



## Directors' Review

The Board of Directors (the Board) is pleased to present the condensed interim financial statements of Pak Libya Holding Company (Private) Limited (the Company) for the period ended 31 March 2024 together with Directors' review thereon.

## Performance review

During this unprecedentedly high interest rate scenario, the Company is striving hard to efficiently optimize its high quality asset base with moderate growth. However, adverse trend in market yields along with shorter tenure of repo borrowings, led to increase in effective cost of borrowings. Hence a decline is noted in the earnings for the period under review. Consequently, the Company made a loss before tax of PKR (569.43) million during the period under review as compared to a profit of PKR 308.95 million in the corresponding period last year.

Gross mark-up income during the period was PKR 22,094.97 million compared to PKR 5,217.59 million in corresponding period, whereas the NIM for the period recorded a loss of PKR (639.07) million. Non-markup income grew significantly and aggregated to PKR 413.18 million against PKR 32.98 million in March 2023.

The total assets of the Company have decreased to PKR 356.244 billion as compared to PKR 446.085 billion at FYE 2023, due to reduction mainly in government securities investment portfolio. Further, the regulatory ratios remained complied during the period under review.

The summarized financial results for the period are as follows:

Description	Three months' period ended 31 <sup>st</sup> March 2024	Three months' period ended 31 <sup>st</sup> March 2023
	PKR '000	
(Loss) / Profit before taxation	(569,425)	39,741
Taxation	35,090	(20,574)
(Loss) / Profit after taxation	(534,335)	19,167
Earnings/(loss) per share (Rupees)	(656.29)	292.66

## Entity Rating

During the year, the Company's long-term entity rating was maintained at 'AA-' by Pakistan Credit Rating Agency (PACRA) and short term at A1+ with positive outlook. These ratings denote a low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

## Future prospects

Macroeconomic stabilization measures have contributed to considerable improvement in both inflation and interest rate outlook post 1.5 % cut in Jun 24 and economic conditions thus resulting in moderate economic recovery. Inflation also continued its downward trajectory as it was recorded at 12.6 % in June 2024. This positive real interest rate forms an anticipated view for further monetary easing in upcoming MPC meetings.



Despite a challenging external environment, the pace of economic recovery hinges on sustainable reduction in the inflation, fiscal prudence and stable global commodity prices. As we navigate these dynamics, we remain vigilant and proactive in our strategic planning to capitalize on emerging opportunities and mitigate potential risks.

The management is focusing on exploring new sources of revenue, along with enhancing the existing core businesses and maximum use of technology to increase efficiency and productivity. In this connection, a new Islamic Window initiative is being explored, as well as growing non-funded income via capital market transactions – leading debt syndications and underwriting pre-IPOs, etc. The management is regularly reviewing its assets and liabilities mix together with available resources, and has taken various measures to tighten the controls over operating cost to ensure favorable impact on liquidity, profitability and compliance with statutory requirements together with attainment of long-term sustainable growth.

In view of the efforts being made by the management, we are optimistic about our Company's long-term growth and profitability.

### **Acknowledgments**

On behalf of the Board, we would like to express gratitude to our shareholders for their continued support and trust. We are also thankful to employees of the Company for their hard work and dedication.

### **On behalf of the Board of Directors**

-sd/-

**Bashir B. Omer**  
**Deputy Managing Director**

**07<sup>th</sup> July 2024**

-sd/-

**Tariq Mahmood, CFA**  
**Managing Director & CEO**

**PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**

	(Un-audited) 31 March 2024	(Audited) 31 December 2023
Note	----- (Rupees in '000) -----	
<b>ASSETS</b>		
Cash and balances with treasury banks	6 347,048	272,662
Balances with other banks	7 155,819	194,769
Lendings to financial institutions	8 -	-
Investments	9 321,407,130	418,576,179
Advances	10 10,567,879	9,984,921
Property and equipment	11 1,328,063	1,300,756
Intangible assets	12 885	961
Deferred tax asset	13 1,155,816	456,057
Other assets	14 21,067,639	15,083,086
Non-banking assets acquired in satisfaction of claim - held for sale	14.1 214,453	214,827
<b>Total Assets</b>	<b>356,244,732</b>	<b>446,084,218</b>
<b>LIABILITIES</b>		
Bills payable	-	-
Borrowings	15 338,705,927	424,391,603
Deposits and other accounts	16 9,074,433	6,803,687
Other liabilities	17 3,540,100	7,173,050
<b>Total Liabilities</b>	<b>351,320,460</b>	<b>438,368,340</b>
<b>NET ASSETS</b>	<b>4,924,272</b>	<b>7,715,878</b>
<b>REPRESENTED BY</b>		
Share capital	8,141,780	8,141,780
Reserves	446,644	446,644
Surplus / (Deficit) on revaluation of assets - net of tax	18 (1,010,795)	1,257,826
Unappropriated / unremitted loss	(2,653,357)	(2,130,372)
	<b>4,924,272</b>	<b>7,715,878</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	19	

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

-sd/-

Chief Financial Officer

-sd/-

Director

-sd/-

Managing Director & CEO

-sd/-

Director

**PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THREE MONTHS PERIOD ENDED 31 MARCH 2024**

	Note	Three months period ended	
		31 March 2024	31 March 2023
----- (Rupees in '000) -----			
Mark-up / return / interest earned	21	22,094,968	5,217,589
Mark-up / return / interest expensed	22	22,734,037	5,024,617
<b>Net mark-up / interest income / (expense)</b>		<b>(639,069)</b>	192,972
<b>NON MARK-UP / INTEREST INCOME</b>			
Fee and commission income	23	15,423	5,478
Dividend income		17,318	22,434
Foreign exchange income / (loss)		(3)	41
Income / (loss) from derivatives		-	-
Gain on securities	24	380,358	5,002
Net gain / (loss) on derecognition of financial assets measured at amortised cost		-	-
Other income	25	80	23
<b>Total non mark-up / interest loss</b>		<b>413,176</b>	32,978
<b>Total Income / (loss)</b>		<b>(225,893)</b>	225,950
<b>NON MARK-UP / INTEREST EXPENSES</b>			
Operating expenses	26	171,265	154,540
Workers welfare fund	24.3.9	-	-
Other charges	27	9,889	6,569
Total non mark-up / interest expenses		181,154	161,109
Profit / (loss) before credit loss allowance		(407,047)	64,841
Credit loss allowance / (reversal) and write offs - net	28	162,378	(244,105)
Extraordinary / unusual items		-	-
<b>(LOSS) / PROFIT BEFORE TAXATION</b>		<b>(569,425)</b>	308,946
Taxation	29	(35,090)	70,672
<b>(LOSS) / PROFIT AFTER TAXATION</b>		<b>(534,335)</b>	238,274
----- (Rupees) -----			
<b>Basic and diluted earnings per share</b>	30	<b>(656.29)</b>	292.66

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

-sd/-

\_\_\_\_\_  
**Chief Financial Officer**

-sd/-

\_\_\_\_\_  
**Managing Director & CEO**

-sd/-

\_\_\_\_\_  
**Director**

-sd/-

\_\_\_\_\_  
**Director**

**PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THREE MONTHS PERIOD ENDED 31 MARCH 2024**

	<b>Three months period ended</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
	----- (Rupees in '000) -----	
<b>Profit after taxation</b>	<b>(534,335)</b>	238,274
<b>Other comprehensive income - net</b>		
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>		
Effect of translation of net investment in foreign branches	-	-
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net of tax	<b>(2,290,099)</b>	1,197,449
Others	-	-
	<b>(2,290,099)</b>	1,197,449
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>		
Remeasurement gain on defined benefit obligations - net of tax	-	-
Movement in deficit on revaluation of debt investments through Amortized Cost - net of tax	-	<b>(1,777,314)</b>
Movement in surplus on revaluation of equity investments - net of tax	<b>29,538</b>	<b>(33,967)</b>
Movement in surplus on revaluation of property and equipment - net of tax	<b>(7,794)</b>	<b>810,739</b>
Movement in surplus on revaluation of non-banking assets - net of tax	<b>(266)</b>	<b>41,345</b>
	<b>21,478</b>	(959,197)
<b>Total comprehensive income / (loss)</b>	<b><u>(2,802,956)</u></b>	<u>476,526</u>

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

-sd/-

\_\_\_\_\_  
**Chief Financial Officer**

-sd/-

\_\_\_\_\_  
**Managing Director & CEO**

-sd/-

\_\_\_\_\_  
**Director**

-sd/-

\_\_\_\_\_  
**Director**

**PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THREE MONTHS PERIOD ENDED 31 MARCH 2024**

Share capital Head office capital account	Statutory reserve	Surplus/(Deficit) on revaluation of		Unappropriated / Unremitted profit/ (loss)	Total	
		Investments	Property & Equipment / Non Banking Assets			
----- Rupees in '000 -----						
<b>Opening balance as at 01 January 2023</b>	8,141,780	380,655	(2,012,716)	-	(2,398,459)	4,111,260
Profit / (loss) after taxation for the period	-	-	-	-	238,274	238,274
Other comprehensive income - net of tax						
Effect of translation of net investment in foreign branches	-	-	-	-	-	-
Movement in (deficit) on revaluation of investments in debt instruments - net of tax	-	-	(579,865)	-	-	(579,865)
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-
Movement in (deficit) on revaluation of investments in equity instruments - net of tax	-	-	(33,967)	-	-	(33,967)
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	820,759	-	820,759
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	41,345	-	41,345
Total other comprehensive income - net of tax	-	-	(613,832)	862,104	-	248,272
Remittances made to / received from head office	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(10,020)	10,020	-
<b>Opening balance as at 01 April 2023</b>	<b>8,141,780</b>	<b>380,655</b>	<b>(2,626,548)</b>	<b>852,084</b>	<b>(2,150,165)</b>	<b>4,597,806</b>
Impact of first time adoption of IFRS 9					(80,200)	(80,200)
Profit / (loss) after taxation for the period	-	-	-	-	91,670	91,670
Other comprehensive income - net of tax						
Effect of translation of net investment in foreign branches	-	-	-	-	-	-
Movement in (deficit) on revaluation of investments in debt instruments - net of tax	-	-	2,645,846	-	-	2,645,846
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	232,863	-	41,455	274,318
Gain on sale of shares - FVTOCI	-	-	-	-	(2,524)	(2,524)
Movement in (deficit) on revaluation of investments in equity instruments - net of tax	-	-	-	-	-	-
Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	172,073	-	172,073
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	16,889	-	16,889
Total other comprehensive income - net of tax	-	-	2,878,710	188,962	38,931	3,106,602
Remittances made to/ received from head office	-	-	-	-	-	-
Transfer from statutory reserve	-	65,989	-	-	(65,989)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(35,381)	35,381	-
<b>Opening balance as at 01 January 2024</b>	<b>8,141,780</b>	<b>446,644</b>	<b>252,162</b>	<b>1,005,665</b>	<b>(2,130,372)</b>	<b>7,715,878</b>
Profit / (loss) after taxation for the current period	-	-	-	-	(534,335)	(534,335)
Other comprehensive income - net of tax						
Effect of translation of net investment in foreign branches	-	-	-	-	-	-
Movement in (deficit) on revaluation of investments in debt instruments - net of tax	-	-	(2,290,099)	-	-	(2,290,099)
Debt investments at FVOCI – reclassified to profit or loss	-	-	-	-	-	-
Movement in surplus on revaluation of investments in equity instruments - net of tax	-	-	29,538	-	-	29,538
Remeasurement gain / (loss) on defined benefit obligations - net of tax	-	-	-	-	-	-
Movement in surplus on revaluation of property and equipment - net of tax	-	-	-	3,184	-	3,184
Movement in surplus on revaluation of non-banking assets - net of tax	-	-	-	106	-	106
Total other comprehensive income - net of tax	-	-	(2,260,561)	3,290	-	(2,257,271)
Transfer to statutory reserve	-	-	-	-	-	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(11,350)	11,350	-
<b>Closing balance as at 31 March 2024</b>	<b>8,141,780</b>	<b>446,644</b>	<b>(2,008,400)</b>	<b>997,605</b>	<b>(2,653,357)</b>	<b>4,924,272</b>

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

-sd/-

Chief Financial Officer

-sd/-

Managing Director & CEO

-sd/-

Director

-sd/-

Director

**PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THREE MONTHS PERIOD ENDED 31 MARCH 2024**

	<b>Three months period ended</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>Note</b>	<b>----- (Rupees in 000) -----</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>(569,425)</b>	308,946
Less: Dividend income	<b>(17,318)</b>	(22,434)
	<b>(586,743)</b>	286,512
<b>Adjustments:</b>		
Depreciation	<b>20,210</b>	20,984
Depreciation on right-of-use assets	-	-
Amortisation	<b>77</b>	118
(Reversal) / Credit loss allowance and write offs	<b>164,271</b>	(225,211)
Impairment of assets	<b>95,604</b>	1,199
Reversal of credit loss allowance against lendings to financial institutions	-	-
(Reversal) / credit loss allowance against other assets	-	-
(Reversal) / credit loss allowance for diminution in the value of investments - net	<b>(1,893)</b>	(18,894)
Credit loss allowance against non-banking assets acquired in satisfaction of claim - held for sale	-	-
(Reversal) / credit loss allowance provision against contingencies	-	-
Loss on sale of non-banking assets acquired in satisfaction of claim - held for sale	-	-
(Gain) / Loss on sale of fixed assets	<b>(80)</b>	(23)
	<b>278,189</b>	(221,827)
	<b>(308,554)</b>	64,685
<b>(Increase) / Decrease in operating assets</b>		
Lendings to financial institutions	-	1,000,000
Securities classified as FVTPL	<b>47,447,171</b>	(549,392)
Advances	<b>(724,924)</b>	(444,636)
Others assets (excluding advance taxation)	<b>(6,279,547)</b>	230,368
	<b>40,442,700</b>	236,340
<b>Increase / (Decrease) in operating liabilities</b>		
Bills payable	-	-
Borrowings from financial institutions	<b>(85,685,677)</b>	87,845,223
Deposits	<b>2,270,746</b>	(146,273)
Other liabilities	<b>(3,632,953)</b>	446,085
	<b>(87,047,884)</b>	88,145,035
	<b>(46,913,738)</b>	88,446,060
Payments against off-balance sheet obligations		
Mark-up / Interest received	-	-
Mark-up / Interest paid	-	-
Income tax paid	<b>(65,845)</b>	(756,816)
<b>Net cash generated from / (used) in operating activities</b>	<b>(46,979,582)</b>	87,689,244
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in securities classified as FVOCI	<b>47,034,417</b>	(66,177,386)
Net investment in amortized cost securities	<b>10,241</b>	(21,949,208)
Dividend received	<b>17,318</b>	17,350
Investments in fixed assets - net	<b>(47,039)</b>	(46,471)
Proceeds from sale of fixed assets	<b>80</b>	23
<b>Net cash flow generated from investing activities</b>	<b>47,015,017</b>	(88,155,692)
<b>Net increase in cash and cash equivalents</b>	<b>35,436</b>	(466,448)
Cash and cash equivalents at beginning of the period	<b>467,431</b>	3,249,185
<b>Cash and cash equivalents at end of the period</b>	<b>502,867</b>	2,782,737

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.

-sd/-

Chief Financial Officer

-sd/-

Managing Director & CEO

-sd/-

Director

-sd/-

Director

**PAK-LIBYA HOLDING COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THREE MONTHS PERIOD ENDED 31 MARCH 2024**

**1. STATUS AND NATURE OF BUSINESS**

- 1.1** Pak-Libya Holding Company (Private) Limited (the Company) was incorporated in Pakistan as a private limited company on 14 October 1978. It is a joint venture between the Government of Pakistan and Government of Libya (State of Libya). The tenure of the Company was thirty years from the date of its establishment. The two contracting parties (i.e. both the governments through their representatives) extended the tenure for further thirty years upto 14 October 2038. The objectives of the Company inter alia include the promotion of economic growth of Pakistan through industrial development, to undertake other feasible business and to establish and acquire companies to conduct various businesses as may be decided from time to time. The Company is designated as a Development Financial Institution (DFI) under the BPD Circular No. 35 dated 28 October 2003 issued by the State Bank of Pakistan (SBP).

The registered office of the Company is located at 5th Floor, Block C, Finance and Trade Centre, Shahrah-e-Faisal, Karachi, Pakistan. The Company has one sales and service center located at Lahore. Effective 05 August 2012, activities of Islamabad office have been suspended for the time being after review of the business strategy.

- 1.2** The State Bank of Pakistan (SBP) through its BSD Circular No. 19 dated 05 September 2008 has prescribed that the minimum paid-up capital (free of losses) for Development Financial Institutions (DFIs) is required to be maintained at Rs. 6 billion.

The paid-up capital of the Company (free of losses) as of 31 March 2024 amounted to Rs. 5.488 billion (31 December 2023: Rs. 6.011 billion). The Company was compliant with minimum capital requirements at FYE 23. However, during the three-months period ended March 2024, the Company fell below the prescribed minimum capital requirements, mainly due to pressure on its net interest margin (NIM) which was subject to interest rate risk since it has an investment in Government Securities portfolio which yielded returns lower than the weighted average borrowing cost.

The management had recently submitted budgetary estimates to the Board together with steps to improve the Company's liquidity, profitability and cash flows via active cost saving and other measures. The management is confident that, taking into account the above measures, the Company will have sufficient funds to finance its operations and to meet its financial obligations. Further, the MCR shortfall will be bridged through organic growth along with materialisation of certain specific items already included in the Budget FY 2024 approved by the Board.

**2. BASIS OF PREPARATION**

**2.1 STATEMENT OF COMPLIANCE**

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IAS 34 - Interim Financial Reporting) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017 provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Act, 2017 and directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP). Whenever the requirements of the Banking Companies Ordinance, 1962, Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

- 2.2** The disclosures provided in these condensed interim financial statements are limited based on the format prescribed by SBP vide BPRD circular letter no. 02 of 2023 dated 09 February 2023 & IAS 34.

- 2.3** The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2023.



### 3 SIGNIFICANT ACCOUNTING POLICIES

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

#### 3.1 Standards, interpretations of and amendments to the published approved accounting standards that are effective in the current year

There are certain amendments and improvements in the standards, issued by International Accounting Standards Board (IASB) that have become applicable during the period. However, such amendments and improvements are either not relevant to the Company's operations or are not expected to have any significant impact, therefore not detailed in these condensed interim financial statements.

#### 3.2 Standards, interpretations of and amendments to approved accounting standards that are not yet effective

There are certain standards, amendments and interpretations with respect to the approved accounting standards that are not yet effective and are not expected to have any material impact on the Company's financial statements in the period of their initial application.

The following new standards and amendments to existing accounting standards will be effective from dates mentioned below against respective standards or amendments.

	<b>Effective Date</b> <b>(Annual periods beginning on or after)</b>
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Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	01 January, 2025
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IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	01 January, 2026
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Other than the aforesaid standards and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

IFRS 1 – First Time Adoption of International Financial Reporting Standards

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

### 5 FINANCIAL RISK MANAGEMENT

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

		(Un-audited) 31 March 2024	(Audited) 31 December 2023
	Note	----- (Rupees in '000) -----	
<b>6. CASH AND BALANCES WITH TREASURY BANKS</b>			
In hand			
Local currency		6	6
Foreign currency		8,338	8,455
		<b>8,344</b>	8,461
With State Bank of Pakistan in			
Local currency current account	6.1	338,365	263,355
		<b>338,365</b>	263,355
With National Bank of Pakistan in			
Local currency current account		339	846
Local currency deposit account		-	-
		<b>339</b>	846
		<b>347,048</b>	272,662

6.1 This represents current account maintained for minimum cash reserve required to be maintained with the State Bank of Pakistan in accordance with its requirements of BSD Circular No. 04 dated 22 May 2024.

		(Un-audited) 31 March 2024	(Audited) 31 December 2023
	Note	----- (Rupees in '000) -----	
<b>7. BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In current accounts		58,143	45,757
In deposit accounts	7.1	97,676	149,012
		<b>155,819</b>	194,769
		<b>155,819</b>	194,769

7.1 The return on these balances ranges from 18.50 to 20.50 (31 December 2023: 14.50 to 20.50) percent per annum.

		(Un-audited) 31 March 2024	(Audited) 31 December 2023
	Note	----- (Rupees in '000) -----	
<b>8. LENDINGS TO FINANCIAL INSTITUTIONS</b>			
Call / clean money lending		30,567	30,567
Repurchase agreement lendings (Reverse Repo)	8.1.1	-	-
		<b>30,567</b>	30,567
Less: Credit loss allowance held against lending to financial institutions	8.2	(30,567)	(30,567)
Lending to financial institutions - net of provision		<b>(0)</b>	(0)
<b>8.1 Particulars of lending</b>			
In local currency		(0)	(0)
		<b>(0)</b>	(0)

8.1.1 Call / clean money lending included term deposit receipts carry markup rates during the period at 21.10 to 22.60 (31 December 2023: 15.10 to 23.50) percent per annum.

**8.2 Lending to Financial Institutions - Particulars of**

		(Un-audited) 31 March 2024		(Audited) 31 December 2023	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
		----- (Rupees in '000) -----			
<b>Domestic</b>					
Performing	Stage 1	-	-	-	-
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		30,567	30,567	30,567	30,567
		<b>30,567</b>	<b>30,567</b>	30,567	30,567
<b>Total</b>		<b>30,567</b>	<b>30,567</b>	30,567	30,567
<b>Overseas</b>					

The Company does not have any overseas lending during these three month period ended 31 March 2024 (31 December 2023: Nil).

9. INVESTMENTS

9.1 Investments by type:

		(Un-audited) 31 March 2024			
	Note	Cost / amortised cost	Credit loss allowance	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----					
<b>FVTPL</b>					
Federal government securities		16,881,780	-	(76,030)	16,805,750
Shares		9,485	-	2,730	12,215
Non Government debt securities		-	-	-	-
Foreign securities		-	-	-	-
		16,891,265	-	(73,300)	16,817,965
<b>FVOCI</b>					
Federal government securities		282,817,385	-	(2,324,185)	280,493,200
Shares		385,201	-	28,091	413,292
Non government debt securities	9.1.5, 9.1.6	2,212,543	(435,701)	682	1,777,524
Foreign securities		-	-	-	-
		285,415,128	(435,701)	(2,295,412)	282,684,016
<b>Amortised Cost</b>					
Federal government securities*		21,903,649	-	-	21,903,649
Shares		-	-	-	-
Non government debt securities		6,366	(6,366)	-	-
Foreign securities		-	-	-	-
		21,910,015	(6,366)	-	21,903,649
<b>Associates</b>	9.1.1, 9.1.2, 9.1.3 & 9.1.4	706,367	(704,867)	-	1,500
<b>Total</b>		<u>324,922,775</u>	<u>(1,146,934)</u>	<u>(2,368,712)</u>	<u>321,407,130</u>

		(Audited) 31 December 2023			
		Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- (Rupees in '000) -----					
<b>FVTPL</b>					
Federal Government securities		64,328,951	-	20,754	64,349,705
Provincial Government securities		-	-	-	-
Shares		9,485	-	1,550	11,035
Non Government debt securities		-	-	-	-
Foreign securities		-	-	-	-
		64,338,436	-	22,304	64,360,740
<b>FVOCI</b>					
Federal Government securities		329,607,109	-	293,133	329,900,242
Provincial Government securities		-	-	-	-
Shares		385,201	-	(5,666)	379,535
Non Government debt securities	9.1.5	2,457,237	(437,594)	628	2,020,271
Foreign securities		-	-	-	-
		332,449,547	(437,594)	288,096	332,300,049
<b>Amortised Cost</b>					
Federal Government securities		21,913,890	-	-	21,913,890
Provincial Government securities		-	-	-	-
Non Government debt securities		6,366	(6,366)	-	-
Foreign securities		-	-	-	-
		21,920,256	(6,366)	-	21,913,890
<b>Associates</b>	9.1.1, 9.1.2, 9.1.3 & 9.1.4	706,367	(704,867)	-	1,500
<b>Total</b>		<u>419,414,606</u>	<u>(1,148,827)</u>	<u>310,400</u>	<u>418,576,179</u>

9.1.1 This represents 50% shareholding in the ordinary shares (Rs.10 each) of Kamoki Energy Limited (KEL), which has been fully provided. The book value represents cost of investment amounting to Rs. 500.00 million less share of loss on interest in joint venture amounting to Rs. 95.133 million upto 30 June 2012.

9.1.2 These include preference shares amounting to Rs.300.00 million which are cumulative, convertible, redeemable and non-participatory carrying dividend at the rate of 17% per annum having face value of Rs.10 each. These were redeemable within four years of the allotment date. If preference shares are not fully redeemed by the issuer in this time period, the remaining part along with the unpaid dividend thereon would be convertible at the option of preference shareholder at par value of Rs.10 into ordinary shares ranking pari passu in all respects with the ordinary shares except for participation in dividend / bonus distribution for the period for which preference share dividend has been paid.

9.1.3 It includes unlisted ordinary shares of FTC Management Company (Private) Limited. FTC Management Company (Private) Limited was incorporated in Pakistan. It is engaged in managing, operating and maintaining offices with the name Finance and Trade Centre (FTC) for the mutual benefits of its owners and thus providing a nucleus for all joint and common services which are available in the FTC situated in Karachi.

9.1.4 It includes unlisted ordinary shares of Kamoke Powergen (Private) Limited (KPL). It was established as a Special Purpose Vehicle (SPV) to obtain power generation license from NEPRA to increase the saleability of assets of KEL. SBP's approval was obtained for the formation of KPL which was granted vide letter No. BPRD/RPD/27366/16 dated 16 November 2016. In 2020, the Company disposed off its major shareholding and management control, therefore the subsidiary has become an associate.

**9.1.5** It includes an investment in listed term finance certificates (TFC) amounting to Rs. 398.58 million comprising 79,955 units. During last quarter of the 2018, upon maturity, the issuer informed investors the status of minimum capital requirements and its pending merger with and into another Bank. As a result, issuer could not make the final payment of its mark-up and entire principal amount. Consequently, an extraordinary meeting of the TFC holders was held on 19 November 2018 wherein the majority of the TFC holders agreed to extend the maturity date of the TFC Issue for a period of one year (27 October 2019) on the existing terms and conditions as the counter party invoked the lock-in clause governed by clause 4.1.1 of the 'Declaration of Trust' to hold the payment till the minimum capital requirement is met. The clause is mandatorily invoked for the time being until proposed merger; however, the pending merger had been called off and the Bank started working to resolve the issue. Therefore, another extraordinary meeting of the TFC holders was held on 20 November 2019 wherein, considering the developments, the majority TFC holders agreed to extend the maturity of the TFC Issue for a period of another one year on the same terms.

Considering the delay in resolution, the TFC holders again agreed to extend the maturity period for another year ending 27 October 2023 so the Bank could finalise new arrangement with the investors for equity injection. The Bank acknowledges the debt and related mark-up as payable on the TFC Issue.

Considering the continuous effort and developments, every year SBP gives its final approval for the preceding year and a separate in-principal approval for the current extended period. In 2023, the Bank has announced that a key milestone relating to equity injection from the foreign investor has been completed. In this regard, EOGM of the Bank held on 16 January 2023 authorised the equity injection.

The management has evaluated overall situation vis-à-vis Bank's intention and ability to pay; accordingly, concluded that both the elements exist as it acknowledges the debt and there are no restrictions on its operations while the payment is delayed due to minimum capital requirements. Therefore, management has provided impairment on the said TFCs based on expected credit loss amounting to Rs. 100.954 million in the annual audited financial statements for the year ended 31 December 2023

**9.1.6** It also includes an investment in term finance certificates (TFC) amounting to Rs. 99.920 million on which the Company had taken a provision of Rs. 11.209 million based on market price in prior period. During the last year, the issuer Bank could not make the payment of installment due to non-compliance with minimum capital requirements. The issuer Bank of the TFC had submitted a plan approved by their Board for additional equity to address the Capital Adequacy Ratio (CAR) and MCR position.

In this regard, the management of the Company, keeping in view the legal opinion which does not consider the delay in payment as an event of default due to the lock-in-clause, has evaluated overall situation vis-à-vis Bank's intention and ability to pay; accordingly, concluded that both the elements exist as it acknowledges the debt and there are no restrictions on its operations while the payment is delayed due to minimum capital requirements and CAR position. Therefore, management has provided impairment of Rs. 55.0 million based on subjective review, on the said TFC due to above facts and the recent developments in the annual audited financial statements for the year ended 31 December 2023.

**9.1.7 Investments given as collateral**

	(Un-audited) 31 March 2024	(Audited) 31 December 2023
	Cost	
	----- (Rupees in '000) -----	
Market treasury bills	87,266,897	140,146,217
Pakistan investment bonds	230,171,306	268,185,919
	<b>317,438,203</b>	<b>408,332,136</b>

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

	443,960	330,022
<b>9.2.1</b> Opening balance		
Charge / reversals		
Charge for the period / year	5,239	(30,129)
Reversal for the year	(7,133)	
Reversal on disposals	-	144,067
	(1,894)	113,938
Transfers - net	-	-
Amounts written off	-	-
Closing balance	<b>442,066</b>	<b>443,960</b>

**9.2.2 Particulars of provision against debt securities**

Category of classification	(Un-audited) 31 March 2024		(Audited) 31 December 2023		
	Outstanding amount	Credit loss allowance Held	Outstanding amount	Credit loss allowance Held	
	----- (Rupees in '000) -----		----- (Rupees in '000) -----		
<b>Domestic</b>					
Performing	Stage 1	1,440,337	679	1,677,899	590
Underperforming	Stage 2	498,500	161,316	498,500	156,166
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		280,072	280,072	287,204	287,204
		280,072	280,072	287,204	287,204
		<b>2,218,909</b>	<b>442,067</b>	<b>2,463,603</b>	<b>443,960</b>

**Overseas**

The Company does not have any overseas investment during the period ended 31 March 2024 (31 December 2023: Nil).

**10. ADVANCES**

	(Un-audited) 31 March 2024			(Audited) 31 December 2023		
	Performing	Non Performing	Total	Performing	Non Performing	Total
	(Rupees in '000)			(Rupees in '000)		
Loans, cash credits, running finances, etc.	10,071,800	1,869,348	11,941,148	9,331,181	1,885,043	11,216,224
Advances - gross	10,071,800	1,869,348	11,941,148	9,331,181	1,885,043	11,216,224
Credit loss allowance against advances						
-Stage 1	40,326	-	40,326	34,224	-	34,224
-Stage 2	37,270	-	37,270	21,912	-	21,912
-Stage 3	-	1,295,673	1,295,673	-	1,175,167	1,175,167
	77,596	1,295,673	1,373,269	56,136	1,175,167	1,231,303
<b>Advances - net of provision</b>	<b>9,994,204</b>	<b>573,675</b>	<b>10,567,879</b>	<b>9,275,045</b>	<b>709,876</b>	<b>9,984,921</b>

**10.1 Particulars of advances (Gross)**

In local currency

(Un-audited) 31 March 2024	(Audited) 31 December 2023
----- (Rupees in '000) -----	
<b>11,941,148</b>	<b>11,216,224</b>

**10.2** Advances include Rs.1,869.348 million (31 December 2023: Rs.1,885.043 million) which have been placed under non-performing status as detailed below:-

	(Un-audited) 31 March 2024		(Audited) 31 December 2023	
	Non performing loans	Credit loss allowance	Non performing loans	Credit Loss Allowance
	----- (Rupees in '000) ---		----- (Rupees in '000) -----	
<b>Domestic</b>				
Other Assets Especially Mentioned (OAEM)	-	-	-	-
Substandard	252,590	62,759	503,125	125,781
Doubtful	670,625	345,313	570,000	296,000
Loss	946,133	887,601	811,918	753,386
	<b>1,869,348</b>	<b>1,295,673</b>	<b>1,885,043</b>	<b>1,175,167</b>

**Overseas**

The Company does not have any overseas advances during the period ended 31 March 2024 (31 December 2023 : Nil).

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

	(Un-audited) 31 March 2024				(Audited) 31 December 2023			
	Stage 3	Stage 2	Stage 1	Total	Stage 3	Stage 2	Stage 1	Total
	----- Rupees in 000 -----				----- Rupees in 000 -----			
Opening balance	1,175,167	21,912	34,224	1,231,303	1,185,728	74,140	4,944	1,264,812
Exchange adjustments	-	-	-	-	-	-	-	-
Charge for the period / year	186,131	16,973	7,109	210,213	295,178	646	31,530	327,354
Reversal	(65,625)	(1,615)	(1,007)	(68,247)	(305,739)	(52,874)	(2,250)	(360,863)
	120,506	15,358	6,102	141,966	(10,561)	(52,228)	29,280	(33,509)
Amounts charged off - agriculture financing	-	-	-	-	-	-	-	-
Closing balance	1,295,673	37,270	40,326	1,373,269	1,175,167	21,912	34,224	1,231,303

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

	(Un-audited) 31 March 2024				(Un-audited) 31 December 2023			
	Stage 3	Stage 2	Stage 1	Total	Stage 3	Stage 2	Stage 1	Total
	----- Rupees in 000 -----				----- Rupees in 000 -----			
In local currency	1,295,673	37,270	40,326	1,373,269	1,175,167	21,912	34,224	1,231,303

**10.3.2** The provision against non-performing advances includes an impact of Forced Sale Value (FSV) benefit amounting to Rs. Nil (31 December 2023: Nil) in respect of consumer financing and Rs. 58.532 million (31 December 2023: Rs. 58.532 million) being security deposit in respect of lease financing. The FSV benefit recognised under the Prudential Regulations is not available for the distribution of cash or stock dividend to the shareholders. Further, SBP through its letter no. OSED/SEU-05/041(01)-12/2218/2012 dated 26 December 2012 had stipulated that no dividend, cash or kind, shall be paid out of the benefits realised through the relaxations allowed therein.

**10.4 Advances - Particulars of credit loss allowance**

	(Un-audited) 31 March 2024			(Audited) 31 December 2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----- Rupees in 000 -----			----- Rupees in 000 -----		
10.4.1 Opening balance	34,224	21,912	1,175,167	4,944	74,140	1,185,728
New advances	1,345	-	-	3,484	99	-
Advances derecognised or repaid	-	-	(5,784)	(535)	(322)	(281,707)
Transfer to stage 1	-	-	-	24,059	(27)	(24,032)
Transfer to stage 2	(1,008)	66,633	(65,625)	(547)	547	-
Transfer to stage 3	-	(1,615)	1,615	(1,168)	(17,918)	19,086
	337	65,018	(69,794)	25,293	(17,621)	(286,653)
Changes in risk parameters	5,765	(49,660)	190,300	3,987	(34,607)	276,092
Other changes	-	-	-	-	-	-
Closing balance	40,326	37,270	1,295,673	34,224	21,912	1,175,167

**10.4.2 Advances - Category of classification**

		(Un-audited) 31 March 2024		(Audited) 31 December 2023	
		Outstanding amount	Credit loss allowance Held	Outstanding amount	Credit loss allowance Held
Performing	Stage 1	7,810,664	40,326	7,655,928	34,224
Underperforming	Stage 2	2,261,136	37,270	1,675,253	21,912
Non-Performing	Stage 3				
Substandard		252,590	62,759	503,125	125,781
Doubtful		670,625	345,313	570,000	296,000
Loss		946,133	887,601	811,918	753,386
		1,869,348	1,295,673	1,885,043	1,175,167
		11,941,148	1,373,268	11,216,224	1,231,303

		(Un-audited) 31 March 2024	(Audited) 31 December 2023
	Note	----- (Rupees in '000) -----	
<b>11. PROPERTY AND EQUIPMENT</b>			
Capital work-in-progress	11.1	8,290	6,987
Property and equipment	11.2	1,319,773	1,293,769
		<u>1,328,063</u>	<u>1,300,756</u>
<b>11.1 Capital work-in-progress</b>			
Civil works		<u>8,290</u>	<u>6,987</u>
		<u>8,290</u>	<u>6,987</u>
<b>11.2 Additions to property and equipment</b>			
The following additions have been made to property and equipment during the period:			
Capital work-in-progress			
Furniture and fixture		392	1,128
Electrical office and computer equipment		15	5,803
Vehicles		45,000	43,601
Total		<u>45,407</u>	<u>50,532</u>
<b>11.3 Disposal of property and equipment</b>			
The net book value of property and equipment disposed off during the period is as follows:			
Furniture and fixture		-	587
Electrical office and computer equipment		-	271
Vehicles		-	-
Total		<u>-</u>	<u>858</u>
<b>12. INTANGIBLE ASSETS</b>			
Computer software		<u>885</u>	961
		<u>885</u>	<u>961</u>

	(Un-audited) 31 March 2024	(Audited) 31 December 2023
<b>13. DEFERRED TAX ASSETS / (LIABILITY)</b>		
Deductible temporary differences on		
- Post retirement employee benefits	6,204	5,934
- Deficit on revaluation of investments	290,523	(38,722)
- Surplus on revaluation of fixed assets	(253,656)	(256,839)
- Accelerated tax depreciation	(12,953)	(8,249)
- Credit loss allowance against advances, off balance sheet etc.	81,075	81,075
- Net investment in finance lease	3,835	1,735
- Minimum tax u/s 113	1,040,788	671,123
	<b>1,155,816</b>	<b>456,057</b>

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

- 13.1** As at 31 March 2024, the Company has available credit loss allowance for advances, investments and other assets, however the management has prudently recognised the deferred tax asset, if any, only to the extent given above based on the absorption / admissibility of the same as forecasted in the projections approved by the Board of Directors.

	(Un-audited) 31 March 2024	(Audited) 31 December 2023
<b>14. OTHER ASSETS</b>		
Income / mark-up accrued in local currency-net of provision	16,828,583	10,547,862
Advances, deposit, advance rent and other prepayments	89,859	86,242
Advance taxation (payments less provisions)	4,225,255	4,497,950
Staff retirement gratuity - asset	-	-
Other receivables	8,471	13,262
	<b>21,152,168</b>	<b>15,145,316</b>
Less: Credit loss allowance held against other assets	(84,529)	(62,230)
Other assets - (net of credit loss allowance)	<b>21,067,639</b>	<b>15,083,086</b>

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

- 14.1** Non-banking assets acquired in satisfaction of claims - held for sale

14.2.1 **214,453** 214,826

- 14.2** Market value of non-banking assets acquired in satisfaction of claims has been disclosed in note

**14.2.1 Non-banking assets acquired in satisfaction of claims - held for sale**

Opening balance	214,827	158,086
Additions	-	-
Revaluation	-	58,233
Disposals/Transfers	-	-
Depreciation	(373)	(1,493)
Impairment	-	-
Closing balance	<b>214,453</b>	<b>214,826</b>

This includes non-banking assets acquired under satisfaction of claim in relation to KEL's exposure. These remaining assets comprise of land measuring 14.125 acre and office building structure situated at Kamoki, District Gujranwala, Punjab, Pakistan. The power plant has already been disposed off in the year 2022, however land and related building structure held as non-banking asset at period end.



	(Un-audited) 31 March 2024	(Audited) 31 December 2023
Note	----- (Rupees in '000) -----	
<b>14.3 Credit loss allowance held against other assets</b>		
Advances, deposits, advance rent & other prepayments	62,230	62,049
Non banking assets acquired in satisfaction of claims	-	-
Closing balance	<u>62,230</u>	<u>62,049</u>

**14.3.1 Movement in Credit loss allowance held against other assets**

Opening balance	62,230	62,049
Charge for the period / year	-	181
Reversal	-	-
Amount written off / (recovered)	-	-
Closing balance	<u>62,230</u>	<u>62,230</u>

	(Un-audited) 31 March 2024	(Audited) 31 December 2023
Note	----- (Rupees in '000) -----	
<b>15. BORROWINGS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan under:		
Long-term financing facility (LTFF)	15.1 (a) 563,942	555,782
Refinance scheme for payment of wages & salaries	15.1 (b) -	-
Temporary economic relief facility (TERF)	15.1 (c) 514,276	576,583
Repurchase agreement borrowings - Repo	15.2 321,127,037	414,390,090
Borrowings from financial institutions	15.3 4,199,000	3,899,000
<b>Total secured</b>	<b>326,404,254</b>	419,421,455
<b>Unsecured</b>		
Clean borrowings	10,665,000	3,930,000
Bai Muajjal	15.4 1,636,673	1,040,148
	<u>338,705,927</u>	<u>424,391,604</u>

**15.1** This includes borrowings from State Bank of Pakistan as under:

- (a) The Company has entered into agreements for financing with State Bank of Pakistan (SBP) for long term financing facility (LTFF) to the customers. According to the terms of respective agreements, SBP has the right to receive outstanding amount from the Company at the date of maturity of finances by directly debiting current account maintained by the Company with the SBP. Such financing carry interest at the rate of 7.0 to 10.0 (31 December 2023: 7.0 to 10.0) percent per annum.
- (b) The Company has entered into agreements for financing with State Bank of Pakistan (SBP) for refinance scheme for payment of wages & salaries to the customers. According to the terms of respective agreements, SBP has the right to receive outstanding amount from the Company at the date of maturity of finances by directly debiting current account maintained by the Company with the SBP. Such financing carry Nil (31 December 2023: Nil) percent per annum interest for all types of eligible borrowers that are on active tax payer list.
- (c) The Company has entered into agreements for financing with State Bank of Pakistan (SBP) for temporary economic relief facility (TERF). According to the terms of respective agreements, SBP has the right to receive outstanding amount from the Company at the date of maturity of finances by directly debiting current account maintained by the Company with the SBP. Such financing carry interest at the rate of 1.0 (31 December 2023: 1.0) percent per annum.

15.2 The Company has arranged borrowings from various financial institutions against sale and repurchase of Government Securities amounting to Rs.321,127.037 million. The outstanding facilities as at statement of financial position date are due for maturity on various dates latest by 26 April 2024 (31 December 2023: 26 January 2024). The rate of mark-up on these facilities range from 22.06 to 22.08 (31 December 2023: 22.04 to 23.00) percent per annum.

15.3 This includes borrowings from financial institutions as under:

(a) Rs. 4,000.00 million (31 December 2023: Rs. 3,700.00 million) representing long term borrowings from certain financial institutions which are secured by way of first hypothecation charge over assets of the Company with 30 percent margin on the facility amount. They carry mark-up rates of 3 months KIBOR plus 0.60 and 6 months' KIBOR plus 0.25 percent to 0.45 percent per annum payable on semi-annual basis (2023: 3 months KIBOR plus 0.60 and 6 months' KIBOR plus 0.25 percent to 0.45 percent per annum payable on semi-annual basis). As at 31 March 2024, the applicable interest rates were 21.63 to 22.49 (31 December 2023: 21.73 to 23.47) percent per annum. These borrowings are due for maturity latest by 28 December 2026 (31 December 2023: 28 December 2026).

(b) This represents short term borrowings (running finance) amounting to Rs.199 million (31 December 2023: Rs.199 million) from financial institution for the period ranging from overnight to 12 months. They carry mark-up rate of three months KIBOR plus 1.50 (31 December 2023: 3 months KIBOR plus 1.50) percent per annum. The borrowing is secured by way of hypothecation on all present and future assets of the Company with 30 percent margin.

15.4 This represents financing through unsecured Bai Muajjal from a financial institution due for repayment latest by 05 June 2024 (31 December 2023: 14 February 2024). The rate of mark-up on this facility ranges from 21.75 to 21.80 (31 December 2023: 22.10 to 22.10) percent per annum.

	(Un-audited) 31 March 2024	(Audited) 31 December 2023
	----- (Rupees in '000) -----	
In local currency	338,705,927	424,391,604
In foreign currency	-	-
	<u>338,705,927</u>	<u>424,391,604</u>

#### 15.5 Particulars of borrowings with respect to currencies

#### 16. DEPOSITS AND OTHER ACCOUNTS

	(Un-audited) 31 March 2024			(Audited) 31 December 2023		
	In local currency	In foreign currency	Total	In local currency	In foreign currency	Total
	----- (Rupees in '000) -----					
<b>Customers</b>						
Certificate of Investment	9,074,433	-	9,074,433	6,803,687	-	6,803,687
Term deposits	-	-	-	-	-	-
Others	-	-	-	-	-	-
	<u>9,074,433</u>	<u>-</u>	<u>9,074,433</u>	<u>6,803,687</u>	<u>-</u>	<u>6,803,687</u>

The profit rates on these Certificates of Investment (COIs) range from 20.60 to 23.40 (31 December 2023: 21.00 to 23.40) percent per annum. These COIs are due for maturity on various dates latest by 28 January 2025 (31 December 2023: 30 October 2024).

#### 17. OTHER LIABILITIES

		(Un-audited) 31 March 2024	(Audited) 31 December 2023
	Note	----- (Rupees in '000) -----	
Mark-up / Return / Interest payable in local currency		2,603,354	6,524,098
Accrued expenses		847,635	560,747
Advance payments		3,500	3,500
Employees' compensated absences	17.1	22,577	21,648
Credit loss allowance against off-balance sheet obligations	17.2	20	16
Security deposits against lease		58,532	58,532
Staff retirement gratuity - liability		4,482	4,508
		<u>3,540,100</u>	<u>7,173,049</u>

17.1 This is based on actuarial valuation carried out as of 31 December 2023 for regular employees and MD & DMD of the Company.

	(Un-audited) 31 March 2024	(Audited) 31 December 2023
	----- (Rupees in '000) -----	
Opening balance	16	-
Exchange adjustment	-	-
Charge for the year	4	16
Reversal	-	-
	4	16
Amount written off	-	-
Closing balance	20	16

	(Un-audited) 31 March 2024	(Audited) 31 December 2023
	----- (Rupees in '000) -----	
<b>18. SURPLUS / DEFICIT ON REVALUATION OF ASSETS</b>		
Surplus / (deficit) on revaluation of		
- Debt securities measured at FVTOCI	(2,323,503)	293,761
- Equity securities measured at FVTOCI	28,091	(5,666)
- Debt securities measured at Amortized cost	-	-
- Property and equipment	1,194,785	1,205,763
- Non-banking assets acquired in satisfaction of claims	56,475	56,741
	(1,044,151)	1,550,600

Deferred tax on surplus / (deficit) on revaluation of:

- Debt securities measured in FVTOCI	290,523	(36,642)
- Equity securities measured in FVTOCI	(3,511)	708
- Debt securities measured at Amortized cost	-	-
- Property and equipment	(253,656)	(256,839)
- Non-banking assets acquired in satisfaction of claims	-	-
	33,356	(292,773)
	(1,010,795)	1,257,826

#### 19. CONTINGENCIES AND COMMITMENTS

- Guarantees	894,084	893,215
- Commitments	7,744,301	7,886,721
- Super Tax Contingency	-	62,900
- Other contingent liabilities	349,566	242,577
	8,987,950	9,085,413

#### 19.1 Guarantees:

Financial guarantees	841,120	841,120
Performance guarantees	52,964	52,095
Other guarantees	-	-
	894,084	893,215

19.1.1 This represents the guarantees issued on behalf of KEL, a joint venture. During the year 2012, a decision was announced by the Honorable Supreme Court of Pakistan (Court), in which all contracts of RPPs were declared to be illegal and void ab initio and as a result of which the guarantee remained inoperative. Consequently, there cannot be any exposure of the Company under the same. The Company will cease to disclose relevant balances upon dissolution of KEL Company.

	(Un-audited) 31 March 2024	(Audited) 31 December 2023
	----- (Rupees in '000) -----	
<b>19.2 Commitments:</b>		
Documentary credits and short-term trade-related transactions		
- letters of credit	2,650,000	1,300,000
Commitments for acquisition of:		
- intangible assets	708	708
Other commitments	5,093,592	6,586,013
	7,744,301	7,886,721

## 19.2.2 Other commitments

Commitments to extend credit	5,093,592	3,276,357
Commitments against other services	-	3,309,656
	<u>5,093,592</u>	<u>6,586,013</u>

## 19.3 Other contingent liabilities

- 19.3.1** In financial year 2014, the Company received the appeal effect orders with respect to the Appellate Tribunal Inland Revenue (ATIR) orders dated 20 February 2013 in relation to tax years 2004, 2005, 2006 and 2008 where the outcome was in favour of the Company in relation to issues of loans and advances written-off, apportionment of expenditure and loans to executives/officers and the resulting refunds were adjusted against the tax liability for the tax years 2009 and 2010. Based on the decision of ATIR, overall resulting relief and brought forward losses, there was 'nil' additional tax liability remaining for tax years 2009 and 2010. In June 2015, the Additional Commissioner Inland Revenue issued orders under section 221/124 of the ITO for the tax years 2003 to 2010 to give the appeal effect of the ATIR order. Upon Company's rectification application, a rectified order was issued which resulted in a refund of Rs.122.777 million in tax year 2010. The Tax department has filed the references before High Court of Sindh against the order of ATIR.
- 19.3.2** For the tax year 2011, Deputy Commissioner Inland Revenue (DCIR) vide order dated 30 August, 2013 passed under section 122(1) read with section 177 of Income Tax Ordinance (ITO) issued the amended assessment order and raised a demand of Rs.84.392 million. The demand mainly pertains to additions made for apportionment of expenses to dividend income/capital gains/(losses), disallowance of interest payable on accrual basis, provision for loans and advances and loss on termination of leased assets etc. The Company filed a refund claim of Rs.70.53 million for the tax year 2011 through a revised tax return. The Company filed an appeal with Commissioner Inland Revenue Appeals on 14 October 2013. The CIR (A) disposed the appeal vide his order No. 22 dated 26 December 2016. In relation to the said appeal, CIR (A) confirmed the treatment of DCIR on certain issues, whilst few matters were decided in favour of the Company. Therefore, an appeal before ATIR to contest various treatments adopted in the above mentioned order issued by CIR(A) has been filed in addition to a rectification application on 02 March 2017. The appeal is pending before ATIR and has not been fixed yet.
- 19.3.3** For the tax year 2013, the Company received a tax demand of Rs.24.300 million on 11 November 2014 vide order under section 122 (5A) of the ITO. Against this order, rectification application was filed vide letter T-2798/2012 dated 12 December 2014 wherein it has been highlighted that the issue of apportionment of expenditure against dividend income and capital gain has been decided in favour of the Company by ATIR. Also, the Tax department did not consider the payment of tax of Rs.13.47 million. In June 2015, a rectification order under section 221 of the ITO was passed by the Additional Commissioner Inland Revenue to give effect of apportionment of financial charges and tax credits. Consequently the tax department revised its tax demand and reduced it to Rs.13.198 million. The Company filed an appeal with Commissioner Inland Revenue Appeals (CIRA) on 22 December 2014. The CIR (A) disposed the appeal vide his order No. 23 dated 26 December 2016. In relation to the said appeal, the CIR (A) confirmed the treatment of the ACIR on certain issues whilst few matters were decided in favour of the Company. Therefore, an appeal before ATIR to contest various treatments adopted in the above mentioned order issued by CIR(A) has been filed on 2 March 2017 in addition to a rectification application on 02 March 2017. The appeal is pending before ATIR and has not been fixed yet.
- 19.3.4** For the tax year 2014, the ACIR passed an order wherein tax demand of Rs.57.866 million was raised, disallowing the provision for non-performing loan and advances, apportionment of financial and administrative expenses against dividend income and capital gain, penalty imposed by the State Bank of Pakistan, treated the expenditure incurred on privately placed TFCs as capital expenditure and charged WWF. The Company filed an appeal with Commissioner Inland Revenue Appeals (CIRA) on 22 November 2016. The CIR (A) disposed the appeal vide his order No. 13 dated 16 January 2017. In relation to the said appeal, the CIR (A) confirmed the treatment of the ACIR on certain issues whilst few matters were decided in favour of the Company. Therefore, an appeal before ATIR to contest various treatments adopted in the above mentioned order issued by CIR(A) has been filed on 02 March 2017. The appeal is pending before ATIR and has not been fixed yet.
- 19.3.5** For the tax year 2015, the ADCIR passed an order wherein tax demand of Rs.46.669 million was raised, disallowing the provision for non-performing advances, write off against KSE-TREC and loss on sale of non-banking assets, apportioned the financial and administrative expenses against dividend income and capital gain, disallowed penalty imposed by the State Bank of Pakistan and treated the expenditure incurred on privately placed TFCs as capital expenditure, whilst treatment on certain matters were decided in favour of the Company. Therefore, an appeal before CIR(A), to contest various treatments adopted in the above mentioned order issued by ADCIR, has been filed on 16 April 2019. The appeal has been heard and the order is pending.
- 19.3.6** For the tax year 2016, the ADCIR passed an order u/s 122(5A) wherein tax demand of Rs. 102.965 million was raised, disallowing the provision against non performing advances, loss on sale of non-banking assets, expenses for privately placed TFCs and the penalty imposed by the State Bank of Pakistan. Further, ADCIR allocated the expenditure on gross receipts basis to capital gain and dividend income. Therefore, an appeal before CIR(A), to contest the various adverse treatments adopted in the above mentioned order issued by ADCIR, has been filed on 25 March 2021. The CIR(A) vide his order dated 06 April 2023, confirmed the treatment of the ADCIR on certain issues. Therefore, an appeal before ATIR to contest various treatments adopted in the above mentioned order issued by CIR(A) has been filed on 03 June 2023. The appeal is pending before ATIR and has not been fixed yet.
- 19.3.7** For the tax year 2017, the DCIR passed an order under section 122(1)/ (5) of the Ordinance on September 30, 2019. As a result, there is no change in the tax liability, however, loss Declared as per return Rs.611.559 million reduced to Rs.133.227 million. In the order passed, DCIR disallowed the provision for non-performing advances, apportioned the financial and administrative expenses against dividend income and capital gain, disallowed board meeting expenses and treated expenditure incurred on privately placed TFCs as capital expenditure. Therefore, an appeal before CIR(A), to contest the various treatments adopted in the above mentioned order was filed. The CIR(A) vide his order No. 29 dated 27-01-2021, confirmed the treatment of the DCIR on certain issues whilst few matters were decided in favour of the Company. Therefore, an appeal before ATIR to contest various treatments of the DCIR upheld by CIR(A) has been filed on 31 March 2021 before the Appellate Tribunal Inland Revenue, Karachi (ATIR). The appeal is pending before ATIR and has not been fixed yet.

- 19.3.8** For the tax year 2018, the ADCIR passed an order u/s 122(5A) wherein tax demand of Rs. 31.948 million was raised disallowing the provision against non performing advances, provision against other assets, other charges (KEL), expenses for privately placed TFCs and the penalty imposed by the State Bank of Pakistan. Further, ADCIR allocated the expenditure on gross receipts basis to capital gain and dividend income. Therefore, an appeal before CIR(A), to contest various adverse treatments adopted in the above mentioned order issued by ADCIR, has been filed on 25 March 2021. The CIR(A) vide his order dated 06 April 2023, confirmed the treatment of the ADCIR on certain issues whilst few matters were decided in favour of the Company. Therefore, an appeal before ATIR to contest various treatments adopted in the above mentioned order issued by CIR(A) has been filed on 03 Jun 2023. The appeal is pending before ATIR and has not been fixed yet. Further, a rectification application has been filed; after due rectification the outstanding demand will be eliminated and there will be a refund of Rs. 23.021 million.
- 19.3.9** For the tax year 2019, the ADCIR passed an order u/s 122(5A) wherein ADCIR determined refund of Rs. 62.551 million. In the said order ADCIR disallowed the apportionment of expenses, provision against non performing advances, other charges (KEL), other admissible deduction (lease finance income), actuarial loss on defined benefit plan and tax loss on sale of assets. Consequently, the loss of Rs. 180.126 million as per return has reduced to Rs. 52.527 million. Therefore, an appeal before CIR(A), to contest the various adverse treatments adopted in the above mentioned order issued by ADCIR, has been filed on 07 April 2023. The appeal is pending and has not been fixed yet.
- 19.3.10** For the tax year 2020, the ADCIR passed an order u/s 122(5A) wherein ADCIR determined refund of Rs. 78.275 million. In the said order ADCIR disallowed the provision against non performing advances, other charges (KEL), other admissible deduction (lease finance income) and tax loss on sale of assets. Consequently, the loss of Rs. 361.600 million as per return has reduced to Rs. 271.639 million. Therefore, an appeal before CIR(A), to contest the various adverse treatments adopted in the above mentioned order issued by ADCIR, has been filed on 07 April 2023. The appeal is pending and has not been fixed yet.

No provision has been made in these condensed interim financial statements in respect of above mentioned matters as the management is hopeful of a favourable outcome on these matters considering the appellate history and tax advisor's opinion.

- 19.3.11** The Company, through its lawyer, has challenged in Sindh High Court (SHC) section 2(g)(V), 5(3), 5(4) and 6(1) of the Sindh Workers Welfare Fund Act, 2014 to be unlawful and void ab initio. The Court as an interim measure passed the order that no coercive action shall be taken against the Company till next date of hearing as suit No 610/2017, in which almost 20 Financial Institutions have filed a Composite Suit challenging the same law, requires hearing. Pak Libya has also filed an appeal on 2 March 2017. At period end, the outcome was still pending.
- 19.3.12** As per the criteria outlined for high-earned income under section 4C of the Income Tax Ordinance 2001 (ITO), as amended by the Finance Act 2022 and further refined via the Finance Act 2023 which obligates a super tax liability on taxable income before adjusting for brought forward losses.

However, considering the judgment of the Islamabad High Court in WP No. 4027 of 2022 dated 18-04-2023, wherein it was ruled that non-consideration of brought forward losses and unabsorbed depreciation in taxable income is ultra vires, and struck down. Thus, the matter of levy of super tax is currently sub-judice before the Supreme Court of Pakistan. It is pertinent to mention that the Islamabad High Court has granted interim relief to all petitioners, allowing for the adjustment of brought forward losses with taxable income when calculating super tax liability.

Therefore, in light of that determination of the company's super tax liability remains uncertain. This decision is due to the utilization of brought forward losses from the years 2022 (Rs. 105 million) and 2023 (Rs. 543 million), which have been adjusted against the taxable income for the tax year 2024. Consequently, the company's taxable income does not exceed the minimum threshold of Rs. 150 million.

## **20. DERIVATIVE INSTRUMENTS**

The Company did not enter into any interest rate swaps, forward rate agreements and foreign exchange options during the three month's period ended 31 March 2024 (31 December 2023: Nil).

	(Un-audited) 31 March 2024	(Un-audited) 31 March 2023
<b>21. MARK-UP / RETURN / INTEREST EARNED</b>		
Loans and advances	457,332	408,784
Investments	21,621,395	4,704,314
Lendings to financial institutions	10,368	103,050
Balance with banks	5,873	1,442
	<u>22,094,968</u>	<u>5,217,590</u>
<b>21.1 Interest income (calculated using effective interest rate method) recognised on:</b>		
Financial assets measured at amortised cost	19,795,985	518,617
Financial assets measured at fair value through OCI	2,298,983	2,906,792
	<u>22,094,968</u>	<u>3,425,410</u>
<b>22. MARK-UP / RETURN/ INTEREST EXPENSED</b>		
Deposits	403,172	262,865
Borrowings	22,330,865	4,761,752
	<u>22,734,037</u>	<u>5,024,617</u>
<b>23. FEE AND COMMISSION INCOME</b>		
Credit related fees	15,423	5,478
	<u>15,423</u>	<u>5,478</u>
<b>24. (LOSS) / GAIN ON SECURITIES - NET</b>		
Realised	475,962	6,201
Unrealised-held for trading	(95,604)	(1,199)
	<u>380,358</u>	<u>5,002</u>
<b>24.1 Realised gain on:</b>		
Federal government securities	476,136	208
Shares	(174)	5,994
	<u>475,962</u>	<u>6,202</u>
<b>25. OTHER INCOME</b>		
Gain on sale of operating fixed assets	80	23
Gain on sale of non-banking assets - net	-	-
Others	-	-
	<u>80</u>	<u>23</u>

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

	(Un-audited) 31 March 2024	(Un-audited) 31 March 2023
26. OPERATING EXPENSES	Note ----- (Rupees in '000) -----	
<b>Total compensation expense</b>	<b>118,241</b>	<b>110,172</b>
<b>Property expense</b>		
Insurance	1,016	905
Utilities cost	4,273	2,589
Security (including guards)	120	282
Repair and maintenance (including janitorial charges)	6,014	5,051
Depreciation	11,191	14,806
	<b>22,614</b>	<b>23,633</b>
<b>Information technology expenses</b>		
Software maintenance	362	544
Hardware maintenance	196	712
Depreciation	876	893
Amortisation	77	118
Network charges	596	524
BCP expense	183	183
	<b>2,290</b>	<b>2,974</b>
<b>Other operating expenses</b>		
Directors' fees and allowances	6,040	1,100
Legal and professional charges	1,364	1,234
Outsourced services costs	1,321	1,341
Travelling and conveyance	2,685	3,309
Depreciation	8,143	5,284
Training and development	1,357	-
Postage and courier charges	54	135
Communication	1,085	1,020
Stationery and printing	339	982
Marketing, advertisement & publicity	978	1,244
Auditors' remuneration	707	605
Board meeting expenses	2,874	456
Meal and business networking expenses	240	137
Canteen expenses	265	339
Hajj expense	563	421
Bank charges	98	139
Miscellaneous expenses	7	13
	<b>28,120</b>	<b>17,759</b>
	<b>171,265</b>	<b>154,538</b>
<b>27. OTHER CHARGES</b>		
Arrangement fee and documentation charges	665	1,712
Brokerage commission	8,700	1,037
Expenses pertaining to KEL	524	3,821
Penalties imposed by State Bank of Pakistan	-	-
	<b>9,889</b>	<b>6,570</b>
<b>28. CREDIT LOSS ALLOWANCE &amp; WRITE OFFS - NET</b>		
Credit loss allowance/ (reversal) against lending to financial institutions	-	(75)
Credit loss allowance/ (reversal) for diminution in value of investments	(1,893)	(18,894)
(Reversal) / Credit loss allowance against loans and advances	164,271	(225,136)
Credit loss allowance/ (reversal) against non banking asset	-	-
	<b>162,378</b>	<b>(244,105)</b>
<b>29. TAXATION</b>		
Current	338,540	70,755
Prior years	-	-
Deferred	(373,630)	(83)
	<b>(35,090)</b>	<b>70,672</b>
<b>30. BASIC AND DILUTED EARNINGS PER SHARE</b>		
Profit for the period (Rupees in '000)	<b>(534,335)</b>	<b>238,274</b>
Weighted average number of ordinary shares	<b>814,178</b>	<b>814,178</b>
Basic and diluted earnings per share (Rupees)	<b>(656.29)</b>	<b>292.66</b>

### 31. FAIR VALUE MEASUREMENTS

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

#### 31.1 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).
- Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

		(Un-audited) 31 March 2024			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
On balance sheet financial instruments	Note				
<b>Financial assets - measured at fair value</b>					
Investments					
Federal government securities	9.1	-	297,298,950	-	297,298,950
Provincial government securities	9.1	-	-	-	-
Shares	9.1	425,507	-	1,500	427,007
Non-government debt securities		-	1,777,524	-	1,777,524
Foreign securities		-	-	-	-
Others		-	-	-	-
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
Federal government securities	9.1	-	-	21,903,649	21,903,649
Non-government debt securities	9.1	-	-	-	-
Cash and balances with treasury banks	6	-	-	347,048	347,048
Balances with other banks	7	-	-	155,819	155,819
Lendings to financial institutions	8	-	-	-	-
Advances	10	-	-	10,567,879	10,567,879
Other assets	14	-	-	21,067,639	21,067,639
<b>Financial liabilities - disclosed but not measured at fair value</b>					
Borrowings					
Borrowings	15	-	-	338,705,927	338,705,927
Deposits and other accounts	16	-	-	9,074,433	9,074,433
Other liabilities	17	-	-	3,540,100	3,540,100



		(Audited) 31 December 2023			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
<b>On balance sheet financial instruments</b>					
<b>Financial assets - measured at fair value</b>					
Investments					
	9.1	384,190,399	10,059,548	-	394,249,947
	-	-	-	-	-
	9.1	390,571	-	-	390,571
	9.1	2,020,272	-	-	2,020,272
		-	-	-	-
		-	-	-	-
<b>Financial assets - disclosed but not measured at fair value</b>					
Investments					
		-	-	21,915,391	21,915,391
	6	-	-	272,662	272,662
	7	-	-	194,769	194,769
	8	-	-	-	-
	10	-	-	9,984,921	9,984,921
<b>Financial liabilities - disclosed but not measured at fair value</b>					
	15	-	-	(424,391,604)	(424,391,604)
	16	-	-	(6,803,687)	(6,803,687)

### 31.2 Fair value of non-financial assets

		(Un-audited) 31 March 2024			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
<b>On balance sheet non-financial assets</b>					
		-	214,453	-	214,453
		-	1,220,930	-	1,220,930
		-	1,435,383	-	1,435,383

		(Audited) 31 December 2023			
		Level 1	Level 2	Level 3	Total
		----- (Rupees in '000) -----			
<b>On balance sheet non-financial assets</b>					
		-	214,826	-	214,826
		-	1,232,117	-	1,232,117
		-	1,446,943	-	1,446,943

#### Methodology and Valuation Approach

In the year 2023, the valuation performed by M/s. MYK Associates Private Limited dated 27 January 2023, assessed Rs.186.450 million as the market value of the land and Rs. 29.870 million for building component. The management of the Company has considered the revaluation gain and recorded the same as surplus on revaluation on non-banking assets in the annual audited financial statements for the year ended 31 December 2023.

In the year 2023, the properties of the Company were revalued by independent professional valuers, M/s MYK Associates and M/s K.G. Traders dated 27 March 2023, assessed Rs.1,277.1 million as the market value of properties. The management of the Company has considered the revaluation gain and recorded the same as surplus on revaluation on property and equipment amounting in the annual audited financial statements for the year ended 31 December 2023.

## 32. SEGMENT INFORMATION

### 32.1 Segment Details with respect to Business Activities

The segment analysis with respect to business activity is as follow:

31 March 2024 (Un-audited)					
Corporate & Investment Banking	Treasury & Fund Management	Private Equity & Strategic Initiatives	Un-allocated / others	Total	
(Rupees in '000)					
<b>Profit and loss</b>					
Net mark-up / return / profit	(133,135)	(329,143)	(9,084)	(153,539)	(624,901)
Inter segment revenue - net	-	-	-	-	-
Non mark-up / return / interest income	26,507	379,349	18,324	(25,173)	399,007
Total Income	(106,628)	50,206	9,240	(178,712)	(225,894)
Segment direct expenses	7,609	13,519	5,580	114,054	140,762
Inter segment expense allocation	6,710	29,935	2,534	1,212	40,391
Total expenses	14,319	43,454	8,114	115,266	181,153
Credit loss allowance / (Reversal)	152,996	-	-	9,382	162,378
Profit / (loss) before tax	(273,943)	6,752	1,126	(303,360)	(569,425)

31 March 2024 (Un-audited)					
Corporate & Investment Banking	Treasury & Fund Management	Private Equity & Strategic Initiatives	Un-allocated / others	Total	
(Rupees in '000)					
<b>Statement of financial position</b>					
Cash and bank balances	-	502,867	-	-	502,867
Investments	2,213,225	319,204,099	425,507	-	321,842,831
Net inter segment lending	-	-	-	-	-
Lendings to financial institutions	-	30,567	-	-	30,567
Advances - performing	9,935,816	-	-	135,984	10,071,800
Advances - non-performing	1,869,348	-	-	-	1,869,348
Others	662,973	13,994,514	-	9,171,598	23,829,085
	-	-	-	-	-
Less: Credit loss allowance (Advances)	(1,373,254)	-	-	(15)	(1,373,269)
Less: Credit loss allowance (Investments)	(435,701)	-	-	-	(435,701)
Less: Credit loss allowance (Lendings)	-	(30,567)	-	-	(30,567)
Less: Credit loss allowance (Others)	(35,848)	(9,757)	-	(16,625)	(62,229)
<b>Total Assets</b>	12,836,560	333,691,723	425,507	9,290,942	356,244,731
Borrowings	9,906,111	325,978,150	135,339	2,686,327	338,705,927
Subordinated debt	-	-	-	-	-
Deposits and other accounts	-	9,074,433	-	-	9,074,433
Net inter segment borrowing	-	-	-	-	-
Others	4,114	3,215,710	105	320,171	3,540,100
<b>Total liabilities</b>	9,910,225	338,268,293	135,444	3,006,498	351,320,460
Equity	3,762,858	3,386,571	376,286	-	4,924,272
<b>Total equity and liabilities</b>	13,673,083	341,654,864	511,730	3,006,498	356,244,732
<b>Contingencies and commitments</b>	8,637,676	-	-	350,274	8,987,950

31 March 2023 (Un-audited)					
Investment Banking, Syndication & Advisory	Treasury	Capital Markets	Corporate, Commercial & SME	Un-allocated / others	Total

(Rupees in '000)

#### Profit and loss

Net mark-up/return/profit	27,289	364,670	(39,158)	(125)	(159,704)	192,972
Inter segment revenue - net	-	-	-	-	-	-
Non mark-up / return / interest income	4,688	6,243	21,235	790	22	32,978
<b>Total Income</b>	<b>31,977</b>	<b>370,913</b>	<b>(17,923)</b>	<b>665</b>	<b>(159,682)</b>	<b>225,950</b>
Segment direct expenses	4,770	7,336	4,855	11,056	93,350	121,367
Inter segment expense allocation	2,816	29,077	2,092	4,126	1,631	39,742
<b>Total expenses</b>	<b>7,587</b>	<b>36,413</b>	<b>6,947</b>	<b>15,182</b>	<b>94,981</b>	<b>161,110</b>
(Reversal) / (recovery) / provision	2,306	75	2,229	58,796	(307,511)	(244,105)
<b>Profit / (loss) before tax</b>	<b>22,084</b>	<b>334,425</b>	<b>(27,099)</b>	<b>(73,313)</b>	<b>52,848</b>	<b>308,945</b>

31 December 2023 (Audited)					
Investment Banking, Syndication & Advisory	Treasury	Capital Markets	Corporate, Commercial & SME	Un-allocated / others	Total

(Rupees in '000)

#### Statement of financial position

Cash and bank balances	-	467,431	-	-	-	467,431
Investments	2,961,824	416,372,612	390,570	-	-	419,725,006
Net inter segment lending	-	-	-	-	-	-
Lendings to financial institutions	-	30,567	-	-	-	30,567
Advances - performing	2,618,596	-	-	6,576,602	135,984	9,331,182
Advances - non-performing	668,481	-	-	1,216,562	-	1,885,043
Others	172,348	10,053,131	-	303,907	6,588,530	17,117,916
						-
Less: Provision (Loan and advances)	(583,008)	-	-	(648,281)	(15)	(1,231,304)
Less: Provision (Investments)	(1,139,200)	(9,627)	-	-	-	(1,148,827)
Less: Provision (Lending)	-	(30,567)	-	-	-	(30,567)
Less: Provision (Others)	(13,389)	(9,757)	-	(22,459)	(16,625)	(62,229)
<b>Total Assets</b>	<b>4,685,652</b>	<b>426,873,792</b>	<b>390,570</b>	<b>7,426,331</b>	<b>6,707,874</b>	<b>446,084,218</b>
Borrowings	2,756,682	410,082,197	4,563	5,489,025	6,059,136	424,391,603
Subordinated debt	-	-	-	-	-	-
Deposits and other accounts	-	6,803,687	-	-	-	6,803,687
Net inter segment borrowing	-	-	-	-	-	-
Others	-	6,515,762	213	8,336	648,739	7,173,050
<b>Total liabilities</b>	<b>2,756,682</b>	<b>423,401,646</b>	<b>4,776</b>	<b>5,497,361</b>	<b>6,707,875</b>	<b>438,368,340</b>
Equity	1,928,970	3,472,145	385,794	1,928,970	-	7,715,878
<b>Total equity and liabilities</b>	<b>4,685,652</b>	<b>426,873,791</b>	<b>390,570</b>	<b>7,426,331</b>	<b>6,707,875</b>	<b>446,084,218</b>
<b>Contingencies and commitments</b>	<b>2,558,627</b>	<b>3,308,230.00</b>	<b>-</b>	<b>2,910,946</b>	<b>307,610</b>	<b>9,085,413</b>



	31 March 2024 (Un-audited)						31 December 2023 (Audited)							
	Parent	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Other related parties (1)	Parent	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Other related parties (1)
	----- (Rupees in '000) -----													
<b>Other Assets</b>														
Interest / mark-up accrued	-	-	3,977	-	-	-	2,367,189	-	-	4,778	-	-	-	10,041,814
Receivable from staff retirement fund	-	-	-	-	-	-	42,078	-	-	-	-	-	-	-
Other receivable (2)	-	5,983	-	-	3,163	-	-	-	5,983	-	-	2,715	-	-
Other advances	-	43,127	1,200	-	-	-	3,564	-	-	420	-	-	-	60
Advance taxation	-	-	-	-	-	-	4,260,234	-	-	-	-	-	-	4,498,020
Provision against other assets	-	(5,983)	-	-	-	-	-	-	(5,983)	-	-	-	-	-
<b>Borrowings</b>														
Opening balance	-	-	-	-	-	-	414,186,994	-	-	-	-	-	-	72,867,075
Borrowings during the period / year	-	-	-	-	-	-	2,272,428,285	-	-	-	-	-	-	4,081,695,535
Settled during the period / year	-	-	-	-	-	-	(1,959,118,114)	-	-	-	-	-	-	(3,740,375,616)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	-	-	-	-	-	<b>727,497,165</b>	-	-	-	-	-	-	<b>414,186,994</b>
<b>Subordinated debt</b>														
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issued / Purchased during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption / Sold during the period / year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>														
Opening balance	-	-	18,000	-	275,000	-	4,023,707	-	-	1,000	-	265,000	-	4,385,413
Received during the period / year	-	-	36,000	-	275,000	-	3,078,755	-	-	211,507	-	1,100,000	-	19,768,073
Withdrawn during the period / year	-	-	(44,000)	-	(275,000)	-	(783,471)	-	-	(194,507)	-	(1,090,000)	-	(20,129,780)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	-	-	<b>10,000</b>	-	<b>275,000</b>	-	<b>6,318,991</b>	-	-	<b>18,000</b>	-	<b>275,000</b>	-	<b>4,023,707</b>
<b>Other Liabilities</b>														
Interest / mark-up payable	-	-	163	-	995	-	2,542,873	-	-	347	-	976	-	6,721,055
Payable to staff retirement fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	<b>8,338</b>	<b>1,700</b>	-	-	-	-	<b>817</b>	<b>8,455</b>	<b>1,199</b>	<b>1,799</b>	-	-	-	<b>1,040</b>
<b>Contingencies and Commitments</b>														
Other contingencies	-	-	-	-	-	-	893,215	-	-	-	-	-	882,959	348,141

31 March 2024 (Un-audited)							31 December 2023 (Audited)							
Parent	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Other related parties (1)	Parent	Directors	Key management personnel	Subsidiaries	Associates	Joint venture	Other related parties (1)	
----- (Rupees in '000) -----														
<b>Income</b>														
Mark-up / return / interest earned -net	-	-	725,557	-	-	-	21,542,930	-	-	4,497	-	-	-	67,021,340
Fee and commission income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend income	-	-	-	-	-	-	15,188	-	-	-	-	-	-	15,188
Gain on sale of securities - net	-	-	-	-	-	-	16,646	-	-	-	-	-	-	16,646
Gain on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expense</b>														
Mark-up / return / interest expensed	-	-	649	-	14,827	-	22,055,656	-	-	4,197	-	56,426	-	63,527,589
<b>Operating expenses</b>														
Office maintenance and related expenses	-	1,700	-	-	22,955	-	-	-	-	-	-	22,955	-	-
Non-executive directors' remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Board meeting expense	-	2,724	-	-	-	-	-	-	3,233	-	-	-	-	-
Remunerations (3)	-	3,367	847	-	-	-	642	-	110,596	85,580	-	-	-	24,707
Contribution to defined contribution plan	-	1,838	563	-	-	-	130	-	6,493	2,609	-	-	-	441
Contribution to defined benefit plan	-	2,058	1,484	-	-	-	322	-	3,209	5,834	-	-	-	926
Depreciation	-	5,506	204	-	-	-	32	-	13,222	1,122	-	-	-	197
<b>Other charges</b>														
Others	-	-	-	-	-	524	-	-	-	-	-	-	6,196	-
Insurance premium paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance claims settled	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(1) It includes state controlled entities, certain other material risk takers and controllers.

(2) In financial year 2017, Rs. 26.110 million was paid to former Deputy Managing Director (DMD) of the Company, who was relocated to Libya on 31 March 2017, on account of depreciation benefit, transportation cost and tax paid by the Company. The Board subsequently resolved that the said benefits will be recovered from former DMD partly from sale proceeds of the car surrendered by former DMD to the Company and partly from actual payment. The car was disposed off in financial year 2018 against sale proceeds of Rs. 9.110 million in addition to actual cash received amounting to Rs. 11.004 million. The management has been following up for the remaining amount of 5.983 million, which is appearing in other receivables under other assets (Note 14).

(3) Executives directors and key management personnel are also entitled to the usage of certain Company assets as per their terms of employment.

(4) Transactions with owners have been disclosed in "Statement of changes in equity".

<b>(Un-audited)</b>	<b>(Audited)</b>
<b>31 March</b>	<b>31 December</b>
<b>2024</b>	<b>2023</b>
<b>----- (Rupees in '000) -----</b>	

### 34. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

#### Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	<u><b>5,488,424</b></u>	<u>6,011,408</u>
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#### Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	<u><b>4,149,950</b></u>	<u>6,372,504</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>-</u>	<u>-</u>
Total Eligible Tier 1 Capital	<u><b>4,149,950</b></u>	<u>6,372,504</u>
Eligible Tier 2 Capital	<u>-</u>	<u>1,161,770</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u><b>4,149,950</b></u>	<u>7,534,274</u>

#### Risk Weighted Assets (RWAs):

Credit Risk	<u><b>22,347,109</b></u>	<u>19,228,004</u>
Market Risk	<u><b>1,658,107</b></u>	<u>1,028,325</u>
Operational Risk	<u><b>1,374,629</b></u>	<u>1,374,629</u>
Total	<u><b>25,379,845</b></u>	<u>21,630,958</u>

Common Equity Tier 1 Capital Adequacy ratio	<u><b>16.35%</b></u>	<u>29.46%</u>
Tier 1 Capital Adequacy Ratio	<u><b>16.35%</b></u>	<u>29.46%</u>
Total Capital Adequacy Ratio	<u><b>16.35%</b></u>	<u>34.83%</u>

#### Leverage Ratio (LR):

Eligible Tier-1 Capital	<u><b>4,149,950</b></u>	<u>6,372,504</u>
Total Exposures	<u><b>364,382,933</b></u>	<u>450,442,152</u>
Leverage Ratio	<u><b>1.14%</b></u>	<u>1.41%</u>

#### Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	<u><b>1,170,000</b></u>	<u>6,446,000</u>
Total Net Cash Outflow	<u><b>13,461,000</b></u>	<u>4,687,000</u>
Liquidity Coverage Ratio	<u><b>9%</b></u>	<u>138%</u>

#### Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	<u><b>17,198,053</b></u>	<u>18,026,186</u>
Total Required Stable Funding	<u><b>14,667,628</b></u>	<u>14,195,384</u>
Net Stable Funding Ratio	<u><b>117%</b></u>	<u>127%</u>

The company has applied transitional arrangement as per the IFRS-9 application instructions for the absorption of ECL for Capital Adequacy Ratio purpose. The Company has added back the transitional adjustment amount of 70% of Stage 1 and Stage 2 provisions to CET 1 Capital. Had the transition arrangement not been applied, the CAR and leverage ratio would declined to 16.09% and 1.12% respectively. Furthermore, SBP has granted exemption in meeting minimum LR requirement of 3% and reduced it up to 1% till 31 December 2024.

The Company, being a conventional financial institution / DFI, does not have any Islamic banking operation / activities.

	(Un-audited) 31 March 2024	(Un-audited) 31 March 2023
Note -----	(Rupees in '000) -----	
8	-	2,487,869
6	<b>347,048</b>	188,548
7	<b>155,819</b>	106,319
	-	-
	<b>502,867</b>	<b>2,782,736</b>

**35. CASH AND CASH EQUIVALENTS**

Term deposit receipts (TDRs) / Reverse Repo	8	-	2,487,869
Cash and balance with treasury banks	6	<b>347,048</b>	188,548
Balance with other banks	7	<b>155,819</b>	106,319
Others		-	-

<b>502,867</b>	<b>2,782,736</b>
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**35.1** These term deposit receipts (TDRs) / Reverse Repo were due for maturity on various dates in July 2023

**36. NON-ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

There is no event subsequent to the statement of financial position date that requires disclosure in these condensed interim financial statements.

**37. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on 07th July 2024 by the Board of Directors of the Company.

**38. GENERAL**

**38.1** In its latest rating announcement (June 2023), the Pakistan Credit Rating Agency Limited (PACRA) has maintained the Company's rating of AA- (Double A Minus) in the long term and A1+ (A One Plus) in the short term (with Positive outlook assigned to ratings).

**38.2** Amounts in these condensed interim financial statements have been rounded off to the nearest thousand rupee, unless otherwise stated.

**38.3** Certain comparative figures have been reclassified in order to present information on a basis consistent with current year / period.

-sd/-

\_\_\_\_\_  
Chief Financial Officer

-sd/-

\_\_\_\_\_  
Managing Director & CEO

-sd/-

\_\_\_\_\_  
Director

-sd/-

\_\_\_\_\_  
Director