

PAIR Investment Company Limited
Statement of Financial Position
As at 31 March 2024



	Note	31 March 2024 (Un-audited)	31 December 2023 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks	6	187,102	158,668
Balances with other banks	7	131,942	296,119
Lendings to financial institutions		-	-
Investments	8	23,878,166	22,650,509
Advances	9	11,562,888	10,651,883
Fixed assets	10	576,369	486,364
Intangible assets	11	9,163	9,223
Deferred tax assets	12	345,969	441,163
Other assets	13	2,335,246	1,747,961
		39,026,845	36,441,890
LIABILITIES			
Bills payable		-	-
Borrowings	14	23,654,825	21,789,218
Deposits and other accounts	15	3,691,129	2,724,472
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	16	1,256,462	1,347,042
		28,602,416	25,860,732
NET ASSETS		10,424,429	10,581,158
REPRESENTED BY			
Share capital	17	6,000,000	6,000,000
Reserves	18	1,313,665	1,247,496
Deficit on revaluation of assets	19	128,282	187,928
Unappropriated profit		2,982,482	3,145,734
		10,424,429	10,581,158

CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Managing Director /
Chief Executive Officer

Chairman

Director

Director

PAIR Investment Company Limited
Profit and Loss Account (Un-audited)
For the three months period ended 31 March 2024



	Note	Three month period ended	
		January - March 2024	January - March 2023
		(Rupees in '000)	
Mark-up / return / interest earned	23	1,627,143	1,153,379
Mark-up / return / interest expensed	24	1,216,142	819,022
Net mark-up / interest income		<u>411,001</u>	<u>334,357</u>
NON MARK-UP / INTEREST INCOME			
Fee and commission income	25	13,177	4,554
Dividend income		27,394	32,767
Foreign exchange income		28	2,638
Income / (loss) from derivatives		-	-
Gain on sale of securities	26	3,326	(452)
Other income		(3)	-
Total non mark-up / interest income		<u>43,922</u>	<u>39,507</u>
Total Income		<u>454,923</u>	<u>373,864</u>
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	27	171,346	116,818
Workers Welfare Fund		4,195	3,496
Other charges		-	-
Total non mark-up / interest expenses		<u>175,541</u>	<u>120,314</u>
PROFIT BEFORE CREDIT LOSS ALLOWANCE		<u>279,382</u>	<u>253,550</u>
Credit loss allowance and write offs - net	28	(254,184)	32,458
Extra ordinary / unusual items		-	-
PROFIT BEFORE TAXATION		<u>533,566</u>	<u>221,092</u>
Taxation	29	202,720	63,343
PROFIT AFTER TAXATION		<u>330,846</u>	<u>157,749</u>
Basic and diluted earnings per share - (Rupees)	30	<u>0.551</u>	<u>0.263</u>

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Managing Director /
Chief Executive Officer


Chairman


Director



Director


PAIR Investment Company Limited
Statement of Comprehensive Income (Un-audited)
For the three months period ended 31 March 2024





	Three month period ended	
	January - March 2024	January - March 2023
	(Rupees in '000)	
Profit after taxation for the period	330,846	157,749
Other comprehensive income		
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>		
Movement in surplus / (deficit) on revaluation of debt investments through FVOCI - net	(62,994)	
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>		
Movement in surplus / (deficit) on revaluation of investments in equity investments - net	3,348	(244,665)
Gain / (Loss) on securities classified as FVOCI	22,071	93
Remeasurement (loss) / gain on defined benefit obligations - net of tax	-	-
Movement in surplus on revaluation of non-banking asset - net of tax	-	-
Total comprehensive income / (loss)	293,271	(86,823)


The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Managing Director /
Chief Executive Officer


Chairman


Director

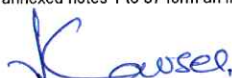

Director


PAIR Investment Company Limited
Statement of Changes in Equity (Un-audited)
For the three months period ended 31 March 2024



Note	Share capital	Statutory reserve	(Deficit) /	Unappropriated profit	Total
			surplus on Investments		
(Rupees in '000)					
Balance as at 1 January 2023	6,000,000	1,093,746	(268,497)	2,947,810	9,773,059
Impact of first time adoption of IFRS-9				(179,110)	(179,110)
Profit for the period ended 31 March 2023	-	-	-	157,749	157,749
Other comprehensive income - net of tax	-	-	(244,665)	93	(244,572)
	-	-	(244,665)	157,842	(86,823)
Transfer to statutory reserve	-	31,550	-	(31,550)	-
Final cash dividend - 31 December 2022 declared subsequent to the year end				(350,000)	(350,000)
Balance as at 31 March 2023	6,000,000	1,125,296	(513,162)	2,544,992	9,157,126
Profit for the period ended 31 December 2023	-	-	-	611,002	611,002
Other comprehensive income					
Movement in (deficit) / surplus on revaluation of investments in equity instruments - net of tax			536,741		536,741
Movement in (deficit) / surplus on revaluation of investments in debts instruments - net of tax			164,349		164,349
Realized gain on sale of securities classified as FVOCI				101,394	101,394
Remeasurement gain / (loss) on defined benefit obligations - net of tax				10,546	10,546
Transferred to accumulated profit in respect of incremental depreciation for the year				-	-
Surplus on revaluation of non-banking assets				-	-
Transfer of Surplus to Unappropriated Profit - net of tax	-	-	-	-	-
Total comprehensive income for the year ended 31 December 2023	-	-	701,090	722,942	1,424,032
Transfer to statutory reserve	18	122,200	-	(122,200)	-
Balance as at 31 December 2023	6,000,000	1,247,496	187,928	3,145,734	10,581,158
Profit for the period ended 31 March 2024	-	-	-	330,846	330,846
Other comprehensive income					
Movement in (deficit) / surplus on revaluation of investments in equity instruments - net of tax			3,348		3,348
Movement in (deficit) / surplus on revaluation of investments in debts instruments - net of tax			(62,994)		(62,994)
Gain / (Loss) on securities classified as FVOCI				22,071	22,071
Remeasurement gain / (loss) on defined benefit obligations - net of tax				-	-
Movement in surplus on revaluation of non-banking asset - net of tax				-	-
	-	-	(59,646)	352,917	293,271
Transfer to statutory reserve	18	66,169	-	(66,169)	-
Transactions with owners recognised directly in equity					
Final cash dividend - 31 December 2023 declared subsequent to the year end				(450,000)	(450,000)
Balance as at 31 March 2024	6,000,000	1,313,665	128,282	2,982,482	10,424,429

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Managing Director /
Chief Executive Officer


Chairman


Director


Director

PAiR Investment Company Limited

Cash Flow Statement (Un-audited)

For the three months period ended 31 March 2024



		Three month period ended	
		31 March 2024	31 March 2023
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		533,566	221,092
Less: Dividend income		(27,394)	(32,767)
		<u>506,172</u>	<u>188,325</u>
Adjustments:			
Depreciation		10,343	5,761
Amortisation		60	27
Impairment of assets		357	5,315
Credit loss allowance and write offs		(254,541)	27,143
Loss on sale of fixed assets		(3)	-
Charge for defined benefit plan		3,649	4,082
Unrealised gain on revaluation of securities classified as FVPL		4,761	7,437
		<u>(235,374)</u>	<u>49,765</u>
		<u>270,798</u>	<u>238,090</u>
(Increase) / decrease in operating assets			
Securities classified as FVPL		24,929	(43,324)
Advances		(656,464)	(1,478,313)
Others assets (excluding advance taxation)		(554,419)	(246,397)
		<u>(1,185,954)</u>	<u>(1,768,034)</u>
Increase / (decrease) in operating liabilities			
Borrowings from financial institutions		1,865,607	699,324
Deposits		966,657	274,501
Other liabilities (excluding current taxation)		(85,314)	360,223
		<u>2,746,950</u>	<u>1,334,048</u>
Income tax paid		1,831,794	(195,896)
Defined benefits paid		(122,492)	(77,643)
<i>Net cash flows used in operating activities</i>		<u>(3,649)</u>	<u>(4,250)</u>
		<u>1,705,653</u>	<u>(277,789)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in amortized cost securities		-	785,152
Net Investments in securities classified as FVOCI		(1,308,914)	(279,072)
Dividends received		17,866	19,181
Investments in operating fixed assets		(100,348)	(7,361)
<i>Net cash flows generated from investing activities</i>		<u>(1,391,396)</u>	<u>517,900</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(450,000)	(175,000)
<i>Net cash flows from financing activities</i>		<u>(450,000)</u>	<u>(175,000)</u>
Net (decrease) / increase in cash and cash equivalents		(135,743)	65,111
Cash and cash equivalents at beginning of the period		<u>454,787</u>	<u>198,019</u>
Cash and cash equivalents at end of the period		<u><u>319,044</u></u>	<u><u>261,130</u></u>

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Managing Director /
Chief Executive Officer

Chairman

Director

Director

PAİR Investment Company Limited

Notes to the Accounts

For the three months period ended 31 March 2024



1. STATUS AND NATURE OF BUSINESS

PAİR Investment Company Limited, "the Company" is an unlisted Public Limited Company incorporated in Pakistan on 15 January 2007 under the Companies Ordinance, 1984. The Company has been notified as a Development Financial Institution by the Ministry of Finance, Government of Pakistan.

The Company is a Joint Venture (50:50) between Government of Pakistan and Iran Foreign Investment Company which is owned by the Government of Iran. The Company's objectives inter alia includes financing for industrial and commercial projects, capital and money market operations and other investment banking activities. Its registered and principal office is situated at 17th Floor Ocean Tower, Clifton, Karachi. The other regional office is situated at Mezzanine Floor, PACE Tower T-27-H Gulberg 2, Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

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 these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 31 December 2023.

5. FINANCIAL RISK MANAGEMENT

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

6. CASH AND BALANCES WITH TREASURY BANKS	Note	31 March 2024 (Un-audited) (Rupees in '000)	31 December 2023 (Audited)
In hand			
Local currency		70	-
Foreign currencies		3,936	6,138
		4,006	6,138
With State Bank of Pakistan in			
Local currency current account	6.1	182,223	151,715
With National Bank of Pakistan in			
Local currency current account		17	17
Local currency deposit account	6.2	856	798
		873	815
		187,102	158,668
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
Cash and balances with treasury banks - net of credit loss allowance		187,102	158,668

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 May 22, 2004.

6.2 This carries mark-up at the rate 20.50% per annum (2023: 20.50%).

7. BALANCES WITH OTHER BANKS		31 March 2024 (Un-audited) (Rupees in '000)	31 December 2023 (Audited)
In Pakistan			
In current accounts		25,443	119,259
In deposit accounts	7.1	106,551	176,994
		131,994	296,253
Less: Credit loss allowance held against balances with other banks		(52)	(134)
Balances with other banks - net of credit loss allowance		131,942	296,119

7.1 These deposit accounts carry annual mark-up rate of 6.75% to 20.50% (2023: 6.75% to 20.50%).

8. INVESTMENTS	31 March 2024				31 December 2023			
	Un-audited				Audited			
8.1 Investments by type	Cost / amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
	(Rupees in '000)							
- Equity Instruments								
Classified / Measured at FVTPL (Previously HFT)								
Shares - listed	103,197	-	(1,435)	101,762	74,143	-	4,125	78,268
	103,197	-	(1,435)	101,762	74,143	-	4,125	78,268
Classified / Measured at FVOCI (Previously AFS)								
Shares	593,182	-	171,190	764,372	580,261	-	177,858	758,119
	593,182	-	171,190	764,372	580,261	-	177,858	758,119
- Debt Instruments								
Classified / Measured at FVOCI (Previously AFS)								
Federal Government securities	16,887,153	-	(46,304)	16,840,849	15,917,301	-	14,496	15,931,797
Non Government Debt Securities	6,212,707	(52,156)	10,632	6,171,183	5,922,710	(51,717)	11,332	5,882,325
	23,099,860	(52,156)	(35,672)	23,012,032	21,840,011	(51,717)	25,828	21,814,122
Total Investments	23,796,239	(52,156)	134,083	23,878,166	22,494,415	(51,717)	207,811	22,650,509

8.2 Investments by segments	31 March 2024				31 December 2023			
	Un-audited				Audited			
	Cost / amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value	Cost / amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying Value
	(Rupees in '000)							
Federal Government securities								
- Market treasury bills	1,789,293	-	1,049	1,790,342	1,705,579	-	5,393	1,710,972
- Pakistan Investment Bonds	15,097,860	-	(47,353)	15,050,507	14,211,722	-	9,103	14,220,825
	16,887,153	-	(46,304)	16,840,849	15,917,301	-	14,496	15,931,797
Shares								
- Ordinary Shares of Listed companies	668,770	-	169,755	838,525	626,795	-	176,737	803,532
- Preference Shares of Listed companies	27,609	-	-	27,609	27,609	-	5,246	32,855
	696,379	-	169,755	866,134	654,404	-	181,983	836,387
Non Government Debt Securities								
- Term Finance Certificates - Listed	1,909,556	(11,245)	(6,914)	1,891,397	2,159,676	(12,591)	(6,358)	2,140,727
- Term Finance Certificates - Unlisted	2,279,873	(8,447)	16,875	2,288,301	2,029,841	(6,746)	17,019	2,040,114
- Sukuk bonds - Listed	354,000	(387)	671	354,284	372,750	(395)	671	373,026
- Sukuk bonds - Unlisted	1,669,278	(32,077)	-	1,637,201	1,360,443	(31,985)	-	1,328,458
	6,212,707	(52,156)	10,632	6,171,183	5,922,710	(51,717)	11,332	5,882,325
Total Investments	23,796,239	(52,156)	134,083	23,878,166	22,494,415	(51,717)	207,811	22,650,509

8.3 Investments given as collateral	31 March 2024		31 December 2023	
	Un-audited		Audited	
	(Rupees in '000)			
Market treasury bills				
Carrying Value	-	-	116,362	-
Surplus	-	-	44	-
	-	-	116,406	-
Pakistan Investment Bonds				
Carrying Value	7,951,415	7,951,415	10,197,913	10,197,913
Deficit	(34,076)	(34,076)	(15,291)	(15,291)
	7,917,339	7,917,339	10,182,622	10,182,622
Shares				
Carrying Value	89,183	89,183	85,670	85,670
Impairment	-	-	-	-
Surplus	11,797	11,797	13,867	13,867
	100,980	100,980	99,537	99,537

	31 March 2024 (Un-audited)	31 December 2023 (Audited)
	(Rupees in '000)	
8.4 Credit loss allowance for diminution in value of investments		
Opening balance	51,717	39,311
Impact of Adoption of IFRS 9	-	2,641
Charge / (reversals)		
Charge for the period / year	439	11,927
Reversal on disposals	-	(2,162)
	439	9,765
Reversal of Provision for Diminution in Value of Investment classified as FVOCI		-
Amounts written off		-
Closing Balance	<u>52,156</u>	<u>51,717</u>

8.5 Particulars of credit loss allowance against debt securities

		31 March 2024		31 December 2023	
		----- (Rupees in '000) -----			
Domestic		Outstanding amount	Credit loss allowance Held	Outstanding amount	Credit loss allowance Held
Performing	Stage 1	23,058,737	11,033	21,798,888	10,594
Underperforming	Stage 2	-	-		
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		41,123	41,123	41,123	41,123
		41,123	41,123	41,123	41,123
Total		<u>23,099,860</u>	<u>52,156</u>	<u>21,840,011</u>	<u>51,717</u>

9 ADVANCES

Note

	Performing		Non Performing		Total	
	31 March 2024 (Un-audited)	31 December 2023 (Audited)	31 March 2024 (Un-audited)	31 December 2023 (Audited)	31 March 2024 (Un-audited)	31 December 2023 (Audited)
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	11,296,981	10,480,665	1,870,151	2,223,151	13,167,132	12,703,816
Islamic financing and related assets	-	-	157,021	161,358	157,021	161,358
Bills discounted and purchased	-	-	-	-	-	-
Advances - gross	11,296,981	10,480,665	2,027,172	2,384,509	13,324,153	12,865,174
Credit loss allowance against advances						
-Stage 1	(41,491)	(172,335)	-	-	(41,491)	(172,335)
-Stage 2	(47,036)	(18,218)	-	-	(47,036)	(18,218)
-Stage 3	-	-	(1,672,738)	(2,022,738)	(1,672,738)	(2,022,738)
	(88,527)	(190,553)	(1,672,738)	(2,022,738)	(1,761,265)	(2,213,291)
Advances - net of credit loss allowance	11,208,454	10,290,112	354,434	361,771	11,562,888	10,651,883

9.1 These include personal loans and house loans advanced to employees in accordance with their terms of employment. These personal loans and house loans carry mark-up at the rates of 3% and 5% (2023: 3% and 5%) respectively.

9.2 Includes net investment in finance lease as disclosed below:

	31 March 2024 (Un-audited)			31 December 2023 (Audited)		
	Not later than one year	Later than one and less than five years	Total	Not later than one year	Later than one and less than five years	Total
	(Rupees in '000)					
Lease rentals receivable	603,542	1,139,177	1,742,719	625,194	1,287,885	1,913,079
Residual value	170,215	435,722	605,937	202,393	440,222	642,615
Minimum lease payments	773,767	1,574,899	2,348,666	827,587	1,728,107	2,555,694
Financial charges for future periods	(138,312)	(227,043)	(365,355)	(154,841)	(275,356)	(430,197)
Present value of minimum lease payments	635,445	1,347,856	1,983,301	672,746	1,452,751	2,125,497

9.2.1 The Company's implicit rate of return on leases ranges between 11.68% and 28.60% (31 December 2023: 11.68% and 28.60%) per annum. These are secured against leased assets and security deposits generally upto 50% (31 December 2023: 50%) of the cost of leased assets.

9.3 Particulars of advances (Gross)

	31 March 2024 (Un-audited)	31 December 2023 (Audited)
	(Rupees in '000)	
In local currency	13,324,153	12,865,174
In foreign currencies	-	-
	13,324,153	12,865,174

9.4 Advances include Rs. 2,027 million (31 December 2023: Rs. 2,385 million) which have been placed under non-performing / Stage 3 status as detailed below:-

Category of Classification	31 March 2024 (Un-audited)		31 December 2023 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic OAEM	157,021	31,811	161,358	9,422
Substandard	-	-	-	-
Doubtful	361,387	163,974	364,387	163,974
Loss	1,508,764	1,508,764	1,858,764	1,858,764
	<u>2,027,172</u>	<u>1,704,549</u>	<u>2,384,509</u>	<u>2,032,160</u>

9.5 Particulars of credit loss allowance against advances

	31 March 2024 (Un-audited)			31 December 2023 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	2,022,738	190,553	2,213,291	1,878,498	-	1,878,498
Impact of Adoption of IFRS 9				1,173	175,278	176,451
Charge for the period / year	-	-	-	163,945	70,643	234,588
Reversals	(152,515)	(102,026)	(254,541)	(20,878)	(55,368)	(76,246)
	(152,515)	(102,026)	(254,541)	143,067	15,275	158,342
Amounts written off	(197,485)	-	(197,485)	-	-	-
Credit loss allowance charged to equity	-	-	-	-	-	-
Closing balance	<u>1,672,738</u>	<u>88,527</u>	<u>1,761,265</u>	<u>2,022,738</u>	<u>190,553</u>	<u>2,213,291</u>

Credit loss allowance for Stage 1 is PKR 41.4 million & for Stage 2 is PKR 47.0 million.

9.5.1 Particulars of credit loss allowance against advances

	31 March 2024 (Un-audited)			31 December 2023 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
In local currency	1,672,738	88,527	1,761,265	2,022,738	190,553	2,213,291
In foreign currencies	-	-	-	-	-	-
	<u>1,672,738</u>	<u>88,527</u>	<u>1,761,265</u>	<u>2,022,738</u>	<u>190,553</u>	<u>2,213,291</u>

9.6 Advances - Particulars of credit loss allowance

	31 March 2024			31 December 2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----- (Rupees in '000) -----					
9.6.1 Opening balance	10,137,690	504,333	2,223,151	8,870,847	568,918	1,880,464
New Advances	2,160,330	-	-	6,632,110	-	-
Advances derecognised or repaid	(1,297,932)	(50,419)	(155,515)	(4,962,005)	(103,460)	(21,700)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	(168,376)	168,376	-	(190,319)	190,319	-
Transfer to stage 3	-	-	-	(212,943)	(151,444)	364,387
	694,022	117,957	(155,515)	1,266,843	(64,585)	342,687
Amounts written off / charged off	-	-	(197,485)	-	-	-
Changes in risk parameters	-	-	-	-	-	-
Other changes (to be specific)	-	-	-	-	-	-
Closing balance	<u>10,831,712</u>	<u>622,290</u>	<u>1,870,151</u>	<u>10,137,690</u>	<u>504,333</u>	<u>2,223,151</u>

9.6.2 Advances - Category of classification

Domestic		31 March 2024		31 December 2023	
		Outstanding amount	Credit loss allowance	Outstanding amount	Credit loss allowance
		----- (Rupees in '000) -----			
Performing	Stage 1	10,831,712	(41,491)	10,137,690	(172,335)
Underperforming	Stage 2	622,290	(47,036)	504,333	(18,218)
Non-Performing	Stage 3	-	-	-	-
Substandard		-	-	-	-
Doubtful		361,387	(163,974)	364,387	(163,974)
Loss		1,508,764	(1,508,764)	1,858,764	(1,858,764)
		<u>1,870,151</u>	<u>(1,672,738)</u>	<u>2,223,151</u>	<u>(2,022,738)</u>
		<u>13,324,153</u>	<u>(1,761,265)</u>	<u>12,865,174</u>	<u>(2,213,291)</u>

10. FIXED ASSETS	Note	31 March 2024 (Un-audited) (Rupees in '000)	31 December 2023 (Audited) (Rupees in '000)
Property and equipment		576,369	486,364
		<u>576,369</u>	<u>486,364</u>
10.1 Additions to fixed assets			
The following additions have been made to fixed assets during the period:		31 March 2024 (Un-audited) (Rupees in '000)	31 December 2023 (Audited) (Rupees in '000)
Property and equipment			
Leasehold improvements		75,452	35,831
Furniture and fixtures		15,658	169
Electrical office and computer equipment		912	7,026
Vehicles		100,841	-
		<u>192,863</u>	<u>43,026</u>
10.2 Disposal of fixed assets			
The net book value of fixed assets disposed off during the period is as follows:		31 March 2024 (Un-audited) (Rupees in '000)	31 December 2023 (Audited) (Rupees in '000)
Property and equipment			
Electrical office and computer equipment		45	83
		<u>45</u>	<u>83</u>
11. INTANGIBLE ASSETS			
Computer Softwares and Licenses		405	465
Capital Work in Progress		8,758	8,758
		<u>9,163</u>	<u>9,223</u>

12. DEFERRED TAX ASSETS

31 March 2024

	At 01 January 2024	Recognised in profit and loss account	Recognised in other comprehensive income	At 31 March 2024
----- (Rupees in '000) -----				
Deductible Temporary Differences on				
- Provision against advances, off balance sheet, etc.	407,482	(100,613)	-	306,869
- Lease liability against right-of-use assets	-	-	-	-
- Lease assets	51,301	16,198	-	67,499
- Provision for Impairment	-	416	-	416
- Post retirement employee benefits	-	-	-	-
- Deficit on revaluation of investments - net	-	-	5,919	5,919
- Others	2,815	(344)	-	2,471
	461,598	(84,343)	5,919	383,174
Taxable Temporary Differences on				
- Surplus on revaluation of investments - net	(16,279)	-	2,603	(13,676)
- Post retirement employee benefits	(2,644)	(1,311)	-	(3,955)
- Loss on Sale of Shares	-	-	-	-
- Accelerated tax depreciation	(1,512)	(18,062)	-	(19,574)
- Lease assets	-	-	-	-
	(20,435)	(19,373)	2,603	(37,205)
	441,163	(103,716)	8,522	345,969

31 December 2023

	At 01 January 2023	Recognised in profit and loss account	Recognised in other comprehensive income	At 31 December 2023
----- (Rupees in '000) -----				
Deductible Temporary Differences on				
- Provision against advances, off balance sheet, etc.	513,833	(106,351)	-	407,482
- Lease liability against right-of-use assets	-	-	-	-
- Lease assets	(9,906)	61,207	-	51,301
- Deficit on revaluation of investments - net	2,710	-	(2,710)	-
- Others	81	2,734	-	2,815
	506,718	(42,410)	(2,710)	461,598
Taxable Temporary Differences on				
- Surplus on revaluation of investments - net	-	-	(16,279)	(16,279)
- Post retirement employee benefits	1,142	-	(3,786)	(2,644)
- Surplus on revaluation of non-banking asset	-	-	-	-
- Accelerated tax depreciation	(49,367)	47,855	-	(1,512)
	(48,225)	47,855	(20,065)	(20,435)
	458,493	5,445	(22,775)	441,163

13. OTHER ASSETS

	Note	31 March 2024 (Un-audited) (Rupees in '000)	31 December 2023 (Audited)
Income / Mark-up accrued in local currency - net of provision		1,557,832	1,063,613
Advances, deposits, prepayments and other receivables	13.1	89,945	30,752
Advance taxation (payments less provisions)		662,722	639,234
Receivable from defined benefits plan		13,636	12,629
Dividend receivable		9,528	150
Security deposits		1,583	1,583
		2,335,246	1,747,961
Less: Provision held against other assets		-	-
Other Assets - total		2,335,246	1,747,961

13.1 This includes settlement proceeds to be received from a customer subsequent to the period end March 31, 2024.

14. BORROWINGS		31 March 2024 (Un-audited) (Rupees in '000)	31 December 2023 (Audited)
In Pakistan (local currency)	14.1	<u>23,654,825</u>	<u>21,789,218</u>
14.1 Details of borrowings secured / unsecured		31 March 2024 (Un-audited)	31 December 2023 (Audited)
Secured		(Rupees in '000)	
Borrowings from State Bank of Pakistan- Under financing facility for:			
-Imported & Locally Manufactured Plant & Machinery (LTFF)	14.2	<u>1,444,313</u>	1,527,954
-Renewable Energy Facility (REF)	14.3	<u>563,686</u>	581,999
-Temporary Economic Refinance Facility (TERF)	14.4	<u>1,172,308</u>	1,201,748
-Financing Facility for Storage of Agriculture Produce (FFSAP)	14.5	<u>420,603</u>	427,302
		<u>3,600,910</u>	3,739,003
Borrowings from State Bank of Pakistan - open market operation	14.6	<u>6,800,000</u>	8,900,000
Total Borrowings from State Bank of Pakistan		<u>10,400,910</u>	12,639,003
Repurchase agreement borrowings	14.6	<u>1,298,359</u>	1,572,437
Term borrowings	14.7	<u>4,355,556</u>	3,577,778
Total Secured		<u>16,054,825</u>	17,789,218
Call borrowings	14.8	<u>7,600,000</u>	4,000,000
Total Unsecured		<u>23,654,825</u>	<u>21,789,218</u>
14.2	The Company has obtained funds from the SBP for extending Long Term Financing Facility (LTFF) for Imported & Locally Manufactured Plant & Machinery. These borrowings carry mark-up rate of 2.0% to 15% per annum (Dec 2023: 2.0% to 15.0%). These borrowings will mature by 2033 (Dec 2023: 2033).		
14.3	The Company has obtained funds from the SBP for extending financing facility for renewable energy facility (REF). These borrowings carry mark-up rate of 2.0% to 3% per annum (Dec 2023: 2.0% to 3.0%). These borrowings will mature by 2034 (Dec 2023: 2034).		
14.4	The Company has obtained funds from the SBP for extending Temporary Economic Refinance Facility (TERF) for economic relief. These borrowings carry mark-up rate of 1.0% per annum (Dec 2023: 1%). These borrowings will mature by 2032 (Dec 2023: 2032).		
14.5	The Company has obtained funds from the SBP for extending Financing Facility for Storage of Agricultural Produce (FFSAP) for economic relief. These borrowings carry mark-up rate of 2.50% per annum (Dec 2023: 2.0% to 2.50%). These borrowings will mature by 2030 (Dec 2023: 2030).		
14.6	These carry mark-up at the rates ranging from 22.05% to 22.15% per annum (Dec 2023: 22.10% to 22.30% per annum) and are secured against government securities having carrying amount of Rs. 7.951 billion & market value of Rs. 7.917 billion (2023: carrying value Rs. 10.314 billion & market value of Rs. 10.299 billion). These borrowings will mature up to April 2024 (Dec 2023: January 2024).		
14.7	These represent finances obtained from Allied Bank Limited to finance regular business operations of the Company. These finances are secured against pledge of all present and future movable assets (excluding investments). It carries mark up at the rate of 6 months KIBOR +0.10 to 0.25% per annum. These are repayable in semi annual installments and shall be repaid by 2027. Total available facility is Rs. 6 billion.		
14.8	These represent clean finances obtained by the Company, These carry mark up at the rates ranging from 21.60% to 21.75% per annum (Dec 2023: 22.10% per annum. These borrowings will mature up to May 2024 (Dec 2023: January 2024).		

		31 March 2024 (Un-audited)	31 December 2023 (Audited)
		(Rupees in '000)	
15. DEPOSITS AND OTHER ACCOUNTS	<i>Note</i>		
Customers			
Term deposits - In Local Currency	15.2	1,614,285	1,383,726
Financial Institutions			
Term deposits - In Local Currency	15.3	2,076,844	1,340,746
		<u>3,691,129</u>	<u>2,724,472</u>
15.1 Composition of deposits			
- Individuals	15.4	622,000	535,704
- Public Sector Entities		150,000	-
- Non-Banking Financial Institutions		2,076,844	1,340,746
- Private Sector		842,285	848,022
		<u>3,691,129</u>	<u>2,724,472</u>
15.2	The mark-up rates on these certificate of investments (COI) range between 20.00% to 22.50% per annum (Dec 2023: 20.00% to 22.50% per annum). These COIs will mature up to March 2025 (Dec 2023: December 2024).		
15.3	The mark-up rates on these certificate of investments (COI) is 21.30% to 22.25% per annum (Dec 2023:21.30% to 22.35% per annum). These COIs will mature up to September 2024 (Dec 2023: March 2024).		
15.4	These includes both interest bearing and non-interest bearing certificate of investments (COI) issued to the employees of the Company maturing up to November 2026 (Dec 2023: November 2026). The interest bearing deposits carry interest rates ranging between 20.0% to 22.50% per annum (Dec 2023: 20.0% to 22.50% per annum).		

16. OTHER LIABILITIES	31 March 2024 (Un-audited)	31 December 2023 (Audited)
	(Rupees in '000)	
Mark-up / Return / Interest payable in local currency	412,778	442,759
Accrued expenses	23,461	63,971
Provision for compensated absences	-	4,804
Payable to an associated undertaking	12,405	12,713
Government levies payable	61,090	53,074
Provision for audit fee	684	2,019
Advance insurance premium on lease	777	758
Security deposits against finance lease	605,937	642,615
Payable Brokerage	-	3,873
Provision for staff rewards	139,330	120,456
	<u>1,256,462</u>	<u>1,347,042</u>

17. SHARE CAPITAL

17.1 Authorised capital

31 March 2024 (Un-audited)	31 December 2023 (Audited)		31 March 2024 (Un-audited)	31 December 2023 (Audited)
(Number of shares)			(Rupees in '000)	
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>10,000,000</u>	<u>10,000,000</u>

17.2 Issued, subscribed and paid-up share capital

<u>600,000,000</u>	<u>600,000,000</u>	Ordinary shares of Rs. 10 each	<u>6,000,000</u>	<u>6,000,000</u>
<u>600,000,000</u>	<u>600,000,000</u>	Fully paid in cash	<u>6,000,000</u>	<u>6,000,000</u>

17.3 Major shareholders (holding more than 5% of total paid-up capital)

Name of shareholder	31 March 2024 (Un-audited)		31 December 2023 (Audited)	
	Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
Government of Pakistan	300,000,000	50%	300,000,000	50%
Iran Foreign Investment Company	300,000,000	50%	300,000,000	50%
	<u>600,000,000</u>	<u>100%</u>	<u>600,000,000</u>	<u>100%</u>

	31 March 2024 (Un-audited)	31 December 2023 (Audited)
	(Rupees In '000)	
18. RESERVES		
Statutory reserve		
Opening balance	1,247,496	1,093,746
Transfer during the period / year	66,169	153,750
Closing balance	<u>1,313,665</u>	<u>1,247,496</u>

18.1 According to BPD Circular No. 15 dated 31 May 2004 issued by SBP, an amount not less than 20% of the after tax profits shall be transferred to create a reserve fund till such time the reserve fund equals the amount of the paid-up capital and after that a sum not less than 5% of profit after tax shall be credited to the statutory reserve.

	31 March 2024 (Un-audited)	31 December 2023 (Audited)
	(Rupees In '000)	
19. (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS		
Surplus / (deficit) on revaluation of		
- Securities measured at FVOCI - Debt	9.1 (35,672)	25,828
- Securities measured at FVOCI - Equity	171,190	177,858
	<u>135,518</u>	<u>203,686</u>
Deferred tax on surplus / (deficit) on revaluation of:		
- Securities measured at FVOCI - Debt	4,980	6,474
- Securities measured at FVOCI - Equity	(12,216)	(22,232)
	<u>(7,236)</u>	<u>(15,758)</u>
	<u>128,282</u>	<u>187,928</u>

	31 March 2024 (Un-audited)	31 December 2023 (Audited)
	(Rupees in '000)	
20. CONTINGENCIES AND COMMITMENTS		
-Commitments	20.1 - 20.4 8,367,216	11,157,437
-Other contingent liabilities	20.5 245,280	245,280
	<u>8,612,496</u>	<u>11,402,717</u>
20.1 Commitments In respect of repo transactions		
Repurchase agreement borrowings	<u>8,098,359</u>	<u>10,472,437</u>
20.2 Direct credit substitutes	<u>300,000</u>	<u>985,000</u>

The amount represents Standby Letter of Credit and Letter of Comfort facilities issued to the Company's clients in its normal course of business.

20.3 Commitments to extend credit

The Company makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

20.4 Capital commitments

At the period end capital commitments amounted to Rs. 268.86 million (2023: 685 million).

20.5 Other contingent liabilities

- 20.5.1** With respect to tax year 2009, 2011, 2012 & 2013 ADCIR amended assessment under Section 122(5A) of the Ordinance. The ACIR passed order under Section 122(5A) raising demand amounting to Rs. 23.3 million, Rs. 57.6 million, Rs. 32.152 million & Rs. 45.219 million respectively. The Company filed appeals against the order before the CIR(A). The CIR(A) upheld the order of ACIR. The Company, then filed appeals before the Appellate Tribunal Inland Revenue (ATIR) in respect of the orders passed by the CIR(A). The appeal is pending before ATIR. The Company, in consultation with its tax advisor, is confident of a favourable outcome.
- 20.5.2** The Additional Commissioner Inland Revenue (ADCIR) amended the assessments for tax year 2015 and raised demand of Rs. 80.433 million which was later revised to Rs. 87.014 million. The demand was challenged by the Company by filing an appeal with the CIR(A). However, on confirmation of the demand order by CIR(A) the Company filed an appeal before the ATIR and made payment of Rs. 17.5 million under protest. The ATIR through its order dated 24 November 2016 deleted the demand and directed the department to work out the liability of WWF in the light of Supreme Court's order. Consequently, the tax department filed a reference in High Court, dated 16 February 2017, which is yet to be admitted for hearing. Moreover, certain issues were remanded back by the ATIR under the aforementioned order against which relief has been allowed by the CIR(A) however, appeal effect order is pending. The company in consultation with its tax advisor, is confident of a favorable outcome.
- 20.5.3** With respect to tax year 2016, ADCIR amended the assessment and demand amounting to Rs. 52.049 million was created. The Company admitted tax imposed on commission income amounting to Rs. 1.031 million, which was paid and on other issues filed appeal to CIR(A) against ADCIR order. The CIR(A) passed order and decided the appeal and allowed partial relief. Order to the extent of apportionment of Finance Cost was confirmed by CIR(A). An appeal effect order under section 124 of the Ordinance is required to be passed for the relief allowed by CIR(A). The company and the department has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) on the issue decided against it. The demand of Rs. 52.049 million was created which was paid by the company under protest. The company in consultation with its tax advisor, is confident of a favorable outcome.
- 20.5.4** With respect to tax year 2017, ADCIR amended the assessment and demand amounting to Rs. 46.351 million was created. The Company paid the demand / adjusted the refund under protest and filed appeal against order before CIR(A). The CIR(A) passed order and has decided the appeal and allowed partial relief and accepted contention except on apportionment of markup expenses. An appeal effect order under Section 124 of the Ordinance is required to be passed for the relief allowed by CIR(A). Moreover, both the Company and the department have filed appeals before the ATIR on the issues decided against them. The appeal is awaited to be heard. The issue is pending before ATIR. The company in consultation with its tax advisor, is confident of a favorable outcome.
- 20.5.5** With respect to tax year 2018, ADCIR amended the assessment under Section 122(5A) of the Ordinance. The ACIR has passed order under Section 122(5A) reducing the refund amounting to Rs. 17.962 million. The Company filed an appeal against the order before the CIR(A). The CIR(A) passed order and has decided the appeal and allowed partial relief and accepted our contention except on apportionment of markup expenses. An appeal effect order under Section 124 of the Ordinance is required to be passed for the relief allowed by CIR(A). The company has filed an appeal before ATIR. The appeal is pending for hearing. The company in consultation with its tax advisor, is confident of a favorable outcome.

21. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

Off balance sheet financial instruments includes derivatives, contracts the characteristics of which are derived from those of underlying assets. These include forwards and swaps in money and foreign exchange markets. The Company's exposure in these instruments represents equity futures. The Company also enters into repo transactions against government securities carrying fixed interest rates and having fixed contractual maturities. The credit risk associated with repo transactions is secured through underlying government securities.

22. DERIVATIVE INSTRUMENTS

The Company at present does not offer structured derivative products such as interest rate swaps, forward rate swaps, forward rate agreements or forward exchange options. However, the Company buys and sells derivative instruments such as equity futures.

22.1 Equity futures

An equity futures contract is a standardized contract, traded on a futures counter of the stock exchange, to buy or sell a certain underlying scrip at a certain date in the future, at a specified price.

The Company uses equity futures as a hedging instrument to hedge its equity portfolio against equity price risk. Only selected shares are allowed to be traded on futures exchange. Equity futures give flexibility to the Company either to take delivery on the future settlement date or to settle it by adjusting the notional value of the contract based on the current market rates.

Maximum exposure limit to the equity futures is 10% of tier 1 capital of the Company, based on prevailing SBP regulations.

23. MARK-UP / RETURN / INTEREST EARNED

	31 March 2024 (Un-audited)	31 March 2023 (Un-audited)
	(Rupees in '000)	
On loans and advances	386,384	276,368
On investments	1,236,887	876,793
On deposits with financial institutions	3,872	163
On lendings to financial institutions	-	55
	<u>1,627,143</u>	<u>1,153,379</u>
23.1 Interest income (calculated using effective interest rate method) recognised on:		
Financial assets measured at amortised cost;	386,384	276,368
Financial assets measured at fair value through OCI.	1,240,759	877,011
	<u>1,627,143</u>	<u>1,153,379</u>

24. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	162,294	77,231
Securities sold under repurchase agreements	86,295	30,499
On borrowing from State Bank of Pakistan- Under financing facility		
- Imported & Locally Manufactured Plant & Machinery (LTFF)	9,548	10,208
- Temporary Economic Refinance Facility (TERF)	2,930	2,816
- Renewable Energy (REF)	4,138	4,523
- Financing Facility for Storage of Agriculture Produce (FFSAI)	2,120	858
Borrowings from State Bank of Pakistan - open market operation	285,323	327,110
Term Borrowing	240,427	201,978
Clean Borrowing	423,067	163,799
	<u>1,216,142</u>	<u>819,022</u>
25. FEE & COMMISSION INCOME		
Credit related fees	12,353	3,881
Commission on guarantees	824	673
	<u>13,177</u>	<u>4,554</u>

		31 March 2024 (Un-audited) (Rupees in '000)	31 March 2023 (Un-audited) (Rupees in '000)
26. GAIN ON SALE OF SECURITIES			
Realised	26.1	4,761	7,437
Unrealised - Measured at FVPL		(1,435)	(7,889)
		<u>3,326</u>	<u>(452)</u>
26.1 Realised gain on:			
Shares		<u>4,761</u>	<u>7,437</u>
26.2 Net gain / loss on financial assets / liabilities measured at FVPL:			
Designated upon initial recognition		-	-
Mandatorily measured at FVPL		4,761	7,437
		4,761	7,437
Net gain / (loss) on financial assets / liabilities measured at amortised cost		-	-
Net gain / (loss) on financial assets measured at FVOCI		-	-
Net gain / (loss) on investments in equity instruments designated at FVOCI		22,071	93
		<u>22,071</u>	<u>93</u>
		<u>26,832</u>	<u>7,530</u>
27. OPERATING EXPENSES			
		31 March 2024 (Un-audited) (Rupees in '000)	31 March 2023 (Un-audited) (Rupees in '000)
Total compensation expense	27.1	120,872	86,454
Property expense			
Property taxes		195	176
Insurance		1,774	1,159
Utilities cost		3,596	2,734
Security (including guards)		462	337
Repair & maintenance (including janitorial charges)		2,788	2,594
Depreciation on owned assets		8,481	3,887
		17,296	10,887
Information technology expenses			
Software maintenance		1,660	842
Hardware maintenance		908	573
Depreciation		1,862	1,874
Amortisation		60	27
Network charges		2,649	2,493
Others		114	206
		7,253	6,015
Other operating expenses			
Directors' fees and allowances		2,750	2,300
Legal & professional charges		4,569	3,168
Travelling & conveyance		12,182	2,998
Training & development		141	446
Postage & courier charges		75	37
Communication		396	400
Stationery & printing		455	192
Marketing, advertisement & publicity		373	280
Auditors Remuneration		854	742
Commission and brokerage		1,584	683
Others		2,546	2,216
		<u>25,925</u>	<u>13,462</u>
		<u>171,346</u>	<u>116,818</u>

	31 March 2024 (Un-audited)	31 March 2023 (Un-audited)
	(Rupees in '000)	
27.1 Total compensation expense		
Fees and Allowances etc	-	-
Employees Remuneration		
i) Fixed	64,866	54,402
ii) Variable		
of which;		
a) Cash Bonus / Awards etc.	18,750	-
b) Bonus & Awards in Shares etc.	-	-
Charge for defined benefit plan	3,649	4,082
Contribution to defined contribution Plan	3,836	3,054
Rent & house maintenance	10,061	9,582
Utilities	2,346	2,333
Medical	6,469	2,700
Conveyance	10,895	10,301
Total	120,872	86,454
	31 March 2024 (Un-audited)	31 March 2023 (Un-audited)
	(Rupees in '000)	
28 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET		
Credit loss allowance against against balances with other banks	(82)	-
Credit loss allowance for diminution in value of investments	8.4 439	5,315
Credit loss allowance against loans & advances	9.5 (452,026)	27,143
Other credit loss allowance / write offs	197,485	-
	(254,184)	32,458

	31 March 2024 (Un-audited) (Rupees in '000)	31 March 2023 (Un-audited) (Rupees in '000)
29. TAXATION		
Current	99,004	57,898
Prior period	-	-
Deferred	103,716	5,445
	<u>202,720</u>	<u>63,343</u>
30. BASIC & DILUTED EARNINGS PER SHARE		
Profit for the period	<u>330,846</u>	<u>157,749</u>
	<u>(Number of Shares in '000)</u>	
Weighted average number of ordinary shares	<u>600,000</u>	<u>600,000</u>
Basic & diluted earnings per share	<u>0.551</u>	<u>0.263</u>

31. FAIR VALUE MEASUREMENTS

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.

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).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Fair value of financial instruments is based on:

Government securities	PKRV / PKFRV rates (MUFAP rates)
Term finance certificates and sukuk bonds (other than government)	MUFAP rates
Listed securities	PSX rates

In the opinion of the management, the fair value of the remaining financial assets and liabilities is not significantly different from their carrying values.

31.2 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 measured is categorised.

On balance sheet financial instruments	31 March 2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in 000) -----			
Financial assets measured at fair value				
Federal Government Securities	15,050,507	1,790,342	-	16,840,849
Shares in listed companies	764,372	-	-	764,372
Non Government Debt Securities	6,171,183	-	-	6,171,183
	<u>21,986,062</u>	<u>1,790,342</u>	<u>-</u>	<u>23,776,404</u>

	31 December 2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in 000) -----			
Financial assets measured at fair value				
Federal Government Securities	12,956,862	2,974,935	-	15,931,797
Shares in listed companies	836,387	-	-	836,387
Non Government Debt Securities	5,882,325	-	-	5,882,325
	<u>19,675,574</u>	<u>2,974,935</u>	<u>-</u>	<u>22,650,509</u>

32 SEGMENT INFORMATION

Segment Details with respect to Business Activities	31 March 2024				
	Corporate Finance & Commercial	Trading & Sales (other than Capital Market)	Capital Markets	Others	Total
(Rupees in '000)					
Profit & Loss					
Net mark-up/return/profit	339,043	84,654	-	(12,696)	411,001
Inter segment revenue - net	-	-	-	-	-
Non mark-up / return / interest income	13,177	-	30,719	26	43,922
Total Income	352,220	84,654	30,719	(12,670)	454,923
Segment direct expenses	16,049	6,799	5,823	146,870	175,541
Inter segment expense allocation	-	-	-	-	-
Total expenses	16,049	6,799	5,823	146,870	175,541
Provisions	(254,541)	-	439	(82)	(254,184)
Profit before tax	590,712	77,855	24,457	(159,458)	533,566

Balance Sheet	31 March 2024				
	Corporate Finance & Commercial Banking	Trading & Sales (other than Capital Market)	Capital Markets	Others	Total
(Rupees in '000)					
Cash & Bank balances	-	-	-	319,044	319,044
Investments	4,712,484	18,327,158	838,524	-	23,878,166
Net inter segment lending	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-
Advances - performing	11,104,816	-	-	103,638	11,208,454
- non-performing	354,434	-	-	-	354,434
Others	557,176	1,060,546	9,528	1,639,497	3,266,747
Total Assets	16,728,910	19,387,704	848,052	2,062,179	39,026,845
Borrowings	6,691,287	16,782,698	180,840	-	23,654,825
Subordinated debt	-	-	-	-	-
Deposits & other accounts	2,618,950	918,926	153,253	-	3,691,129
Net inter segment borrowing	-	-	-	-	-
Others	169,338	243,441	-	843,683	1,256,462
Total liabilities	9,479,575	17,945,065	334,093	843,683	28,602,416
Equity	7,249,335	1,442,639	513,959	1,218,496	10,424,429
Total Equity & liabilities	16,728,910	19,387,704	848,052	2,062,179	39,026,845
Contingencies & Commitments	300,000	8,098,359	-	-	8,398,359

Profit & Loss	31 March 2023				
	Corporate Finance & Commercial Banking	Trading & Sales (other than Capital Market)	Capital Markets	Others	Total
(Rupees in '000)					
Net mark-up/return/profit	289,830	68,291	-	(23,764)	334,357
Inter segment revenue - net	-	-	-	-	-
Non mark-up / return / interest income	4,554	-	32,408	2,545	39,507
Total Income	294,384	68,291	32,408	(21,219)	373,864
Segment direct expenses	34,477	12,883	15,032	57,922	120,314
Inter segment expense allocation	-	-	-	-	-
Total expenses	34,477	12,883	15,032	57,922	120,314
Provisions	32,458	-	-	-	32,458
Profit before tax	227,449	55,408	17,376	(79,141)	221,092

Balance Sheet	31 December 2023 (Audited)				
	Corporate Finance & Commercial Banking	Trading & Sales (other than Capital Market)	Capital Markets	Others	Total
(Rupees in '000)					
Cash & Bank balances	-	-	-	454,787	454,787
Investments	4,428,346	17,418,753	803,410	-	22,650,509
Net inter segment lending	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-
Advances - performing	10,166,941	-	-	101,495	10,268,436
Advances - non-performing	383,447	-	-	-	383,447
Others	421,110	640,636	147	1,622,818	2,684,711
Total Assets	16,399,844	18,059,389	803,557	2,179,100	36,441,890
Borrowings	6,052,634	15,560,416	176,168	-	21,789,218
Subordinated debt	-	-	-	-	-
Deposits & other accounts	1,761,827	828,494	134,151	-	2,724,472
Net inter segment borrowing	-	-	-	-	-
Others	142,129	300,628	-	904,285	1,347,042
Total liabilities	7,956,590	16,689,538	310,319	904,285	25,860,732
Equity	7,443,254	1,369,851	493,238	1,274,815	10,581,158
Total Equity & liabilities	16,399,844	18,059,389	803,557	2,179,100	36,441,890
Contingencies & Commitments	985,000	10,472,437	-	-	11,457,437

33 RELATED PARTY TRANSACTIONS

Related parties of the Company comprise retirement benefit plan, major shareholders, directors, key management personnel and their close family members.

The Company enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

	31 March 2024 (Un-audited)			31 December 2023 (Audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
----- (Rupees in '000) -----						
Advances						
	-	47,991	-	-	79,776	-
Addition during the period / year	-	-	-	-	6,827	-
Repaid during the period / year	-	(2,057)	-	-	(38,612)	-
Closing balance	-	45,934	-	-	47,991	-
Other Assets						
Other receivable	-	-	18,077	-	-	18,298
Deposits and other accounts						
Opening balance	-	73,835	1,551,712	-	89,441	1,132,111
Received during the period / year	-	255,961	2,563,707	-	1,028,340	5,521,882
Withdrawn during the period / year	-	(229,364)	(2,235,132)	-	(1,043,946)	(5,102,281)
Closing balance	-	100,432	1,880,287	-	73,835	1,551,712
Other Liabilities						
Interest / mark-up payable	-	1,306	32,849	-	758	61,819
Other liabilities						
- bonus payable to Key Management	-	6,681	-	-	10,902	-
- payable to Iran Foreign Investment Company - associate	-	-	12,405	-	-	12,713
- director fee payable	-	-	-	1,500	-	-
----- (Rupees in '000) -----						
	31 March 2024 (Un-audited)			31 March 2023 (Un-audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
----- (Rupees in '000) -----						
RELATED PARTY TRANSACTIONS						
Income						
Mark-up / return / interest earned	-	546	-	-	941	-
Expense						
Mark-up / return / interest paid	-	4,910	93,356	-	3,787	47,216
Operating expenses						
Fees for Board & Committee Meeting	2,750	-	-	2,300	-	-
Managerial Remuneration	-	44,426	-	-	27,563	-
Cash Bonus / Awards	-	4,220	-	-	1,178	-
Contribution to defined contribution plan	-	2,565	-	-	1,874	-
Rent & house maintenance	-	5,177	-	-	5,113	-
Utilities	-	1,234	-	-	1,473	-
Medical	-	5,065	-	-	1,352	-
Conveyance	-	4,215	-	-	3,933	-
Others	-	141	-	-	164	-
Contribution to the defined contribution plan	-	-	3,655	-	-	3,054
Payment to the defined benefit plan	-	-	3,794	-	-	4,250
Charge for defined benefit plan	-	-	3,649	-	-	4,082

34 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

31 March 31 December
2024 2023
(Un-audited) (Audited)
(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	6,015,420	6,137,654
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	6,015,420	6,137,654
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	6,015,420	6,137,654

Risk Weighted Assets (RWAs):

Credit Risk	13,316,152	12,543,324
Market Risk	1,732,268	1,672,774
Operational Risk	2,558,700	2,558,700
Total	17,607,120	16,774,798

	31 March 2024		31 December 2023	
	Required	Actual	Required	Actual
Common Equity Tier 1 Capital Adequacy ratio (%)	6.00%	34.16%	6.00%	36.59%
Tier 1 Capital Adequacy Ratio (%)	7.50%	34.16%	7.50%	36.59%
Total Capital Adequacy Ratio (%)	11.5%*	34.16%	11.50%	36.59%

*In terms of BPRD Circular Letter No. 12 of 2020 dated March 26, 2020, SBP has reduced Capital Conversion Buffer (CCB) requirement from 2.5% to 1.5% to enable the banks/DFIs to continue funding the real economy during evolving situation of CoVID-19 outbreak.

Standardized Approach of Basel III is used for calculating Capital Adequacy for Credit and Market Risk while Basic indicator Approach is used for calculating Capital Adequacy for Operational Risk.

Leverage Ratio (LR):

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

Eligible Tier-1 Capital	6,015,420	6,137,654
Total Exposures	38,704,606	36,821,894
Leverage Ratio	15.54%	16.67%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	9,414,057	4,721,000
Total Net Cash Outflow	8,140,502	2,488,417
Liquidity Coverage Ratio (%)	1.16	1.90

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	17,808,534	18,129,032
Total Required Stable Funding	16,555,526	15,611,204
Net Stable Funding Ratio (%)	108%	116%

35. GENERAL

35.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

35.2 The Pakistan Credit Rating Agency Limited (PACRA) has maintained the long term entity rating to AA (Double A) and the short term rating at A1+ (A one plus) of the Company.

35.3 Corresponding figures

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

36. EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date which could have material effect on these condensed interim financial statements.

37. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on _____ by the Board of Directors of the Company.



Chief Financial Officer



Managing Director /
Chief Executive Officer



Chairman



Director



Director