- Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax	-	-	-	(410,383)	-	(410,383)
- Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	(17,011)	-	(17,011)
	-	-	-	(427,394)	146,047	(281,347)
Transfer to statutory reserve	-	27,858	-	-	(27,858)	-
Closing Balance as at March 31, 2024	<u>6,000,000</u>	<u>2,017,952</u>	<u>400,000</u>	<u>(1,247,861)</u>	<u>3,387,510</u>	<u>10,557,601</u>



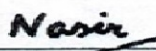


The annexed notes 1 to 37 forms an integral part of these financial statements.

 Managing Director/ Chief Executive	 Chief Financial Officer	 Director	 Director	 Director
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PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2024

March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023
----- USD in '000 -----			----- Rupees in '000 -----	
		CASH FLOWS FROM OPERATING ACTIVITIES		
706	999	Profit before taxation	196,182	277,764
363	230	Less: Dividend income	101,011	63,820
<u>343</u>	<u>769</u>		<u>95,171</u>	<u>213,944</u>
		Adjustments:		
8	11	Depreciation	2,356	2,949
23	18	Depreciation on right-of-use assets	6,264	5,082
4	1	Amortisation	1,218	311
14	-	Provision for Sindh Workers' Welfare Fund	4,004	-
47	61	Credit loss allowance and write offs	13,154	16,944
-	-	Gain on sale of fixed assets	(5)	(46)
-	-	Financial charges on right of use assets	12	19
71	73	Unrealized loss on revaluation of investments classified as FVPL	19,723	20,322
<u>167</u>	<u>164</u>		<u>46,726</u>	<u>45,581</u>
<u>510</u>	<u>933</u>		<u>141,897</u>	<u>259,525</u>
		(Increase) / decrease in operating assets		
-	2,937	Lendings to financial institutions	-	816,407
(11,910)	(14,190)	Investments classified as FVPL	(3,310,571)	(3,944,403)
7,059	6,581	Advances	1,962,221	1,829,172
(15,276)	(3,891)	Others assets (excluding advance taxation and dividend receivable)	(4,246,152)	(1,081,672)
<u>(20,127)</u>	<u>(8,563)</u>		<u>(5,594,502)</u>	<u>(2,380,496)</u>
		Increase/ (decrease) in operating liabilities		
119,347	111,685	Borrowings from financial institutions	33,174,497	31,044,770
-	-	Deposits	-	-
(2)	-	Lease liabilities	(483)	-
4,908	3,721	Other liabilities (excluding current taxation)	1,364,358	1,034,251
<u>124,253</u>	<u>115,406</u>		<u>34,538,372</u>	<u>32,079,021</u>
<u>(4,115)</u>	<u>(1,387)</u>	Income tax paid	<u>(1,143,815)</u>	<u>(385,587)</u>
<u>100,521</u>	<u>106,389</u>	Net cash flow generated from operating activities	<u>27,941,952</u>	<u>29,572,463</u>
		CASH FLOWS FROM INVESTING ACTIVITIES		
(102,166)	(106,825)	Net Investments in securities classified as FVOCI	(28,397,884)	(29,693,829)
-	-	Net investments in amortized cost securities	-	-
264	170	Dividends received	73,478	47,318
-	(19)	Investments in property and equipment	-	(5,269)
-	-	Right of use assets	-	-
-	-	Investments in operating intangible assets	-	(35)
-	-	Proceeds from sale of property and equipment	5	46
<u>(101,902)</u>	<u>(106,674)</u>	Net cash flow (used in) investing activities	<u>(28,324,401)</u>	<u>(29,651,769)</u>
		CASH FLOWS FROM FINANCING ACTIVITIES		
-	-	Dividend paid	-	-
-	-	Net cash flow used in financing activities	-	-
<u>(1,381)</u>	<u>(285)</u>	Decrease in cash and cash equivalents	<u>(382,449)</u>	<u>(79,306)</u>
3,340	1,573	Cash and cash equivalents at beginning of the year	928,486	437,213
<u>1,959</u>	<u>1,288</u>	Cash and cash equivalents at end of the year	<u>546,037</u>	<u>357,907</u>

The annexed notes 1 to 37 forms an integral part of these financial statements.

				
Managing Director/ Chief Executive	Chief Financial Officer	Director	Director	Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2024

1 STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) is a Development Finance Institution (DFI) which was incorporated in Pakistan as an unlisted public limited company on November 28, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The State Bank of Pakistan (SBP) granted the approval for commencement of business with effect from August 20, 2007. The Company is a joint venture between the Government of Pakistan (GoP) and the Brunei Investment Agency (BIA). The Company's objectives 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 Company is situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan. The Company is in operation with 2 offices (2023: 2) one located in Karachi and the other in Lahore.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the SBP and the 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 IFRS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular No.2 dated February 09, 2023 and IAS 34 "Interim Financial Reporting". 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

2.2 US dollar equivalent

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 stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs. 277.9667 to US Dollars has been used as it was the prevalent rate as on March 31, 2024.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2023.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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.

		(Audited)	
		March 31, 2024	December 31, 2023
		----- Rupees in '000 -----	

6 CASH AND BALANCES WITH TREASURY BANKS

With State Bank of Pakistan in:
Local currency current account

Note	6.1	424,244	688,559
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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.

		(Audited)	
		March 31, 2024	December 31, 2023
		----- Rupees in '000 -----	

7 BALANCES WITH OTHER BANKS

In Pakistan
In deposit accounts

Note	7.1	121,795	239,929
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Less: Credit loss allowance held against balances with other banks
Balances with other banks - net of credit loss allowance

(2)	(2)
121,793	239,927

7.1 These carry mark-up at rate of 20.50% to 20.51% per annum (2023: 20.50% to 20.51% per annum).

		(Audited)	
		March 31, 2024	December 31, 2023
		----- Rupees in '000 -----	

8 LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (reverse repo)
Term deposit receipts (TDRs)

-	-
-	-
-	-

Less: Credit loss allowance held against lending to financial institutions
Lendings to financial institutions - net of credit loss allowance

-	-
-	-

8.2 Particulars of lending

In local currency
In foreign currencies

-	-
-	-
-	-

Lending to FIs- Particulars of credit loss allowance	March 31, 2024		December 31, 2023	
	Lending	Credit loss allowance held	Lending	Credit loss allowance held
----- Rupees in '000 -----				

Domestic

Performing Stage 1
Under performing Stage 2
Non-performing Stage 3
Substandard
Doubtful
Loss

-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

8.3 Securities held as collateral against lendings to financial institutions

March 31, 2024			December 31, 2023		
Held by Company	Further given as collateral	Total	Held by Company	Further given as collateral	Total
----- Rupees in '000 -----					

Market Treasury Bills	-	-	-	-	-
Pakistan Investment Bonds	-	-	-	-	-
Total	-	-	-	-	-

9 INVESTMENTS

9.1 Investments by type:

				Audited			
March 31, 2024				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	2,805,555	-	-	2,805,555	-	-	-
Pakistan Investment Bonds - Floating Rate	997,116	-	-	997,116	999,932	-	(1,232)
Non-government debt securities							
Listed companies	948,375	-	(17,710)	930,665	948,375	-	(11,200)
Unlisted companies	1,270,212	-	-	1,270,212	1,250,188	-	-
	6,021,258	-	(17,710)	6,003,548	3,198,495	-	(12,432)

- Classified / Measured at FVOCI

Federal government securities

Federal government securities							
Market Treasury Bills	3,183,768	-	(5,208)	3,178,560	17,728,104	-	3,417
Pakistan Investment Bonds - Fixed Rate	8,247,685	-	(1,663,548)	6,584,137	8,261,346	-	(1,789,356)
Pakistan Investment Bonds - Floating Rate	170,458,761	-	(758,422)	169,700,339	128,094,144	-	31,520
Non-government debt securities							
Listed companies	14,361	(14,361)	-	-	300,466	(14,361)	-
Unlisted companies	643,980	(238,971)	-	405,009	241,189	(241,154)	-
	182,548,555	(253,332)	(2,427,178)	179,868,045	154,625,249	(255,515)	(1,754,419)
	188,569,813	(253,332)	(2,444,888)	185,871,593	157,823,744	(255,515)	(1,766,851)

EQUITY INSTRUMENTS

- Classified / Measured at FVPL

Ordinary shares

Listed companies	468,085	-	(15,096)	452,989	-	-	-
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- Classified / Measured at FVOCI (Non -Reclassifiable)

Ordinary shares

Listed companies	1,032,461	-	300,281	1,332,742	639,085	-	322,231
Unlisted companies *	-	-	-	-	-	-	-
	1,032,461	-	300,281	1,332,742	639,085	-	322,231

Subsidiaries

Primus Leasing Limited	1,000,000	-	-	1,000,000	1,000,000	-	-
Awwal Corporate Restructuring Company L	1,016,707	-	-	1,016,707	908,372	-	-
	2,016,707	-	-	2,016,707	1,908,372	-	-
Total investments	192,087,066	(253,332)	(2,159,703)	189,674,031	160,371,201	(255,515)	(1,444,620)

* 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.

9.1.1 Investments given as collateral

							Audited		
							December 31, 2023		
March 31, 2024							March 31, 2024		
Cost / amortised cost	Surplus / (deficit)	Carrying value	Cost / amortised cost	Surplus / (deficit)	Carrying value	Cost / amortised cost	Surplus / (deficit)	Carrying value	

----- Rupees in '000 -----

9.2 Credit loss allowance for diminution in value of investments

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						(2,183)	(12,801)
Reversal on disposals							-
						(2,183)	(12,801)
Closing Balance						253,332	255,515

10 ADVANCES

	Performing		Non-performing		Total	
	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023	March 31, 2024	December 31, 2023
	----- Rupees in '000 -----					
Loans, cash credits, running finances, etc.	17,532,021	19,534,991	1,165,197	1,124,446	18,697,218	20,659,437
Advances - gross	17,532,021	19,534,991	1,165,197	1,124,446	18,697,218	20,659,437
Credit loss allowance against advances						
-Stage 1	54,000	58,874	-	-	54,000	58,874
-Stage 2	13,386	19,736	-	-	13,386	19,736
-Stage 3	-	-	995,355	970,926	995,355	970,926
	67,386	78,610	995,355	970,926	1,062,741	1,049,536
Advances - net of credit loss allowance	17,464,635	19,456,381	169,842	153,520	17,634,477	19,609,901

Audited
December 31,
March 31, 2024 2023
----- Rupees in '000 -----

10.1 Particulars of advances (gross)

In local currency	18,697,218	20,659,437
In foreign currencies	-	-
	18,697,218	20,659,437

10.2 Advances include Rs. 1165.197 million (2023: Rs. 1124.446 million) which have been placed under the non-performing / stage 3 status as

Category of classification	Note	Audited			
		March 31, 2024		December 31, 2023	
		Non Performing Loans	Credit loss allowance	Non Performing Loans	Credit loss allowance
		----- Rupees in '000 -----			
Domestic					
Other Assets Especially Mentioned	10.2.1	19,400	12,944	600	400
Substandard		34,486	23,010	29,967	19,995
Doubtful	Stage 3	31,612	21,093	133,776	98,321
Loss		1,079,699	938,308	960,103	852,210
Total		1,165,197	995,355	1,124,446	970,926

10.2.1 The 'Other Assets Especially Mentioned' category pertains to small enterprise finance.

10.3 Particulars of credit loss allowance against advances

	March 31, 2024				Audited December 31, 2023			
	Stage 3	Stage 2	Stage 1	Total	Stage 3	Stage 2	Stage 1	Total
	----- Rupees in '000 -----							
Opening balance	970,926	19,736	58,874	1,049,536	500,622	-	-	500,622
Impact of first time adoption of IFRS 9 charged to opening retained earnings	-	-	-	-	223,284	14,018	76,434	313,736
Charge for the period / year	36,995	-	-	36,995	292,776	5,718	-	298,494
Reversals	(12,566)	(6,350)	(4,874)	(23,790)	(27,658)	-	(17,560)	(45,218)
	24,429	(6,350)	(4,874)	13,205	265,118	5,718	(17,560)	253,276
Amounts written off against provision	-	-	-	-	(18,098)	-	-	(18,098)
Closing balance	995,355	13,386	54,000	1,062,741	970,926	19,736	58,874	1,049,536

10.3.1 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 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.

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

Stage 1 comprises of EAD (principal plus markup) amounting to Rs. 17,626.692 million and ECL of Rs. 54.000 million and stage 2 comprises of E amounting to Rs. 420.874 million and ECL of Rs. 13.386 million.

10.3.2 Forced Sale Value (FSV) benefit amounting to Rs. 406.188 (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.

Particulars of credit loss allowance
Advances - Exposure

	March 31, 2024				December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in '000 -----							
Gross carrying amount - opening	19,150,503	384,487	1,124,447	20,659,437	23,461,928	364,922	881,635	24,708,485
New advances	1,307,360	-	1,308	1,308,668	3,820,754	20,305	138,073	3,979,132
Advances derecognised or repaid	(3,239,363)	(17,482)	(14,042)	(3,270,887)	(7,900,429)	(74,966)	(34,687)	(8,010,082)
Transfer to stage 1	750	(750)	-	-	95,140	(95,140)	-	-
Transfer to stage 2	(28,395)	28,770	(375)	-	(302,624)	302,624	-	-
Transfer to stage 3	(15,600)	(38,259)	53,859	-	(24,266)	(133,258)	157,524	-
	(1,975,248)	(27,721)	40,750	(1,962,219)	(4,311,425)	19,565	260,910	(4,030,950)
Amounts written off / charged off	-	-	-	-	-	-	(18,098)	(18,098)
Closing balance	17,175,255	356,766	1,165,197	18,697,218	19,150,503	384,487	1,124,447	20,659,437

10.4 Advances - Particulars of credit loss allowance

	March 31, 2024				December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in '000 -----							
10.4.1 Opening balance	58,874	19,736	970,926	1,049,536	-	-	500,622	500,622
Impact of first time adoption of IFRS 9	-	-	-	-	76,434	14,018	223,284	313,736
New Advances	6,542	424	630	7,596	12,285	4,077	138,073	154,435
Advances derecognised or repaid	(3,250)	(337)	(3,910)	(7,497)	(9,580)	(5,675)	(9,783)	(25,038)
Transfer to stage 1	13	(13)	-	-	957	(957)	-	-
Transfer to stage 2	(253)	272	(19)	-	(936)	936	-	-
Transfer to stage 3	(265)	(6,379)	6,643	-	(270)	(4,459)	4,729	-
	2,787	(6,033)	3,344	99	2,456	(6,078)	133,019	129,397
Amounts written off / charged off	-	-	-	-	-	-	-	-
Changes in risk parameters	(7,662)	(317)	21,084	13,106	(20,016)	11,796	114,001	105,781
Closing balance	54,000	13,386	995,355	1,062,741	58,874	19,736	970,926	1,049,536

10.4.2 Advances - Category of classification

	March 31, 2024				December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	----- Rupees in '000 -----							
Performing	17,111,147	-	-	17,111,147	19,150,504	-	-	19,150,504
Underperforming	-	420,874	-	420,874	-	384,487	-	384,487
Non-Performing								
Other Assets Especially Mentioned	-	-	19,400	19,400	-	-	600	600
Substandard	-	-	34,486	34,486	-	-	29,967	29,967
Doubtful	-	-	31,612	31,612	-	-	133,776	133,776
Loss	-	-	1,079,699	1,079,699	-	-	960,103	960,103
	-	-	1,165,197	1,165,197	-	-	1,124,446	1,124,446
	17,111,147	420,874	1,165,197	18,697,218	19,150,504	384,487	1,124,446	20,659,437
Corresponding ECL								
Stage 1 and stage 2	54,000	13,386	-	67,386	58,874	19,736	-	78,610
Stage 3	-	-	995,355	995,355	-	-	970,926	970,926
	17,057,147	407,488	169,842	17,634,477	19,091,630	364,751	153,520	19,609,901

Audited
December 31,
2023
----- Rupees in '000 -----

11 FIXED ASSETS

Property and equipment	50,964	53,320
Capital work-in-progress	-	-
	<u>50,964</u>	<u>53,320</u>

12 RIGHT OF USE ASSETS

At January 1,		
Cost	154,306	154,306
Accumulated Depreciation	(137,443)	(114,037)
Net Carrying amount at January 1, 2024 / 2023	<u>16,863</u>	<u>40,269</u>
Additions / modification during the period/year	-	2,465
Deletions during the period/year	-	-
Depreciation Charge for the period/year	(6,264)	(25,871)
Net Carrying amount at March 31, 2024 / December 31, 2023	<u>10,599</u>	<u>16,863</u>

	Note	March 31, 2024	Audited December 31, 2023
		----- Rupees in '000 -----	
13 INTANGIBLE ASSETS			
Computer Software		11,303	12,521
Capital work-in-progress	13.1	-	-
		<u>11,303</u>	<u>12,521</u>
13.1 Capital work-in-progress			
Software		-	-
14 DEFERRED TAX ASSETS			
Deductible temporary differences on			
- Lease liability against right-of-use assets		1,078	1,078
- Carry forward of alternate corporate tax		-	-
- Provision for Bonus		37,831	37,831
- Provision for diminution in the value of investments		99,652	99,652
- Provision against advances, other assets, etc.		417,753	417,753
- Deficit on revaluation of investments		946,599	684,223
- Unrealized loss on debt investments (FVPL)		4,848	4,848
- Payable against post retirement employee benefits		172	172
- Provision for off-balance sheet obligations		5,186	5,186
		1,513,119	1,250,743
Taxable temporary differences on			
- Net investment in finance lease		(23,670)	(23,670)
- Right-of-use assets		(6,577)	(6,577)
- Accelerated tax depreciation		(6,544)	(6,544)
- Unrealized loss on equity investments		(67,563)	(72,502)
- Amortisation of discount on investments		(9,271)	(9,271)
- Lease receivable against sub lease		(170)	(170)
- Post retirement employee benefits		(2,388)	(2,388)
		(116,183)	(121,122)
		<u>1,396,936</u>	<u>1,129,621</u>
15 OTHER ASSETS			
Income/ mark-up accrued in local currency		9,629,745	5,493,259
Advances, deposits, advance rent and other prepayments		16,040	10,168
Advance taxation (payments less provisions)		2,781,095	1,694,173
Advance against subscription of privately placed term finance certificates		150,000	122,845
Receivable against sale of shares		75,347	27,261
Receivable from related parties	15.1	2,773	6,648
Lease receivable under IFRS-16		226	437
Dividend receivable		28,886	1,353
Advance against bid amount		32,639	-
Others		-	-
		12,716,751	7,356,144
Less: Credit loss allowance held against other assets		-	-
Other Assets (Net of credit loss allowance)		<u>12,716,751</u>	<u>7,356,144</u>
15.1 Receivable from related parties			
Receivable from Awwal Corporate Restructuring Company Limited (subsidiary)		1,138	985
Modaraba Management Limited (related parties)		833	770
Receivable from Primus Leasing Company Limited (subsidiary)		-	3,050
Receivable from Awwal Modaraba Management Limited (subsidiary)		802	1,843
		<u>2,773</u>	<u>6,648</u>
16 ASSETS CLASSIFIED AS HELD-FOR-SALE			
Lion Steel Industries (Private) Limited	16.1	168,904	168,904
Awwal Modaraba Management Limited-Investment		105,000	105,000
Advance against investment in right shares -related party		40,000	40,000
Impairment loss		(21,625)	(21,625)
		<u>123,375</u>	<u>123,375</u>
		<u>292,279</u>	<u>292,279</u>

16.1 These represent land, building and machinery which have been classified as 'non-current assets as held for sale' as at March 31, 2024. 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.

		March 31, 2024	Audited December 31, 2023
		----- Rupees in '000 -----	
17	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	- Long-Term Finance Facility (LTFF) scheme	17.2	2,964,023
	- Power Plants Using Renewable Energy (PPRE) scheme	17.3	161,843
	- Temporary Economic Refinance Facility (TERF)	17.4	720,060
	- Finance for Storage of Agriculture Produce (FSAP) scheme	17.5	283,502
	- Credit Guarantee (CGS) Scheme	17.6	173,993
	- Special Persons (SP) Scheme	17.7	2,385
	- Working Capital (WCF) Scheme	17.8	1,106,782
	- Balancing, Modernization & Replacement (BMR) scheme	17.90	710,643
			6,123,231
	Repurchase agreement borrowings		158,501,986
	Borrowings from banks	17.10	12,171,667
	Total secured		<u>176,796,884</u>
	Unsecured		
	Letters of placement:		30,971,611
			<u>207,768,495</u>
			<u>148,511,283</u>

17.1 Particulars of borrowings with respect to currencies

In local currency	207,768,495	174,593,998
In foreign currencies	-	-
	<u>207,768,495</u>	<u>174,593,998</u>

17.2 The Company has entered into agreements for financing with the SBP for Long-Term Financing under export oriented projects to customers. According to the terms of the respective agreements, the SBP has the right to receive the outstanding amount from the Company at the due date by directly debiting the current account maintained by the Company with the SBP. The rate of return ranges from 2% to 11% per annum (2023: 2.00% to 11.00% per annum). These are secured against demand promissory notes and have maturities upto June 21, 2031.

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 2.00% to 5.00% per annum (2023: 2.00% to 5.00% per annum) and are due to mature latest by June 30, 2029. As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

17.4 These represent borrowings from the SBP under scheme for temporary economic refinance facility. The mark-up rate applicable on these facilities is from 1% to 2% per annum (2023: 1% to 2% per annum) payable on quarterly basis, with maturities upto May 18, 2032 (2023: May 2032). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

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 ranging from 2% to 4% per annum (2023: 2% to 4% per annum) and are due to mature latest by February 28, 2030 (2023: June 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 (2023: 0% per annum) payable on quarterly basis, with maturities upto March 19, 2029 (2023: November, 2028). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

17.7 These represent financing facilities to special persons to meet credit needs for setting up of new business enterprises or for expansion of existing ones and claim refinance from State Bank of Pakistan up to 100% of finance extended by them. The spread is capped at 5% per annum (2023: 5% per annum) by SBP whereas SBP's refinance rate for this facility is 0% per annum (2023: 0% per annum). 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.

17.8 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% (2023: 2%) payable on quarterly basis with maturities upto May 29, 2028 (2023: May 2028). 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.

17.9 These represent borrowings from the SBP under scheme for balancing, modernization & replacement scheme. The mark-up rate applicable on these facilities is 2% per annum (2023: 1% to 2% per annum) payable on quarterly basis, with maturities upto June 09, 2029 (2023: June 2029). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

17.10 These represent borrowings from various financial institutions at mark-up rates ranging from 21.53% to 23.18% per annum (2023: 21.49% to 23.26% per annum) with maturities upto June 2027 (2023: June 2027).

	March 31, 2024	Audited December 31, 2023
	----- Rupees in '000 -----	
18 DEPOSITS AND OTHER ACCOUNTS		
Customers		
- Certificate of investments (COIs) - in local currency	-	-
Financial Institutions		
- Certificate of investments (COIs) - in local currency	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Composition of Deposits		
- Public sector entities	-	-
- Private sector entities	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
19 OTHER LIABILITIES		
Mark-up / return / interest payable in local currency	3,154,362	1,925,144
Unearned commission and income on bills discounted	23,642	32,359
Accrued expenses	166,631	126,275
Brokerage / commission payable	4,017	2,695
Payable against purchase of shares	97,431	
Security deposits against advances	287,177	288,177
Provision for Sindh Worker's Welfare Fund	177,684	173,680
Payable to related party	-	443
Pavable from defined benefit plan	4,326	
Provision for off balance sheet obligations	19.1 15,433	13,298
Others	74,284	72,419
	<u>4,004,987</u>	<u>2,634,490</u>
19.1 Credit loss allowance against off-balance sheet obligations		
Opening balance	13,298	-
First time adoption of IFRS 9 - Adjustment in opening retained earning	-	9,680
	<u>13,298</u>	<u>9,680</u>
Charge for the period / year	2,135	3,618
Reversals	-	-
	<u>2,135</u>	<u>3,618</u>
Amount written off	-	-
Closing balance	<u>15,433</u>	<u>13,298</u>

	Note	March 31, 2024	Audited December 31, 2023
----- Rupees in '000 -----			
20	DEFICIT ON REVALUATION OF ASSETS		
	Deficit on revaluation of		
	- Securities measured at FVOCI-Debt	9.1 (2,427,178)	(1,754,419)
	- Securities measured at FVOCI-Equity	9.1 300,281	322,231
		<u>(2,126,897)</u>	<u>(1,432,188)</u>
	Deferred tax on deficit on revaluation of:		
	- Securities measured at FVOCI-Debt	946,599	684,223
	- Securities measured at FVOCI-Equity	<u>(67,563)</u>	<u>(72,502)</u>
		<u>(1,247,861)</u>	<u>(820,467)</u>
21	CONTINGENCIES AND COMMITMENTS		
	- Guarantees	21.10 200,000	200,000
	- Commitments	21.20 173,421,689	122,973,308
	- Other contingent liabilities	21.30 -	-
		<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:		
	- repo transactions	21.2.1 162,441,587	112,955,959
	- forward lendings	21.2.2 6,998,197	3,884,675
	- future purchase and sale transactions	2,805,555	4,956,324
	Other commitments	-	-
		<u>173,421,689</u>	<u>122,973,308</u>
21.2.1	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>
21.2.2	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		
21.2.3	Commitments in respect of future transactions		
	Purchase	-	-
	Sale	2,805,555	4,956,324
		<u>2,805,555</u>	<u>4,956,324</u>
21.3	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

	Note	March 31, 2024	March 31, 2023
----- Rupees in '000 -----			
22	MARK-UP / RETURN / INTEREST EARNED		
On:			
a) Loans and advances		714,415	765,585
b) Investments		9,257,460	2,761,401
c) Lendings to financial institutions		84,470	181,308
d) Balances with banks		4,384	5,648
		<u>10,060,729</u>	<u>3,713,942</u>
Interest income (calculated using effective interest rate method) recognised on:			
Financial assets measured at amortised cost;		803,261	952,541
Financial assets measured at fair value through OCI.		9,243,091	2,648,131
		<u>10,046,352</u>	<u>3,600,672</u>
23	MARK-UP / RETURN / INTEREST EXPENSED		
Deposits		-	2,026
Borrowings		9,875,652	3,373,188
Interest expense on lease liability against right-of-use assets		12	19
		<u>9,875,664</u>	<u>3,375,233</u>
24	FEE AND COMMISSION INCOME		
Advisory / arrangement fee		9,345	188
Processing fee income		5,853	3,966
Commitment fee		-	1,809
Commission on letters of credit		764	78
Trustee fee		13,221	16,595
		<u>29,183</u>	<u>22,636</u>
25	GAIN / (LOSS) ON SECURITIES		
Realised	25.1	78,950	16,707
Unrealised gain / (loss) on financial assets at FVPL		(19,723)	(20,322)
	25.2	<u>59,227</u>	<u>(3,615)</u>
25.1	Realised (loss) / gain on:		
Federal government securities		71,101	2,913
Shares		7,849	13,794
		<u>78,950</u>	<u>16,707</u>
26	OTHER INCOME	Note	
		March 31, 2024	March 31, 2023
----- Rupees in '000 -----			
Rent on property		-	-
Gain on sale of fixed assets - net		5	46
Others		-	(92)
		<u>5</u>	<u>(46)</u>

27	OPERATING EXPENSES	Note	March 31, 2024	March 31, 2023
			----- Rupees in '000 -----	
	Total compensation expense		94,355	74,447
	Property expense			
	Rent and taxes		629	-
	Insurance		2,572	1,616
	Security		104	909
	Utilities cost		2,285	1,215
	Repairs and maintenance (including janitorial charges)		2,430	2,724
	Depreciation		44	181
	Depreciation on right-of-use assets		6,264	5,082
			14,328	11,727
	Information technology expenses			
	Software maintenance		499	-
	Hardware maintenance		268	318
	Depreciation		1,525	963
	Amortisation		1,218	311
			3,510	1,592
	Other operating expenses			
	Directors' fees and allowances		1,200	1,200
	Fees and subscription		1,296	1,380
	Legal and professional charges		5,577	1,241
	Outsourced services costs		2,210	2,196
	Travelling and conveyance		15,525	6,369
	Brokerage commission		9,960	7,006
	Depreciation		787	1,805
	Training and development		148	1,206
	Postage and courier charges		162	93
	Communication		1,657	951
	Stationery and printing		392	751
	Marketing, advertisement and publicity		117	20
	Auditors' remuneration		915	913
	Expenses incurred in relation to assets held for sale		3,027	11,679
	Service charges for lease rental recoveries		1,387	780
	Others		4,598	1,440
			48,958	39,030
			161,151	126,796

28	PROVISION FOR SINDH WORKERS' WELFARE FUND	Note	March 31, 2024	March 31, 2023
			----- Rupees in '000 -----	
	Provision for Sindh Workers' Welfare Fund	28.1	4,004	-

28.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh in May 2015 as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. Accordingly, as a matter of abundant caution, the management has maintained a provision for SWWF in the unconsolidated financial statements amounting to Rs 177.684 million which includes a provision of Rs 4,004 for the current year.

	Note	March 31, 2024	March 31, 2023
29 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		----- Rupees in '000 -----	
Credit loss allowance against balances with other banks		-	11
Credit loss allowance against lending to financial institutions		-	791
Credit loss allowance for diminution in value of investments	9.2	(2,184)	(4,984)
Credit loss allowance against loans and advances	10.3	13,203	18,948
Credit loss allowance against off balance sheet obligations	19.1	2,135	2,178
		<u>13,154</u>	<u>16,944</u>
30 TAXATION			
Current		56,893	82,594
Prior years		-	-
Deferred		-	11,348
		<u>56,893</u>	<u>93,942</u>
		March 31, 2024	March 31, 2023
31 BASIC EARNINGS PER SHARE		----- Rupees -----	
Profit for the year		<u>139,289</u>	<u>183,822</u>
Weighted average number of ordinary shares		<u>600,000</u>	<u>600,000</u>
Basic earnings per share		<u>0.23</u>	<u>0.31</u>
31.1 Diluted earnings per share			

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

32 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.

32.1 Fair value of financial assets

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

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

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

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

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates (Reuters page).
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.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices as at the close of the business day.

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:

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal government securities	-	183,265,707	-	183,265,707
Ordinary shares	1,785,731	-	-	1,785,731
Non-Government debt securities	-	930,665	-	930,665
Off-balance sheet financial instruments - measured at fair value				
Commitments				
Commitments in respect of repo transactions	-	162,441,587	-	162,441,587
----- Rupees in '000 -----				
Audited				
December 31, 2023				
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal government securities	-	153,327,875	-	153,327,875
Shares	961,316	-	-	961,316
Non-Government debt securities	-	1,223,280	-	1,223,280
Off-balance sheet financial instruments - measured at fair value				
Commitments				
Commitments in respect of repo transactions	-	112,955,959	-	112,955,959
Commitments in respect of future purchase and sale transactions	-	3,884,675	-	3,884,675

	March 31, 2024			
	Corporate finance	Trading and sales	Commercial banking	Total
Profit and Loss Account				
Net mark-up / return / profit	-	172,107	12,958	185,065
Non mark-up / return / interest income	29,183	160,243	-	189,426
Total income	29,183	332,350	12,958	374,491
Segment direct expenses	12,870	146,570	5,715	165,155
Total expenses	12,870	146,570	5,715	165,155
Expected credit loss and write-offs	-	5,856	7,298	13,154
Profit before tax	16,313	179,924	(55)	196,182
Statement of Financial Position				
Cash and bank balances	42,551	484,592	18,893	546,037
Lendings to financial institutions	-	-	-	-
Investments	-	189,674,031	-	189,674,031
Advances - performing	-	1,268,094	16,196,541	17,464,635
- non-performing	-	28,451	141,391	169,842
Others	5,678	13,929,930	543,224	14,478,832
Total assets	48,229	205,385,098	16,900,050	222,333,377
Borrowings	-	199,971,931	7,796,564	207,768,495
Deposits and other accounts	-	-	-	-
		2,208	86	2,294
Others	-	3,854,699	150,288	4,004,987
Total liabilities	-	203,828,838	7,946,938	211,775,776
Equity	48,232	1,556,258	8,953,111	10,557,601
Total equity and liabilities	48,232	205,385,096	16,900,049	222,333,377
Contingencies and commitments	-	165,247,142	8,374,547	173,621,689
	March 31, 2023			
	Corporate finance	Trading and sales	Commercial banking	Total
Profit and Loss Account				
Net mark-up / return / profit	-	271,519	67,190	338,709
Non mark-up / return / interest income	22,636	60,159	-	82,795
Total income	22,636	331,678	67,190	421,504
Segment direct expenses	6,620	100,524	19,652	126,796
Total expenses	6,620	100,524	19,652	126,796
Provisions	-	(4,182)	21,126	16,944
Profit before tax	16,016	235,336	26,412	277,764
Statement of Financial Position				
Cash and bank balances	52,273	796,953	79,260	928,486
Investments	-	158,671,066	-	158,671,066
Lendings to financial institutions	-	-	-	-
Advances - performing	-	1,254,440	18,201,941	19,456,381
- non-performing	-	12,129	141,391	153,520
Others	4,656	8,054,978	801,114	8,860,748
Total assets	56,929	168,789,566	19,223,706	188,070,201
Borrowings	-	158,794,054	15,799,944	174,593,998
Deposits and other accounts	-	-	-	-
Lease liabilities	-	2,515	250	2,765
Others	-	2,396,183	238,307	2,634,490
Total liabilities	-	161,192,752	16,038,501	177,231,253
Equity	56,929	7,596,814	3,185,205	10,838,948
Total equity and liabilities	56,929	168,789,566	19,223,706	188,070,201
Contingencies and commitments	-	116,840,634	6,332,674	123,173,308

34 RELATED PARTY TRANSACTIONS

The Company has related party relationship with subsidiary companies (namely Primus Leasing Limited, Awwal Modaraba, Awwal Modaraba Management Limited and Awwal Corporate Restructuring Company Limited), employees' defined benefit and defined contribution plan and its key management personnel.

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 '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. The details of transactions with related parties during the year and balances with them as at period end, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

	March 31, 2024				December 31, 2023			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
(Rupees in '000)								
Investments								
Opening balance	-	-	1,908,372	-	-	-	2,013,372	-
Investment made during the period	-	-	-	-	-	-	-	-
Investment disposed off / classified as held-for-sale during the period	-	-	108,335	-	-	-	(105,000)	-
Closing balance	-	-	2,016,707	-	-	-	1,908,372	-
Advances								
Opening balance	-	43,363	719,958	159,775	-	72,204	574,803	178,207
Addition during the year	-	8,828	600,000	-	-	19,558	395,540	300,000
Repaid during the year	-	(1,903)	(708,335)	(115)	-	(41,952)	(250,385)	(318,432)
Transfer in / (out) - net	-	-	-	-	-	(6,447)	-	-
Closing balance	-	50,288	611,623	159,660	-	43,363	719,958	159,775
Lending to financial institutions								
Opening balance	-	-	-	-	-	-	-	26,000
Addition during the year	-	-	-	-	-	-	-	301,600
Repaid during the year	-	-	-	-	-	-	-	(327,600)
Closing balance	-	-	-	-	-	-	-	-
Other assets			54,230	9,041				
Interest / mark-up accrued	-	-	2,521	-	-	-	49,595	288
Lease receivable under IFRS-16	-	-	-	-	-	-	437	-
Receivable from defined benefit plan	-	-	-	-	-	-	-	-
Others	-	-	1,940	833	-	-	5,877	1,023
	-	-	4,461	833	-	-	55,909	1,311
Assets classified as held-for-sale								
Opening balance	-	-	145,000	-	-	-	-	-
Transfer during the year	-	-	-	-	-	-	145,000	-
Disposed off during the year	-	-	-	-	-	-	-	-
Closing balance	-	-	145,000	-	-	-	145,000	-
Borrowings								
Opening balance	-	-	-	4,827	-	-	-	-
Borrowings during the year	-	-	-	35,537	-	-	-	73,156
Settled during the year	-	-	-	(30,887)	-	-	-	(68,329)
Closing balance	-	-	-	9,478	-	-	-	4,827
Other Liabilities								
Interest / mark-up payable	-	-	-	158	-	-	-	6
Payable to defined benefit plan	-	-	-	4,326	-	-	-	443
Other liabilities	-	-	-	-	-	-	-	-
	-	-	-	4,484	-	-	-	449

	March 31, 2024				March 31, 2023			
	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	-	1,364	28,469	9,504	-	846	19,768	11,600
Dividend income	-	-	-	-	-	-	-	-
Expense								
Mark-up / return / interest paid	-	-	-	503	-	-	-	74
Operating expenses	1,200	23,509	-	-	1,200	18,096	-	-
Reimbursement of expenses	-	5,337	1,387	-	-	1,888	780	-
Expenses charged	-	-	8,668	2,499	-	-	5,662	2,363

34.1 These denote administrative expenses charged by the Company under the cost sharing agreement entered into between the Company and its subsidiaries (namely Primus Leasing Limited, Awwal Modaraba Management Limited).

35 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	March 31, 2024	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	7,014,688	8,225,128
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	7,014,688	8,225,128
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	7,014,688	8,225,128
Risk Weighted Assets (RWAs):		
Credit Risk	21,277,742	20,606,797
Market Risk	7,579,587	7,704,183
Operational Risk	2,634,080	2,634,080
Total	31,491,409	30,945,060
Common Equity Tier 1 Capital Adequacy ratio	22.27%	26.58%
Tier 1 Capital Adequacy Ratio	22.27%	26.58%
Total Capital Adequacy Ratio	22.27%	26.58%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	7,014,688	8,225,128
Total Exposures	206,646,563	153,919,681
Leverage Ratio - percentage	3.39%	5.34%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	32,440,317	17,914,626
Total Net Cash Outflow	34,483,289	17,581,217
Liquidity Coverage Ratio - percentage	94.08%	101.90%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	23,865,661	24,490,814
Total Required Stable Funding	18,908,986	18,812,749
Net Stable Funding Ratio - percentage	126.21%	130.18%

36 GENERAL

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

36.2 Comparative information has been re-classified, re-arranged or additionally incorporated in these unconsolidated financial statements, wherever necessary, to facilitate comparison and better presentation.

37 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on **April 15, 2024** by the Board of Directors of the Company.



Managing Director/
Chief Executive



Chief Financial Officer



Director



Director



Director