1. STATUS AND NATURE OF BUSINESS

Saudi Pak Industrial and Agricultural Investment Company Limited (the Company) was incorporated in Pakistan as a private limited company on December 23, 1981 and subsequently converted to public limited company on April 30, 2008. The Company is jointly sponsored by the Governments of Kingdom of Saudi Arabia (KSA) and the Government of the Islamic Republic of Pakistan. The Company is a Development Financial Institution (DFI) and principally engaged in investment in the industrial and agro-based industrial projects in Pakistan on commercial basis and markets its products in Pakistan and abroad. The Company was initially setup for a period of fifty years and upon mutual consent of the Government of Kingdom of Saudi Arabia (KSA) and Government of Pakistan the duration of Company has been further extended for another period of fifty years.

The registered office of the Company is situated at Saudi Pak Tower, Jinnah Avenue, Islamabad. The Company is also operating offices in Lahore and Karachi.

2. BASIS OF PRESENTATION

These unconsolidated financial statements have been presented in accordance with the requirements of format prescribed by the State Bank of Pakistan's BPRD Circular No. 02 dated 09 February 2023 with further addition made vide BPRD Circular Letter No. 13 dated July 01, 2024.

These unconsolidated financial statements are separate financial statements of the Company in which the investment in subsidiary is stated at cost and have not been accounted for on the basis of reported results and net assets of the investee which is done in consolidated financial statements.

2.1 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. The unconsolidated financial statements are presented in Pak. Rupee, which is the Company's functional and presentation currency.

3. STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962 and Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

3.2 The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 40 - Investment Property for banking companies and DFIs till further instructions.
Additionally, IFRS 10 - Consolidated Financial Statements was made applicable from period beginning on or after 01 January 2015 vide S.R.O 633 (I) / 2014 dated 10 July 2014 by SECP. However, SECP has directed through S.R.O 56 (I) / 2016 dated 28 January 2016 that the requirement of consolidation under section 228 of the Companies Act, 2017 and IFRS 10 - Consolidated Financial Statements is not applicable in case of investment by companies in mutual funds established under trust structure.

Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks and DFIs.
Accordingly, the requirements of IAS 40, IFRS 10, and IFRS 7 have not been considered in the preparation of these unconsolidated financial statements.

3.3 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current year:

There are certain amendments to existing accounting and reporting standards that have become applicable to the Company for the accounting periods beginning on or after January 1, 2024. These are considered either not to be relevant or not to have any significant impact on these unconsolidated financial statements.

3.4 Standards, interpretations of and amendments to published accounting and reporting standards that are not yet effective:

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 January 2025 and have not been early adopted by the Company:

Title of Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Amendments regarding the classification and measurement of financial instruments-IFRS-07 Financial Instruments: Disclosures	January 01, 2026
Amendments regarding the classification and measurement of financial instruments-IFRS-09 Financial Instruments	January 01, 2026
IFRS 18 : Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19- Subsidiaries without Public Accountability: Disclosures	January 01, 2027

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements, in the period of initial application.

Further, the following new standards have been issued by the IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

- IFRS 1 – First time Adoption of IFRS
- IFRS 17 – Insurance Contracts

4. BASIS OF MEASUREMENT

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

- certain items of operating fixed assets and non-banking assets acquired in satisfaction of claims which are shown at revalued amounts;
- certain advances and borrowings at below-market rates are carried at fair value per IFRS 9;
- certain investments classified as FVOCI and FVPL are carried at fair value in accordance with the requirements of IFRS - 9; and
- staff retirement benefit which is stated at present value of defined benefit obligation net of fair value of plan assets.

Critical accounting judgments and estimation uncertainty

The preparation of unconsolidated financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. The Company uses estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equals the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these unconsolidated financial statements are as follows:

i) Classification and valuation of investments
ii) ECL against investments, advances and other assets
iii) Valuation and impairment of fair value through OCI and fair value through profit and loss securities
iv) Valuation, useful life and depreciation of fixed assets and non-banking assets acquired in satisfaction of claims
v) Useful life of intangibles
vi) IFRS 16-lease term and effective interest rate of lease contracts for lease liabilities and right of use of assets
vii) Taxation
viii) Present value of staff retirement benefits
ix) Impairment of subsidiary and associates
x) Contingent assets and liabilities, provision against off balances sheet obligations

5. MATERIAL ACCOUNTING POLICIES

5.1 The accounting policies set out below have been applied consistently to all periods presented in these unconsolidated financial statements, except for the IAS 12, Income Taxes (Revised 2012) and the updates to align with IFRS 9 "Financial Instruments" explained below;

5.1.1 During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical rRelease 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Therefore, in accordance with the guidance, the Company has changed its accounting policy to recognize minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognized as 'Income tax'.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

	For the year ended December 31, 2024			For the year ended December 31, 2023		
	Had there been no change in accounting policy	Impact of change in accounting policy	After effects of changes in accounting policy	Had there been no change in accounting policy	Impact of change in accounting policy	After effects of changes in accounting policy
			-Rupees-			
Levy	-	(20,588,060)	(20,588,060)	-	(69,780,083)	(69,780,083)
Profit before income tax	1,383,861,335	(20,588,060)	1,363,273,275	557,892,646	(69,780,083)	488,112,563
Income tax expense	(464,028,781)	20,588,060	(443,440,721)	(50,330,037)	69,780,083	19,450,046
	919,832,554	-	919,832,554	507,562,609	-	507,562,609

5.1.2 To further comply with IFRS 9 requirements, the Company adopted the fair value measurement of unquoted equity securities during the current year, along with changes related to modification accounting and the effective interest rate, as given required by BPRD Circular Letters No. 16 and 01 dated July 29, 2024 and dated 22, 2025 respectively. These changes are applied using the modified retrospective approach, without restating 2023 comparatives, in accordance with IFRS 9 transitional provisions. As a result, opening retained earnings decreased by Rs. 38.473 million (net of deferred tax of Rs. 24.597 million), while revaluation surplus reduced by Rs. 25.224 million (net of deferred tax of Rs. 16.127). Corresponding adjustments are made to the carrying values as of the prior year's reporting date, including an decrease of Rs. 922.945 million in advances, a decrease of Rs. 945.643 million in borrowings, and an decrease of Rs. 41.351 million in unquoted equity securities (FVOCI investments).

5.2.1 IFRS 9 – Financial Instruments

To determine appropriate classification and measurement category, IFRS 9 requires all financial assets, except equity instruments to be assessed based on combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics. IFRS 9 also the impairment method of financial assets with a forward-looking Expected Credit Losses (ECL) approach.

5.2.2 Classification

Under IFRS 9 – Financial Instruments, financial assets are classified into the following categories based on the entity's business model for managing the financial asset and the contractual cash flow characteristics:

- Financial assets at fair value through profit or loss account (FVPL)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at amortized cost

Under IFRS 9 – Financial Instruments, the default classification for financial liabilities is amortized cost. However, financial liabilities may be designated at fair value through profit or loss (FVPL), in which case any gains or losses arising from changes in the entity's own credit risk are recognized in other comprehensive income (OCI), with no subsequent reclassification to profit or loss. The Company does not have any financial liabilities designated at FVPL, and all financial liabilities are measured at amortized cost in accordance with IFRS 9.

The classification and subsequent measurement is dependent on the Company's business model.

5.2.3 Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- The objectives for the portfolio, in particular, whether the management's strategy focuses on earning contractual revenue, maintaining a particular yield profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the company's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realized.

The business model assessment is based on reasonably expected scenarios. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Eventually, the financial assets fall under either of the following three business models:

a. Hold to Collect (HTC) Business Model: Holding assets in order to collect contractual cash flows
b. Hold to Collect and Sell (HTC&S) Business Model: Collecting contractual cash flows and selling financial assets
c. Other Business Models: Resulting in classification of financial assets as FVPL

5.2.4 Assessments whether contractual cash flows are solely payments of principal and profit (SPPI)

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount). The most significant elements of profit within a financing arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set. In contrast, contractual terms that introduce a more than de minimize exposure to risks or volatility in the contractual cash flows that are unrelated to a basic financing arrangement do not give rise to contractual cash flows that are solely payments of principal and profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

5.2.5 Reclassification

Reclassification of financial assets will only be made in exceptional cases along with the rationale for the change in the business model (under which they were managed) that has led to the reclassification. Such changes must be demonstrable to external parties. Financial liabilities are never reclassified.
The Company reclassifies debt instrument when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change.

5.2.6 Financial assets – debt instruments

Debt financial assets held by the Company (including; advances, lending to financial institutions, investment in federal government securities and other private debt securities, cash and balances with treasury Banks, balances with other Banks, and other financial assets) are measured at amortized cost if they meet both of the following conditions and is not designated as at FVPL:

- the assets are held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

The Company's business model for these financial assets can still be HTC even when sales of these financial assets occur. However, if more than an infrequent number of sales or sale(s) of significant value are/is made, the Company assess whether and how the sales are consistent with the HTC objective. This assessment includes the reason(s) for the sales, the expected frequency of sales, and whether the assets that are sold are held for an extended period of time relative to their contractual maturities.

The aforementioned financial assets are measured at FVOCI only if these meet both of the following conditions and are not designated as at FVPL:

- the assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

The aforementioned financial assets if held for trading purposes are classified as measured at FVPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5.2.7 Financial assets – equity instruments

An equity instrument held by the Company for trading purposes is classified as measured at FVPL. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments.

5.2.8 Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Company purchase or sell the asset. Other financial assets and liabilities like advances, lending to financial institutions, deposits etc. are recognized when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is done when underlying asset is purchased. The Company recognizes due to customer and financial institution balances when these funds reach the Company.

5.2.8.1 Amortized cost

Financial assets and liabilities under amortized cost category are initially recognized at fair value adjusted for directly attributable transaction cost. These are subsequently measured at amortized cost using the effective interest method. An expected credit loss allowance (ECL) is recognized for financial assets in the profit or loss. interest income / expense on these assets / liabilities are recognized in the profit or loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognized in the profit or loss account.

5.2.8.2 Fair value through other comprehensive income

Debt instruments held at FVOCI are subsequently carried at fair value, with all unrealized gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in a separate component of equity. Changes in expected credit losses are recognized in the profit or loss and are accumulated in equity. On derecognition, the cumulative fair value gains or losses, net of the cumulative expected credit loss reserve, are transferred to the profit or loss.

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

5.2.8.3 Fair value through profit or loss

Financial assets under FVPL category are initially recognized at fair value. Transaction cost will be directly recorded in the profit or loss. These assets are subsequently measured at fair value with changes recorded in the profit or loss account. Interest / dividend income on these assets are recognized in the profit or loss account. On derecognition of these financial assets, capital gain / loss will be recognized in the profit or loss account. An expected credit loss allowance (ECL) is not recognized for these financial assets.

5.2.9 Derecognition

5.2.9.1 Financial assets

The Company derecognizes a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
    - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
    - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its unconsolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

5.2.9.2 Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the profit or loss account.

5.2.10 Modification

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of financing to its customers. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset in accordance with IFRS 9, the Company recalculate the gross carrying amount of the financial asset and shall recognize a modification gain or loss in the profit or loss account. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective profit rate (or credit-adjusted effective profit rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

5.2.11 Effective interest rate (EIR) method

The Company applies the Effective Interest Rate (EIR) method for recognizing interest income and expense on financial assets and liabilities. The EIR method ensures that interest is allocated and recognized over the relevant period using a rate that exactly discounts estimated future cash flows to the gross carrying amount of a financial asset or the amortized cost of a financial liability. This calculation incorporates all contractual terms, including fees, transaction costs, and other adjustments, but excludes expected credit losses.

5.2.12 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Financial assets and financial liabilities are generally reported gross in the unconsolidated statement of financial position except when IFRS netting criteria are met.

5.2.13 Overview of the ECL principles

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with all advances and other debt financial assets not held at FVPL, together with letter of comfort, guarantees and unutilized financing commitments hereinafter referred to as "Financial Instruments". The Company recognizes a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at individual customer level.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject customer. The Company also applies a secondary qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, generally, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 60 days past due. The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated at individual customer level.

Based on the above process, the Company groups its financial instruments into Stage 1, Stage 2, Stage 3 and purchased or originated credit impaired (POCI), as described below:

Stage 1

When financial instruments are first recognized, the Company recognizes an allowance based on 12mECLs. Stage 1 financial instruments also include facilities where the credit risk has improved and they have been reclassified from Stage 2. The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR . This calculation is made for all the scenarios.

Stage 2

When a financial instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. Stage 2 also includes facilities, where the credit risk has improved and the instrument has been reclassified from Stage 3. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs are applied over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR .

Stage 3

For financial instruments considered credit-impaired, the Company recognizes the lifetime expected credit losses for these instruments. The Company uses a PD of 100% and LGD as computed for each portfolio or as prescribed by the SBP under the prudential regulations whichever is higher.

POCI

Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and profit / rental is subsequently recognized based on a credit-adjusted EIR. ECLs are only recognized or released to the extent that there is a subsequent change in the expected credit losses.

Undrawn financing

When estimating LTECLs for undrawn financings commitments, the Company estimates the expected portion of the financings commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the financings are drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both financings and an undrawn commitment, ECLs are calculated and presented with respective facility's ECL.

Guarantee and letters of comfort:

The Company estimates ECLs based on credit conversion factor (CCF) calculated using the historical data relating to amount approved of a facility and actual utilized amount for Guarantee and letter of comfort contracts. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognized within other liabilities.

Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liabilities to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

5.2.13.1 The calculation of ECLs

The Company calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to a Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

PD

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio. The Company has adopted obligator risk rating (ORR) method for the determination of PD. Under this method, historical data has been analyzed relating to ORR yearly migration for probability of default matrix. Macroeconomic adjustments are then applied to default rates to incorporate current and future changes in economic environment. Macroeconomic variables that may affect default rates are identified and their impact on default rates is calculated using a multiple scenario-based modeling framework.

EAD

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments. The maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Company has the legal right to call it earlier. However, in case of revolving facilities, the Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behavior, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

LGD

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

The discount rate used to discount the ECLs is based on the effective profit rate that is expected to be charged over the expected period of exposure to the facilities.

When estimating the ECLs, the Company considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs.

Definition of default

The Company defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

The customer is more than 90 days past due on its contractual payments.

The Company considers a default to have occurred with regard to any particular credit instrument when either or both of the following two events have taken place:

- The Company considers that the obligor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if held).
- If principal or mark-up/interest, on any of the obligor's material credit obligations, is overdue by 90 days or more from the due date or as defined in Prudential Regulations from time to time.

Write-offs

The gross carrying amount of a credit instrument will be reduced when there is no reasonable expectation of recovery, in accordance with the terms of its Write-Off policy. Write-off constitutes a derecognition event.

5.2.14 Measurement of unquoted equity securities

Unquoted equity investments, previously measured at the lower of cost or breakup value, are now measured at fair value through other comprehensive income (OCI). While determining the fair value of unquoted equity securities, the Company has reviewed the business model/realization pattern of investment to determine the appropriateness of valuation method. Unquoted equity securities are initially recognized at fair value through other comprehensive income. Any change in the fair value of these securities is recognized in other comprehensive income (OCI). On derecognition of equity investment classified as fair value through other comprehensive income, accumulated fair value gain / losses on investments are transferred to retained earning.

5.3 Cash and cash equivalents

Cash and cash equivalents comprise of cash and balances with treasury banks, balances with other banks and call money lendings.

5.4 Non-current asset classified as held for sale

The Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for sale in its present condition and its sale must be probable. For sale to be probable, the appropriate level of management must be committed to a plan to sell the asset and an active programme to locate a buyer and complete plan must have been initiated. Assets designated as held for sale are carried at lower of carrying amount at designation and fair value less cost to sell, if fair value can reasonably be determined.

5.5 Sale and repurchase agreements

Securities sold under repurchase agreement (repo) are retained in the unconsolidated financial statements as investments and a liability for consideration received is included in borrowings. Conversely, consideration for securities purchased under resale agreement (reverse repo) are included in lendings to financial institutions. The difference between sale and repurchase / purchase and resale price is recognised as mark-up / return expensed and earned respectively accrued over the life of agreement using effective interest rate method. Repo and reverse repo balances are reflected under borrowings from and lendings to financial institutions respectively.

5.6 Investments

Classification and measurement policies for investments, except for that of subsidiary and associate, as detailed in note 5.1 above.

- Investments in associate and subsidiary

Investment in associate and subsidiary is carried at cost less impairment, if any.

All purchases and sale of investments that require delivery within the time frame established by regulations or market convention are recognized at the trade date, which is the date the Company commits to purchase or sell the investments.

5.7 Advances

Advances are stated net of provision. The provision for non-performing advances is determined in accordance with the requirements of the Prudential Regulations issued by the State Bank of Pakistan (SBP) and IFRS 9 – Expected Credit Loss (ECL) model, whichever is higher, as per the policy outlined in Note 5.2.

The provision against non-performing advances are charged to the unconsolidated profit and loss account. Advances are written off when there is no realistic prospect of recovery.

5.8 Finance lease receivables

Leases where the Company transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee are classified as finance leases. A receivable is recognized at an amount equal to the present value of the lease payments including any guaranteed residual value. Finance lease receivables are included in advances to the customers.

5.9 Fixed assets and depreciation

(a) Property and equipment (owned and leased)

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land which is stated at cost and lease hold land, buildings and certain other items which are carried at revalued amount less depreciation.

Certain items of fixed assets are revalued by professionally qualified valuers with sufficient regularity to ensure that the net carrying amount does not differ materially from their fair value. Surplus / (deficit) arising on revaluation of fixed assets is credited / (debited) to the surplus on revaluation of assets account and is shown in the shareholders' equity in the unconsolidated statement of financial position.

In making estimates of the depreciation / amortization, the management uses useful life and residual value which reflects the pattern in which economic benefits are expected to be consumed by the Company. The useful life and the residual value are reviewed at each financial year end and any change in these estimates in future years might effect the carrying amounts of the respective item of operating fixed assets with the corresponding effect on depreciation / amortization charge.

Depreciation is provided on straight line method at rates specified in note 12.1.2 to the unconsolidated financial statements so as to write off the cost of the assets over their estimated useful lives. Depreciation of an asset begins when it is available for use. Depreciation of an asset ceases at the earlier of the date when the asset is classified as held for sale and the date that the asset is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Maintenance and normal repairs are charged to unconsolidated profit and loss account as and when incurred. Major renewals and improvements are capitalized. Gains and losses on disposal of operating fixed assets are taken to the unconsolidated profit and loss account.

(b) Capital work in progress

Capital work in progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of fixed assets when available for intended use.

5.10 Intangibles

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged to unconsolidated profit and loss account. Amortization is computed from the date of purchase to date of disposal / write off using the straight line method in accordance with the rates specified in note 13 to these unconsolidated financial statements to write off cost of the assets over their estimated useful life.

5.11 IFRS 16 - Leases

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. Right to use assets are subsequently stated at cost less any accumulated depreciated/ accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor. Right-of-use assets are depreciated over their expected useful lives using the straight line method.

The lease liabilities are initially measured as the present value of remaining lease payments, discounted using the incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. Each lease payment is allocated between a reduction of the liability and finance cost. The finance cost is charged to profit and loss account as markup expense over the lease period.

5.12 Non banking assets acquired in satisfaction of claims

In accordance with the BPRD Circular No. 1 of 2016 dated January 1, 2016 issued by SBP, the non-banking assets acquired in satisfaction of claims are carried at revalued amounts. Surplus arising on revaluation of such properties is credited to the 'surplus on revaluation of non banking assets' account and any deficit arising on revaluation is taken to profit and loss account directly. Legal fees, transfer costs and direct costs of acquiring title to property is charged to profit and loss account and are not capitalised. These assets are depreciated as per Company's policy.

5.13 Deposits

Deposits are recorded at the fair value of proceeds received. Markup accrued on deposits is recognised separately as part of other liabilities and is charged to unconsolidated profit and loss account on a time proportion basis.

5.14 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the unconsolidated profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or in equity, in which case it is recognised in other comprehensive income or in equity.

(a) Current

Provision for current tax is the expected tax payable on the taxable income for the year using tax rates applicable at the date of unconsolidated statement of financial position. The charge for the current tax also includes adjustments, where considered necessary relating to prior years, arising from assessments made during the year for such years.

(b) Deferred

Deferred tax is provided for by using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the date of unconsolidated statement of financial position, and applicable at the time of its reversal. A deferred tax asset is recognised only to the extent that it is probable that the future taxable profit will be available and credits can be utilized. Deferred tax assets are reduced to the extent it is no longer probable that the related tax benefit will be realised.

The Company recognizes deferred tax asset/liability on (deficit)/surplus on revaluation of securities and revaluation of operating fixed assets as an adjustment to deficit / surplus on revaluation of securities and revaluation of operating fixed assets.

(c) Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21/IAS 37 and accordingly have been classified as levy in these unconsolidated financial statements. Final taxes levied under the Income Tax Ordinance, 2001 and any excess over the amount designated as provision for current tax are charged as levy in statement of profit or loss and other comprehensive income. The change for current tax also includes adjustments, where considered necessary, to provision for tax and levy made in previous years arising from assessments framed during the year for such years.

5.15 Staff retirement benefits

(a) Defined benefit plan

The Company operates an approved gratuity fund for its permanent employees. Contributions to the fund are made on the basis of actuarial recommendations. The actuarial valuation is carried out periodically using "projected unit credit method".

(b) Defined contribution plan

The Company also operates a recognized provident fund for all of its permanent employees. Equal monthly contributions at the rate of 10% of basic salary are made both by the Company and the employees, which are transferred to the provident fund.

(c) Compensated absences

As per its service rules, the Company grants compensated absences to all of its permanent employees. The provision for compensated absences is made on the basis of last drawn basic salary.

5.16 Revenue recognition

– **Interest Income**

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. For the financial assets that have become credit-impaired (Stage 3) subsequent to initial recognition, interest income is calculated by applying the effective interest rate to their amortised cost (i.e., net of the expected credit loss provision). If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. The calculation of the effective interest rate includes all transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability. Interest income and expense presented in the statement of profit or loss include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis;
- Interest income on investment (debt) securities measured at FVOCI and measured at amortised cost is calculated using effective interest rate method and is also included in interest income.

– **Fee and commission income**

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fee and commission income are recognised over time as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, the related loan commitment fees are recognised over time on a straight-line basis over the commitment period. In case of these services, the control is considered to be transferred over time as the customer is benefited from these services over the tenure of the service period. Other fee and commission expense relate mainly to transaction the services are received. When the Company provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

- **Income from investment securities**
  Recognition of income from investment securities under respective classification are given in note 5.1 above.

- The Company follows the finance method to recognize income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of the leased assets) is deferred and taken to income over the term of lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease. Gains/ losses on termination of lease contracts are recognized as income/expense on realization. Unrealized lease income on classified lease is held in suspense account, where necessary, in accordance with the requirements of SBP guidelines and recognized as income on receipt basis.

- Dividend income is recognized when the Company's right to receive income is established.
- Rental income is recognized on systematic basis.
- Gains and losses on disposal of operating fixed assets are taken to the unconsolidated profit and loss account.

5.17 Foreign currency transactions and translation

Foreign currency transactions are translated into Pak. Rupee at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated to Pak. Rupee at the exchange rates prevailing at the date of unconsolidated statement of financial position. Exchange gains and losses are included in unconsolidated profit and loss account of the Company.

5.18 Impairment

The carrying amount of the Company's assets are reviewed at the date of unconsolidated statement of financial position to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognised as expense in the unconsolidated profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

5.19 Provisions

Provisions are recognised when there are present, legal or constructive obligations as a result of past events and it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amounts can be made. Provision for guarantee claims and other off balance sheet obligations is recognized when intimated and reasonable certainty exists to settle the obligations. Expected recoveries are recognized by debiting customer accounts. Charge to unconsolidated profit and loss account is stated net off expected recoveries.

5.20 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

5.21 Dividend Distribution

Dividends and appropriations to reserves, except appropriations which are required by the law, made subsequent to the reporting date are considered as non-adjusting events and are recorded in the financial statements in accordance with the requirements of International Accounting Standard (IAS) 10, 'Events after the reporting period' in the year in which they are approved / transfers are made.

5.22 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

5.23 Financial instruments

Financial assets and liabilities

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provision of the instrument. Financial assets are de-recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognized when obligation specific in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liability is recognized in the profit and loss account of the current period. The particular recognition and subsequent measurement methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them.

Off-setting of financial instruments

Financial assets and financial liabilities are only set-off and net amount is reported in the unconsolidated financial statements when there is legally enforceable right to set-off the recognized amount and the Company either intends to settle on net basis or to settle the liabilities and realize the assets simultaneously.

5.24 Statutory reserve

According to BPD Circular No. 15 dated May 31, 2004 issued by the 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.

5.25 Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in providing differentiated products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), subject to risks and rewards that are different from those of other segments. Segment information is presented as per the Company's functional structure and the guidance of State Bank of Pakistan. The Company's primary format of reporting is based on business segments. The Company comprises of the following main business segments:

(a) Business Segment

- **Corporate finance**

  This includes investment activities such as underwriting, Initial Public Offers (IPOs) and corporate financing.

- **Trading and Sales**

  Trading and sales includes the Company's treasury and money market activities.

- **Building Rental Services**

  This segment undertakes the rental services of Saudi Pak Tower and its allied activities.

(b) Geographical Segment

The Company conducts all its operations in Pakistan.

5 EVENTS AFTER THE REPORTING DATE

Subsequent to the year end, the Board of Directors proposed a cash dividend of Rs. 0.296 per share (2023: Rs. nil). These unconsolidated financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the year end.

	Note	2024	2023
		------------ Rupees ------------	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		305,690	242,707
With State Bank of Pakistan in			
Local currency current accounts	6.1	224,681,795	134,343,934
		224,987,485	134,586,641
Less: Credit loss allowance held against cash and balances with treasury banks		-	-
Cash and balances with treasury banks - net of credit loss allowance		224,987,485	134,586,641

6.1 These represent current accounts maintained with the SBP to comply with the statutory cash reserve requirements.

7. BALANCES WITH OTHER BANKS

	2024	2023
	Rupees	
In Pakistan		
In current accounts	7,245,443	6,356,200
In deposit accounts	74,879,436	84,123,071
Less: Credit loss allowance held against balances with other banks	(6,195,914)	(177,964)
Balances with other banks - net of credit loss allowance	75,928,965	90,301,307

7.1 Deposit accounts include Rs. 74,604,286 (2023: Rs 46,924,361) held in local currency accounts. These accounts carry markup at the rates ranging from 11.50% to 22.50% (2023: 7.00% to 20.50%) per annum.

7.2 Deposit accounts include USD 993.90 (2023: USD 132,013.73) held in foreign currency accounts. These accounts carry markup at the rate of 0.25% (2023: 0.25%) per annum.

8 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	2024	2023
		Rupees	
Repurchase agreement lendings (Reverse Repo)	8.1	384,547,095	3,030,155,700
Letter based placement		-	220,000,000
		384,547,095	3,250,155,700
Less: Credit loss allowance held against lending to financial institutions		(337,454)	(160,987)
Lending to financial institutions - net of credit loss allowance		384,209,641	3,249,994,713

8.1 Particulars of lending

	2024	2023
In local currency	384,209,641	3,249,994,713

8.2 Securities held as collateral against lending to financial institutions

	2024			2023		
	Held by the Company	Further given as collateral	Total	Held by the Company	Further given as collateral	Total
	Rupees			Rupees		
Pakistan Investment Bonds	-	-	-	3,030,155,700	-	3,030,155,700
Market Treasury Bills	384,222,674	-	384,222,674	-	-	-
Total	384,222,674	-	384,222,674	3,030,155,700	-	3,030,155,700

8.3 Lending to FIs - Particulars of credit loss allowance

		2024		2023	
		Lending	Credit loss allowance held	Lending	Credit loss allowance held
		Rupees		Rupees	
Domestic					
Performing	Stage 1	384,547,095	337,454	3,250,155,700	160,987
Under performing	Stage 2	-	-	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		-	-	-	-
		-	-	-	-
		384,547,095	337,454	3,250,155,700	160,987
Total		384,547,095	337,454	3,250,155,700	160,987

	2024			
	Stage 1	Stage 2	Stage 3	Total
	Rupees			
Balance at the start of the year	160,987	-	-	160,987
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	160,987	-	-	160,987
New financial assets originated or purchased	337,454	-	-	337,454
Financial assets that have been derecognised	(160,987)	-	-	(160,987)
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	**337,454**	-	-	**337,454**

	2023			
	Stage 1	Stage 2	Stage 3	Total
	Rupees			
Balance at the start of the year	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Net remeasurement of credit loss allowance	-	-	-	-
New financial assets originated or purchased	160,987	-	-	160,987
Financial assets that have been derecognised	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	160,987			160,987

9. INVESTMENTS

9.1 Investments by type:

	Note	2024				2023			
		Fair value / amortised cost	Credit loss allowance / Provision	Surplus / (deficit)	Carrying value	Fair value / amortised cost	Credit loss allowance / Provision	Surplus / (deficit)	Carrying value
		Rupees				Rupees			
Debt Instruments									
Classified / Measured at FVPL									
Un-listed companies		55,566,507	-	-	55,566,507	-	-	-	-
Classified / Measured at FVOCI									
Federal Government Securities									
-Pakistan Investment Bonds (PIBs)		86,639,269,889	-	(757,155,869)	85,882,114,020	26,112,632,149	-	(972,135,349)	25,140,496,800
-Market Treasury Bills		55,419,107,492	-	104,057,862	55,523,165,354	-	-	-	-
		142,058,377,381	-	(653,098,007)	141,405,279,374	26,112,632,149	-	(972,135,349)	25,140,496,800
Non Government Debt Securities									
-Term Finance Certificates (TFCs) / Sukuk		712,394,505	(27,235,653)	-	685,158,852	1,069,651,845	(88,848,430)	-	980,803,415
		142,770,771,886	(27,235,653)	(653,098,007)	142,090,438,226	27,182,283,994	(88,848,430)	(972,135,349)	26,121,300,215
Classified / Measured at Amortised cost									
Federal Government Securities									
-Pakistan Investment Bonds (PIBs)		-	-	-	-	6,241,392,062	-	-	6,241,392,062
		-	-	-	-	6,241,392,062	-	-	6,241,392,062
Non Government Debt Securities									
-Term Finance Certificates (TFCs) / Sukuk		1,423,291,393	(176,290,662)	(78,121,759)	1,168,878,972	1,163,022,923	(576,721,469)	-	586,301,454
-Term Deposit		36,266,040	(14,294)	-	36,251,746	-	-	-	-
		1,459,557,433	(176,304,957)	(78,121,759)	1,205,130,717	7,404,414,985	(576,721,469)	-	6,827,693,516
Equity instruments									
Classified / Measured at FVPL									
Listed compaies		117,090,000	-	13,800,000	130,890,000	564,091,607	-	280,134,143	844,225,750
Classified / Measured at FVOCI (Non-reclassifiable)									
Shares									
Listed companies		619,416,735	-	(68,803,438)	550,613,297	661,427,300	-	(128,123,750)	533,303,550
Un-listed companies		510,000,008	-	(24,895,157)	485,104,851	510,000,008	-	-	510,000,008
		1,129,416,743	-	(93,698,595)	1,035,718,148	1,171,427,308	-	(128,123,750)	1,043,303,558
Subsidiaries									
Saudi Pak Real Estate Company Limited	9.1.2	500,000,000	-	-	500,000,000	500,000,000	-	-	500,000,000
Associates									
Saudi Pak Leasing Company Limited									
- Investment in shares		243,467,574	(243,467,574)	-	-	243,467,574	(243,467,574)	-	-
- Investment in preference shares		333,208,501	(333,208,501)	-	-	333,208,501	(333,208,501)	-	-
	9.1.3	576,676,075	(576,676,075)	-	-	576,676,075	(576,676,075)	-	-
Total Investments		146,609,078,644	(780,216,685)	(811,118,361)	145,017,743,598	37,398,893,969	(1,242,245,974)	(820,124,956)	35,336,523,039

9.1.1 The Company has investment in unsecured subordinated TFCs having outstanding principal of Rs.299.760 million, issued by Silk Bank Limited (the Issuer). Markup of Rs.185.715 million accrued as of December 31, 2024 has been suspended (December 31, 2023: 118.721 million) along with provision of Rs.56.970 million (December 31, 2023: Rs.58.768 million) in these financial statements under expected credit loss (ECL) model as per IFRS 9. The overdue principal of Rs. 0.060 million (2023: Rs.0.060 million) and the accrued markup have not been paid due to "lock in event" that restricts the issuer to make payment without the approval of the State Bank of Pakistan (SBP) to avoid Issuer's non-compliance with capital adequacy ratio. The issuer's operations are continuing without any restriction and it is expected that the above restriction shall be lifted soon by SBP as corrective measures are in progress. The shareholders of Silkbank Limited, in accordance with Section 48 of the Banking Companies Ordinance, 1962 have approved the Scheme of Amalgamation in an Extraordinary General Meeting (EOGM) held on February 18, 2025 to facilitate the merger of Silkbank Limited into and with United Bank Limited (UBL). This proposed amalgamation is subject to necessary regulatory approvals, including those from the State Bank of Pakistan (SBP) and the Competition Commission of Pakistan. The debt obligations under the Term Finance Certificates (TFCs) are duly recognized by the issuer.

9.1.2 This represents investment in 50 million shares of Saudi Pak Real Estate Company Limited (SPREL) representing 100% of paid up capital of SPREL which is incorporated in Pakistan. On the basis of latest available un-audited financial statements of SPREL as at December 31, 2024, total assets and liabilities of SPREL are Rs. 926.085 million (2023: Rs. 865.825 million) and Rs. 33.783 million (2023: Rs. 34.383 million) while total revenue, profit after taxation and total comprehensive income for the year ended December 31, 2024 are Rs. 50.938 million (2023: Rs. 42.949 million), Rs. 61.319 million (2023: Rs. 67.712 million) and Rs. 60.861 million (2023: Rs. 67.376 million) respectively.

9.1.3 The Company holds a 35.06% (2023: 35.06%) equity stake in Saudi Pak Consultancy Company Limited (SPCCL), formerly known as Saudi Pak Leasing Company Limited. In an Extraordinary General Meeting held on April 24, 2024, SPCCL resolved to transition its business focus from leasing to consultancy services and accordingly changed its name. The Pakistan Stock Exchange has updated the company's security name and symbol to 'Saudi Pak Consultancy Company Limited' and 'SPCL', respectively, effective January 16, 2025. The investment is classified at cost less impairment loss.

On the basis of latest available audited financial statements of SPCCL as at June 30, 2024, total assets and liabilities of SPCCL are Rs. 734.611 million (2023: Rs. 811.584 million) and Rs. 1,175.411 million (2023: Rs. 1,380.019 million) while total revenue, profit after taxation and total comprehensive income for the year ended June 30, 2024 are Rs. 154.002 million (2023: Rs. 32.438 million), Rs. 107.177 million (2023: loss of Rs. 14.581 million) and Rs. 104.712 million (2023: Rs. 27.440 million) respectively.

9.2 Investments by segments:

	2024				2023			
	Cost / Amortised cost	Credit loss allowance / Provision	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Credit loss allowance / Provision	Surplus / (Deficit)	Carrying Value
	Rupees				Rupees			
Federal Government Securities:								
Pakistan Investment Bonds	86,639,269,889	-	(757,155,869)	85,882,114,020	32,354,024,211	-	(972,135,349)	31,381,888,862
Market Treasury Bills	55,419,107,492	-	104,057,862	55,523,165,354	-	-	-	-
	142,058,377,381	-	(653,098,007)	141,405,279,374	32,354,024,211	-	(972,135,349)	31,381,888,862
Shares:								
Listed Companies	736,506,735	-	(55,003,438)	681,503,297	1,225,518,907	-	152,010,393	1,377,529,300
Unlisted Companies	565,566,515	-	(24,895,157)	540,671,358	510,000,008	-	-	510,000,008
	1,302,073,250	-	(79,898,595)	1,222,174,655	1,735,518,915	-	152,010,393	1,887,529,308
Non Government Debt Securities								
Listed TFCs / Sukuk	731,098,389	(45,939,537)	-	685,158,852	731,098,389	(44,247,405)	-	686,850,984
Unlisted TFCs / Sukuk	1,404,587,509	(157,586,778)	(78,121,759)	1,168,878,972	1,501,576,379	(621,322,494)	-	880,253,885
Term Deposit	36,266,040	(14,294)	-	36,251,746	-	-	-	-
	2,171,951,938	(203,540,610)	(78,121,759)	1,890,289,569	2,232,674,768	(665,569,899)	-	1,567,104,869
Associates								
Saudi Pak Leasing Company Limited								
- Investment in shares	243,467,574	(243,467,574)	-	-	243,467,574	(243,467,574)	-	-
- Investment in preference shares	333,208,501	(333,208,501)	-	-	333,208,501	(333,208,501)	-	-
	576,676,075	(576,676,075)	-	-	576,676,075	(576,676,075)	-	-
Subsidiaries								
Saudi Pak Real Estate Company Limited	500,000,000	-	-	500,000,000	500,000,000	-	-	500,000,000
Total Investments	146,609,078,644	(780,216,685)	(811,118,361)	145,017,743,598	37,398,893,969	(1,242,245,974)	(820,124,956)	35,336,523,039

	2024	2023
	Rupees	
9.2.1 Investments given as collateral		
Pakistan Investment Bonds (PIBs)	74,663,165,218	29,914,192,062
Market Treasury Bills (T Bills)	51,562,665,332	-
	126,225,830,550	29,914,192,062

9.3 Particulars of credit loss allowance

9.3.1 Investments - exposure	2024 Stage 1	2024 Stage 2	2024 Stage 3	2023 Stage 1	2023 Stage 2	2023 Stage 3
	Rupees			Rupees		
Opening balance	1,182,015,000	429,145,421	621,514,347	-	-	-
Impact of reclassification due to adoption of IFRS-9	-	-	-	1,427,005,000	429,145,421	643,202,501
New investments	536,266,040	-	-	300,000,000	-	-
Investments derecognised or repaid	(322,535,000)	-	(274,453,870)	(544,990,000)	-	(21,688,154)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	237,847,500	(237,847,500)	-	-	-
Transfer to stage 3	-	-	-	-	-	-
	213,731,040	237,847,500	(512,301,370)	(244,990,000)	-	(21,688,154)
Amounts written off / charged Off	-	-	-	-	-	-
Closing balance	1,395,746,040	666,992,921	109,212,977	1,182,015,000	429,145,421	621,514,347

9.3.2 Investments - Credit loss allowance	2024 Stage 1	2024 Stage 2	2024 Stage 3	2023 Stage 1	2023 Stage 2	2023 Stage 3
	Rupees			Rupees		
Opening balance	7,897,351	69,908,201	861,597,387	-	-	1,824,797,121
Impact of reclassification due to adoption of IFRS-9	-	-	-	-	-	(941,511,580)
Impact of remeasurement due to adoption of IFRS-9	-	-	-	13,517,406	99,469,816	-
New investments	8,851,427	-	-	6,047,569	-	-
Investments derecognised or repaid	(6,545,941)	-	(258,448,870)	(10,139,420)	-	(21,688,154)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	-	237,847,500	(237,847,500)	-	-	-
Transfer to stage 3	-	-	-	-	-	-
	2,305,486	237,847,500	(496,296,370)	(4,091,851)	-	(21,688,154)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	(543,860)	(223,087,045)	(256,088,040)	(1,528,204)	(29,561,615)	-
	9,658,977	84,668,656	109,212,977	7,897,351	69,908,201	861,597,387
Provision (Note 9.1.3)	-	-	576,676,075	-	-	576,676,075
Closing balance	9,658,977	84,668,656	685,889,052	7,897,351	69,908,201	1,438,273,462

9.3.3 Particulars of credit loss allowance / provision against debt securities

Category of classification

		2024		2023	
		Outstanding amount	Credit Loss Allowance	Outstanding amount	Credit Loss Allowance
		Rupees		Rupees	
Domestic					
Performing	Stage 1	1,395,746,040	9,658,977	1,182,015,000	7,897,351
Underperforming	Stage 2	666,992,921	84,668,656	429,145,421	69,908,201
Non-Performing	Stage 3				
Substandard		-	-	-	-
Doubtful		-	-	-	-
Loss		109,212,977	109,212,977	621,514,347	587,764,347
		109,212,977	109,212,977	621,514,347	587,764,347
Overseas		-	-	-	-
Total		2,171,951,938	203,540,610	2,232,674,768	665,569,899

9.4 Quality of securities

Details regarding quality of securities held under "Held to Collect and Sell" model are as follows

	2024	2023
	------- Cost in Rupees -------	
Federal Government Securities - Government guaranteed		
Pakistan Investment Bonds	86,639,269,889	26,112,632,149
Market Treasury Bills	55,419,107,492	-
	142,058,377,381	26,112,632,149
Shares:		
Listed Companies		
Cement	48,437,257	52,702,188
Chemical	417,127,705	417,127,705
Close-end Mutual Fund	-	37,745,634
Commercial Banks	-	-
Fertilizer	-	-
Insurance	-	-
Oil & Gas Marketing Companies	-	-
Oil & Gas Exploration Companies	-	-
Power Generation and Distribution	153,851,773	153,851,773
Technology and Communication	-	-
	619,416,735	661,427,300

	2024		2023	
	Cost	Breakup Value	Cost	Breakup Value
Unlisted Companies	---------Rupees---------		---------Rupees---------	
Al Hamra Avenue Private Limited	50,000,000	-	50,000,000	-
Al Hamra Hills Private Limited	50,000,000	-	50,000,000	-
Ali Paper Board Industries Limited	5,710,000	-	5,710,000	-
Bela Chemical Industries Limited	6,500,000	-	6,500,000	-
Fruit Sap Limited	4,000,000	-	4,000,000	-
Innovative Investment Bank Limited	37,623,048	-	37,623,048	-
ISE Towers - REIT Management Company Limite	-	-	-	-
Pace Barka Properties Limited	168,750,000	218,918,507	168,750,000	178,188,218
Pak Kuwait Takaful Company	40,000,000	-	40,000,000	589,091
Pakistan Textile City Limited	50,000,000	-	50,000,000	5,047,010
Saudi Pak Kalabagh Livestock Company Limited	10,000,000	-	10,000,000	-
Taurus Securities Limited	11,250,000	28,425,778	11,250,000	24,400,565
Trust Investment Bank Limited	20,000,000	-	20,000,000	-
	453,833,048	247,344,285	453,833,048	208,224,884

Breakup value has been calculated using latest available audited financial statements, except for the parties for which no breakup value is mentioned above due to non-availability of latest audited financial statements because of litigation or liquidation proceedings.

	2024	2023
	------------Cost in Rupees------------	
Non Government Debt Securities		
Listed		
- AA+, AA, AA-	660,000,000	660,000,000
- B+, B, B-	29,385,421	29,385,421
- CCC and below	-	-
- Unrated	23,009,084	23,009,084
	712,394,505	712,394,505
Unlisted		
- A+, A, A-	-	300,000,000
- Unrated	-	57,257,340
	-	357,257,340
	712,394,505	1,069,651,845

9.5 The Company does not have any investments in foreign securities as at December 31, 2024 (2023: Nil).

9.6 Particulars relating to securities classified Under "Held to Collect" model

	Note	2024	2023
		------------Cost in Rupees------------	
Federal Government Securities - Government guaranteed			
Pakistan Investment Bonds		-	6,241,392,062
	9.6.1	-	6,241,392,062
Non Government Debt Securities			
Listed			
- AA+, AA, AA-		-	-
- Unrated		18,703,884	18,703,884
		18,703,884	18,703,884
Unlisted			
- AA+, AA, AA-		199,480,000	222,015,000
- A+, A, A-		100,000,000	100,000,000
- B+, B, B-		299,760,000	299,760,000
- Unrated		805,347,509	522,544,039
		1,404,587,509	1,144,319,039
	9.6.1	1,423,291,393	1,163,022,923

9.6.1 The market value of securities classified under HTC other than non performing investments as at December 31, 2024 is Rs. 201 million (2023: Rs. 6,254 million).

	Note	2024	2023	2024	2023	2024	2023
		Performing		Non Performing		Total	
		Rupees					
10. ADVANCES							
Loans, leases, running finances- gross	10.1	13,174,766,060	8,903,760,565	2,476,021,595	2,568,413,975	15,650,787,655	11,472,174,540
Credit loss allowance / Provision against advances							
- Stage 1		(200,516,662)	(116,499,781)	-	-	(200,516,662)	(116,499,781)
- Stage 2		(112,982,442)	(175,564,694)	-	-	(112,982,442)	(175,564,694)
- Stage 3		-	(614,180,004)	(2,474,059,583)	(2,303,709,919)	(2,474,059,583)	(2,917,889,923)
- General		(138,694,687)	-	-	-	(138,694,687)	-
		(452,193,791)	(906,244,479)	(2,474,059,583)	(2,303,709,919)	(2,926,253,374)	(3,209,954,398)
Advances - net of credit loss allowance / provision		12,722,572,269	7,997,516,086	1,962,012	264,704,056	12,724,534,281	8,262,220,142

10.1 Includes net investment in finance lease as disclosed below:

	2024				2023			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	Rupees				Rupees			
Lease rentals receivable	93,182,383	-	-	93,182,383	93,182,383	-	-	93,182,383
Residual value	-	-	-	-	-	-	-	-
Minimum lease payments	93,182,383	-	-	93,182,383	93,182,383	-	-	93,182,383
Financial charges for future periods	(28,746,708)	-	-	(28,746,708)	(28,746,708)	-	-	(28,746,708)
Present value of minimum lease payments	64,435,675	-	-	64,435,675	64,435,675	-	-	64,435,675

	2024	2023
	Rupees	
10.2 Particulars of advances (Gross)		
In local currency	15,650,787,655	11,472,174,540
In foreign currency	-	-
	15,650,787,655	11,472,174,540
10.3 Advances to Women, Women-owned and Managed Enterprises		
Women	4,574,787	2,400,019
Women Owned and Managed Enterprises	-	-
	4,574,787	2,400,019

Gross loans disbursed to women, women-owned and managed enterprises during the current and previous financial years.

10.4 Particulars of credit loss allowance

10.4.1 Advances - exposure

	2024			2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	---------------- Rupees ----------------			---------------- Rupees ----------------		
Gross carrying amount - current year	7,024,728,422	826,774,492	3,620,671,626	6,704,863,286	935,988,850	3,833,686,444
IFRS-9 adjustment (Note 5.1.2)	(982,846,856)	(65,746,018)	125,647,813			
New advances	8,068,123,603	304,545,455	-	975,133,906	-	-
Advances derecognized or repaid	(1,690,992,226)	(376,365,180)	(1,203,753,476)	(405,268,770)	(359,214,358)	(213,014,818)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	(689,820,383)	1,071,837,725	(382,017,341)	(250,000,000)	250,000,000	-
Transfer to stage 3	-	(315,472,973)	315,472,973	-	-	-
	5,687,310,994	684,545,027	(1,270,297,845)	319,865,136	(109,214,358)	(213,014,818)
Amounts written off / charged Off	-	-	-	-	-	-
Closing balance - current year	11,729,192,560	1,445,573,500	2,476,021,595	7,024,728,422	826,774,492	3,620,671,626

10.4.2 Advances - Credit loss allowance

	2024			2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	---------------- Rupees ----------------			---------------- Rupees ----------------		
Opening balance	116,499,781	175,564,694	2,917,889,923	43,191,808	43,191,809	2,268,864,901
IFRS-9 adjustment (Note 5.1.2)	(6,843,800)	(24,800,010)	76,600,534	109,975,611	35,851,157	968,458,973
New advances	125,685,258	5,984,582	-	19,297,482	-	-
Advances derecognized or repaid	(32,774,913)	(171,611,863)	(692,038,202)	(22,660,183)	(13,880,078)	(198,004,746)
Transfer to stage 1	-	-	-	-	-	-
Transfer to stage 2	(16,432,082)	164,022,879	(147,590,798)	(7,298,803)	7,298,803	-
Transfer to stage 3	-	(102,527,803)	102,527,803	-	-	-
	76,478,264	(104,132,204)	(737,101,196)	(10,661,504)	(6,581,275)	(198,004,746)
Amounts written off / charged off	-	-	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	14,382,417	66,349,962	216,670,322	(26,006,134)	103,103,003	(121,429,205)
General provision	123,279,546	15,415,141	-	-	-	-
Transfers - net	-	-	-	-	-	-
Closing balance	323,796,207	128,397,583	2,474,059,583	116,499,781	175,564,694	2,917,889,923

10.4.3 Advances - Credit loss allowance details Internal / External rating / stage classification

	2024			2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	Rupees			Rupees		
Outstanding gross exposure						
Performing - Stage 1	11,729,192,560	-	-	7,024,728,422	-	-
Under Performing - Stage 2	-	1,445,573,500	-	-	826,774,492	-
Non-performing - Stage 3						
Other Assets Especially Mentioned	-	-	-	-	-	1,052,257,651
Substandard	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-
Loss	-	-	2,476,021,595	-	-	2,568,413,975
	-	-	2,476,021,595	-	-	3,620,671,626
Total	**11,729,192,560**	**1,445,573,500**	**2,476,021,595**	**7,024,728,422**	**826,774,492**	**3,620,671,626**
Corresponding ECL						
Stage 1 and stage 2	(200,516,661)	(112,982,442)	-	(116,499,781)	(175,564,694)	-
Stage 3	-	-	(2,474,059,583)	-	-	(2,917,889,923)
General	(123,279,546)	(15,415,141)	-	-	-	-
	11,405,396,353	**1,317,175,918**	**1,962,011**	**6,908,228,641**	**651,209,798**	**702,781,703**

10.5 Advances include Rs. 2,476,021,595 (2023: Rs. 3,620,671,626) which have been placed under non-performing / stage 3 status as detailed below:-

Category of Classification in Stage 3	2024		2023	
	Non Performing Loans	Credit Loss Allowance	Non Performing Loans	Credit Loss Allowance
	Rupees		Rupees	
Domestic				
Other Assets Especially Mentioned	-	-	1,052,257,651	(614,180,004)
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	2,476,021,595	(2,474,059,583)	2,568,413,975	(2,303,709,919)
Total	2,476,021,595	(2,474,059,583)	3,620,671,626	(2,917,889,923)

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10.6 Particulars of credit loss allowance / provision against advances

	Note	2024 Stage 3	2024 Stage 2	2024 Stage 1	2024 Total	2023 Stage 3	2023 Stage 1 & 2	2023 Total
		Rupees				Rupees		
Opening balance		2,917,889,923	175,564,694	116,499,781	3,209,954,398	2,268,864,901	86,383,617	2,355,248,518
IFRS-9 adjustment (Note 5.1.2)		76,600,534	(24,800,010)	(6,843,800)	44,956,724	968,458,973	145,826,769	1,114,285,742
Charge for the year		293,270,856	62,949,675	256,503,421	612,723,953	17,864,333	122,400,485	140,264,818
Reversals		(813,701,731)	(85,316,777)	(42,363,194)	(941,381,701)	(337,298,284)	(62,546,396)	(399,844,680)
		(520,430,874)	(22,367,101)	214,140,227	(328,657,749)	(319,433,951)	59,854,089	(259,579,862)
Amounts written off	10.7	-	-	-	-	-	-	-
Closing balance		2,474,059,583	128,397,583	323,796,207	2,926,253,373	2,917,889,923	292,064,475	3,209,954,398

10.6.1 Particulars of Credit loss allowance / provision against advances

	2024 Stage 3	2024 Stage 2	2024 Stage 1	2024 Total	2023 Stage 3	2023 Stage 1 & 2	2023 Total
	Rupees				Rupees		
In local currency	2,474,059,583	128,397,583	323,796,207	2,926,253,373	2,917,889,923	292,064,475	3,209,954,398
In foreign currencies	-	-	-	-	-	-	-
	2,474,059,583	128,397,583	323,796,207	2,926,253,373	2,917,889,923	292,064,475	3,209,954,398

10.6.2 The net FSV benefit availed during the year amounted to Rs. 156,765,989 (2023: Rs. nil), resulting in a corresponding reduction in the charge for the period. In the absence of this availed benefit, the profit before and after tax for the year would have been lower by Rs. 156,765,989 (2023: Rs. nil) and Rs. 95,627,253 (2023: Rs. nil), respectively. As of December 31, 2024, the accumulated availed FSV benefit stands at Rs. 156,765,989 (2023: Rs. nil). This amount is not available for distribution as cash or stock dividends.

	Note	2024	2023
		--------------Rupees-------------	
10.7 Particulars of write offs:			
10.7.1 Against credit loss allowance / provisions	10.6	-	-
Directly charged to Profit & Loss account		-	-
		-	-
10.7.2 Write Offs of Rs. 500,000 and above	10.8		
- Domestic		-	-
- Overseas		-	-
Write Offs of Below Rs. 500,000		-	-
		-	-

10.8 Details of loan write off of Rs. 500,000/- and above

In terms of sub-section (3) of Section 33A of the Banking Companies Ordinance, 1962 the statement in respect of written off loans or any other financial relief of rupees five hundred thousand or above allowed to a person(s) during the year ended December 31, 2024 is given at Annexure I.

10.9 Particulars of loans and advances to staff included in advances

	Note	2024	2023
		--------------Rupees-------------	
Opening balance		131,177,985	58,045,985
IFRS - 9 adjustment (Note 5.1.2)		(46,853,265)	-
Amount disbursed during the year		72,716,397	102,110,697
Amount received during the year		(51,044,477)	(28,978,697)
Amount written off		-	-
Closing balance		105,996,640	131,177,985

11.1 PROPERTY AND EQUIPMENT

	Note	2024	2023
Capital work-in-progress	11.1.1	5,336,814	60,227,595
Property and equipment	11.1.2	5,518,082,486	3,987,853,052
		5,523,419,300	4,048,080,647

11.1.1 Capital work-in-progress

	2024	2023
Civil works	5,336,814	55,127,823
Equipment	-	5,099,772
	5,336,814	60,227,595

11.1.2 Property and equipment

	2024										
	Leasehold land	Building - Karachi office	Building on Leasehold land	Furniture and fixture	Office equipment	Vehicles	Heating and air conditioning	Elevators	Security systems*	Electrical fittings, fire fighting equipment and others **	Total
	Rupees										
At January 1, 2024											
Cost / Revalued amount	2,578,050,000	52,282,000	1,251,267,553	18,450,124	64,965,920	82,115,723	103,095,162	56,854,055	5,557,748	186,459,703	4,399,097,988
Accumulated depreciation	86,175,688	4,185,892	99,734,035	13,945,382	53,081,468	45,686,340	30,552,786	15,616,514	1,556,854	60,709,977	411,244,936
Net book value	2,491,874,312	48,096,108	1,151,533,518	4,504,742	11,884,452	36,429,383	72,542,376	41,237,541	4,000,894	125,749,726	3,987,853,052
Year ended December 31, 2024											
Opening net book value	2,491,874,312	48,096,108	1,151,533,518	4,504,742	11,884,452	36,429,383	72,542,376	41,237,541	4,000,894	125,749,726	3,987,853,052
Additions	-	-	7,305,247	14,072,696	17,828,416	27,325,125	12,089,658	1,312,160	2,064,958	80,010,005	162,008,265
Movement in surplus on assets revalued during the year	887,479,132	23,281,168	504,861,337	-	-	-	48,500,462	25,672,810	(37,874)	56,632,729	1,546,389,764
Revaluation adjustment	(129,229,132)	(6,277,168)	(149,861,483)	-	-	-	(46,835,516)	(24,189,028)	(2,402,866)	(73,562,358)	(432,357,551)
Disposals											
- Cost / Revalued amount	-	-	-	(45,688)	(2,913,982)	(11,400,517)	-	-	-	(284,449)	(14,644,636)
- Accumulated depreciation	-	-	-	45,682	2,783,005	6,535,643	-	-	-	284,445	9,648,775
	-	-	-	(6)	(130,977)	(4,864,874)	-	-	-	(4)	(4,995,861)
Depreciation charge	(43,053,444)	(2,091,276)	(50,127,447)	(1,614,691)	(8,242,852)	(12,315,453)	(16,262,730)	(8,572,514)	(956,033)	(29,916,297)	(173,172,737)
Revaluation adjustment	129,229,132	6,277,168	149,861,483	-	-	-	46,835,516	24,189,028	2,402,866	73,562,358	432,357,551
Closing net book value	3,336,300,000	69,286,000	1,613,572,655	16,962,741	21,339,039	46,574,181	116,849,765	59,650,000	5,071,945	232,476,159	5,518,082,486
At December 31, 2024											
Cost / Revalued amount	3,336,300,000	69,286,000	1,613,572,655	32,477,132	79,880,354	98,040,331	116,849,765	59,650,000	5,181,966	249,255,630	5,660,493,833
Accumulated depreciation	-	-	(1)	15,514,391	58,541,315	51,466,150	-	-	110,021	16,779,471	142,411,347
Net book value	3,336,300,000	69,286,000	1,613,572,656	16,962,741	21,339,039	46,574,181	116,849,765	59,650,000	5,071,945	232,476,159	5,518,082,486
Rate of depreciation (percentage)	1.67	4	4	20	33.33	20	15	15	15	15	

	2023										
	Leasehold land	Building - Karachi office	Building on Leasehold land	Furniture and fixture	Office equipment	Vehicles	Heating and air conditioning	Elevators	Security systems *	Electrical fittings, fire fighting equipment and others **	Total
	Rupees										
At January 1, 2023											
Cost / Revalued amount	2,578,050,000	52,282,000	1,245,251,046	15,024,127	60,853,802	73,881,670	102,265,320	51,800,000	5,067,148	174,510,320	4,358,985,433
Accumulated depreciation	43,122,244	2,094,616	49,861,685	13,454,210	46,021,844	44,611,135	15,179,666	7,782,413	763,868	35,968,416	258,860,097
Net book value	2,534,927,756	50,187,384	1,195,389,361	1,569,917	14,831,958	29,270,535	87,085,654	44,017,587	4,303,280	138,541,904	4,100,125,336
Year ended December 31, 2023											
Opening net book value	2,534,927,756	50,187,384	1,195,389,361	1,569,917	14,831,958	29,270,535	87,085,654	44,017,587	4,303,280	138,541,904	4,100,125,336
Additions	-	-	6,016,507	3,775,231	6,142,335	27,251,076	829,842	5,054,055	490,600	12,589,863	62,149,509
Disposals											
- Cost / Revalued amount	-	-	-	(349,234)	(2,030,217)	(19,017,023)	-	-	-	(640,480)	(22,036,954)
- Accumulated depreciation	-	-	-	349,150	1,240,734	13,634,434	-	-	-	615,059	15,839,377
	-	-	-	(84)	(789,483)	(5,382,589)	-	-	-	(25,421)	(6,197,577)
Depreciation charge	(43,053,444)	(2,091,276)	(49,872,350)	(840,322)	(8,300,358)	(14,709,639)	(15,373,120)	(7,834,101)	(792,986)	(25,356,620)	(168,224,216)
Closing net book value	2,491,874,312	48,096,108	1,151,533,518	4,504,742	11,884,452	36,429,383	72,542,376	41,237,541	4,000,894	125,749,726	3,987,853,052
At December 31, 2023											
Cost / Revalued amount	2,578,050,000	52,282,000	1,251,267,553	18,450,124	64,965,920	82,115,723	103,095,162	56,854,055	5,557,748	186,459,703	4,399,097,988
Accumulated depreciation	86,175,688	4,185,892	99,734,035	13,945,382	53,081,468	45,686,340	30,552,786	15,616,514	1,556,854	60,709,977	411,244,936
Net book value	2,491,874,312	48,096,108	1,151,533,518	4,504,742	11,884,452	36,429,383	72,542,376	41,237,541	4,000,894	125,749,726	3,987,853,052
Rate of depreciation (percentage)	1.67	4	4	20	33.33	20	15	15	15	15	

* This represent security system at Islamabad and Karachi office. Security system of Islamabad office are revalued only, as they form an integral part of building structure.

** This represents electrical fittings, fire fighting equipment, telephone installation, leasehold improvements, electrical appliances, loose tools & miscellaneous item at Islamabad, Lahore and Karachi office. The Company revalues electrical fittings, fire fighting equipment and telephone installation for its Islamabad office only, as they form an integral part of building structure.

11.1.3 Details of disposal of property & equipment

Particulars of assets	Cost / revalued amount	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of buyer
	Rupees					
Furniture and fixture						
Furniture items - Islamabad office	45,688	45,682	6	12,364	Auction	Munir Khan
	45,688	45,682	6	12,364		
Office equipment						
Samsung Galaxy A72	84,999	74,927	10,072	10,072	As per policy *	Yawar Khan Afridi
Samsung Galaxy A72	67,500	66,664	836	836	As per policy *	Tayaba Mazhar
HP Laptop Ellitebook 850 G7	216,000	214,345	1,655	1,655	As per policy *	Tayaba Mazhar
HP Laptop Ellitebook 850 G6	216,000	215,999	1	1	As per policy *	Ali Aosjah Muhammad
HP Laptop Ellitebook 850 G6	216,000	215,999	1	1	As per policy *	Fateh Tariq
Office Equipment (20 items)	1,702,018	1,701,998	20	118,182	Auction	Muhammad Aman
Iphone 12	67,500	67,499	1	1	As per policy *	Syed Safdar Abbas Zaidi
HP LaptopElitebok850 Gi 78GB Ram	343,965	225,576	118,389	118,389	As per policy *	Syed Safdar Abbas Zaidi
	2,913,982	2,783,007	130,975	249,137		
Vehicles						
Honda City AVY-177	2,875,662	1,468,082	1,407,580	1,407,580	As per policy *	Tayaba Mazhar
KIA Picanto ANC-872	3,306,300	932,258	2,374,042	2,374,042	As per policy *	Taimur Javed
Toyota Yaris AVG-109	2,765,322	1,682,072	1,083,250	1,083,250	As per policy *	Syed Safdar Abbas Zaidi
ToyotaCorolla Gli 1.3 LE-19 6004	2,385,348	2,385,347	1	3,566,783	Auction	Zyaz ul Hassan
Honda CD-70	67,885	67,884	1	52,770	Auction	Muhammad Saeed
	11,400,517	6,535,643	4,864,874	8,484,425		

Particulars of assets	Cost / revalued amount	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Particulars of buyer
	Rupees					
Electrical fittings, fire fighting equipment and others						
Electrical Appliances - Islamabad office	284,449	284,445	4	29,000	Auction	Munir Khan
	284,449	284,445	4	29,000		
	14,644,636	9,648,777	4,995,859	8,774,926		

* These items were sold to employees including key management personnel in accordance with policy of the Company.

11.1.4 Revaluation of property and equipment

The property and equipment of the Company were revalued by independent professional valuers on a market value/depreciated replacement cost basis as of December 31, 2024. The revaluation of the Karachi office was conducted by AXIS Consultants, while the revaluation of the Head Office was carried out by Impulse (Private) Limited. Both firms are members of the Pakistan Engineering Council and are on the panel of the Pakistan Banking Association. The valuation was based on a professional assessment of present market values and resulted in an increase in the revaluation surplus by Rs. 23.281 million for the Karachi office and Rs. 1,523.108 million for the Head Office.

The total surplus arising from the revaluation of fixed assets as of December 31, 2024, amounted to Rs. 5,151.775 million. Had the revaluation not been carried out, the carrying amount of the revalued assets as of December 31, 2024, would have been as follows:

	2024	2023
	Rupees	
Leasehold Land	26,437,190	26,888,156
Building - Karachi office	308,081	900,920
Building	31,460,596	25,992,190
Heating and air-conditioning system	14,704,718	4,961,413
Elevators	6,726,783	11,958,989
Security system	2,813,794	1,080,621
Electrical fittings, fire fighting equipment and others	103,826,508	51,225,792
	186,277,670	123,008,081

11.1.5 Cost / revalued amount of fully depreciated assets that are still in use:

	2024	2023
Furniture and fixture	13,099,230	12,276,264
Office equipment	46,670,023	40,534,370
Vehicles	27,399,875	21,206,968
Electrical fittings, fire fighting equipment and others	10,053,567	9,514,363
	97,222,695	83,531,965

11.2 Right-of-use assets (Note 17)

	2024	2023
	---------- Rupees ----------	
Office Space		
At January 1		
Cost	46,380,627	46,380,627
Accumulated depreciation	21,831,689	4,966,007
Net Carrying amount at January 1	24,548,938	41,414,620
Year ended December 31		
Opening net book value	24,548,938	41,414,620
Additions	89,540,534	-
Reassessment of the lease liability	887,040	-
Depreciation charge	33,701,616	16,865,682
Net Carrying amount at December 31	81,274,896	24,548,938
At December 31		
Cost	136,808,201	46,380,627
Accumulated depreciation	55,533,305	21,831,689
Net Carrying amount at December 31	81,274,896	24,548,938
Rate of amortisation (percentage)		
- Lahore office	36.36	36.36
- Karachi office	20.00	-
Useful life (years)		
- Lahore office	2.75	2.75
- Karachi office	5.00	-

12 INTANGIBLE ASSETS

	Computer software 2024	Computer software 2023
	---------- Rupees ----------	
At January 1		
Cost	38,900,865	34,909,062
Accumulated amortisation and impairment	32,443,819	28,517,059
Net book value	6,457,046	6,392,003
Year ended December 31		
Opening net book value	6,457,046	6,392,003
Additions - directly purchased	2,237,294	3,991,803
Amortisation charge	3,588,974	3,926,760
Closing net book value	5,105,366	6,457,046
At December 31		
Cost	41,138,159	38,900,865
Accumulated amortisation and impairment	36,032,793	32,443,819
Net book value	5,105,366	6,457,046
Rate of amortisation (percentage)	33.33	33.33
Useful life (years)	3.00	3.00

12.1 Cost of fully amortized intangible assets still in use amount to Rs. 30,203,575 (2023: Rs. 26,731,494).

13 DEFERRED TAX ASSETS / (LIABILITIES)

	2024				
	At January 1 2024 (Adjusted)	Recognised in P&L	Recognised in Equity	Recognised in OCI	At December 31 2024
	Rupees				
Deductible Temporary Differences on					
Surplus / (deficit) on revaluation of securities - FVOCI (Note 5.1.2)	400,741,412	-	-	(125,847,444)	274,893,968
Surplus on revaluation of securities - FVPL	(63,030,182)	139,049,304	-	-	76,019,122
Credit loss allowance against advances (Note 5.1.2)	1,388,920,522	(155,654,346)	-	-	1,233,266,176
Impairment loss on quoted securities - FVPL	20,859,917	(20,859,917)	-	-	-
	1,747,491,669	(37,464,960)	-	(125,847,444)	1,584,179,265
Taxable Temporary Differences on					
Accelerated tax depreciation	(54,858,458)	11,209,757	-	-	(43,648,701)
Dividend receivable	(20,938,817)	(12,532,835)	-	-	(33,471,652)
Right of use assets - net of lease liabilities	(2,741,278)	2,190,007	-	-	(551,271)
Surplus on revaluation of operating fixed assets	(1,453,282,886)	47,182,585	-	(603,092,008)	(2,009,192,309)
	(1,531,821,439)	48,049,515	-	(603,092,008)	(2,086,863,932)
	215,670,230	10,584,555	-	(728,939,452)	(502,684,667)

			2023				
	At January 1 2023	Effect of IFRS-9 adoption	At January 1 2023 (Adjusted)	Recognised in P&L	Recognised in Equity	Recognised in OCI	At December 31 2023
			Rupees				
Deductible Temporary Differences on							
Actuarial loss on defined benefit plan	7,201,506	-	7,201,506	-	-	(7,201,506)	-
Surplus / (deficit) on revaluation of securities - FVOCI	609,735,752	(234,412,183)	375,323,569	-	-	9,290,722	384,614,291
Credit loss allowance against advances	656,967,000	405,633,585	1,062,600,585	301,722,032	-	-	1,364,322,617
Impairment loss on quoted securities - FVPL	106,340,876	(31,836,413)	74,504,463	(53,644,546)	-	-	20,859,917
	1,380,245,134	139,384,989	1,519,630,123	248,077,486	-	2,089,216	1,769,796,825
Taxable Temporary Differences on							
Accelerated tax depreciation	(39,252,624)	-	(39,252,624)	(15,605,834)	-	-	(54,858,458)
Dividend receivable	(10,046,114)	-	(10,046,114)	(10,892,703)	-	-	(20,938,817)
Right of use assets - net of lease liabilities	(3,310,736)	-	(3,310,736)	569,458	-	-	(2,741,278)
Surplus on revaluation of securities - FVPL	-	28,945,409	28,945,409	(91,975,591)	-	-	(63,030,182)
Surplus on revaluation of operating fixed assets	(1,269,624,630)	-	(1,269,624,630)	39,923,728	(223,581,984)	-	(1,453,282,886)
	(1,322,234,104)	28,945,409	(1,293,288,695)	(77,980,942)	(223,581,984)	-	(1,594,851,621)
	58,011,030	168,330,398	226,341,428	170,096,544	(223,581,984)	2,089,216	174,945,204

14 OTHER ASSETS

	Note	2024	2023
		---------------Rupees--------------	
Income/ Mark-up accrued in local currency			
On investments		2,828,221,500	2,122,686,292
On advances		983,074,556	386,095,341
On lending to financial institutions		1,347,985	5,948,298
On deposits		-	89,558
		3,812,644,042	2,514,819,489
Advances, deposits, advance rent and other prepayments		33,786,178	20,291,785
Advance taxation (payments less provisions)		2,383,548,970	2,022,895,959
Excise duty		78,817,895	78,817,895
Non-banking assets acquired in satisfaction of claims	14.1	47,347,144	49,499,288
Dividend receivable		133,886,607	83,755,267
Deferred employee benefit		65,511,250	-
Other receivables		18,464,737	18,000,169
		6,574,006,823	4,788,079,852
Less: Credit loss allowance / Provision held against other assets	14.2	(256,792)	(256,792)
Other assets (net of credit loss allowance / provision)		6,573,750,031	4,787,823,060
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	14.1	13,956,356	21,939,724
Other assets - total		6,587,706,387	4,809,762,784

	2024	2023
14.1 Market value of non-banking assets acquired in satisfaction of claims	61,303,500	77,651,100

The non-banking asset acquired from Irfan Textile represents office area on 1st floor of Famous Mall, Lahore and was initially recorded in the financial statements in June 2007. This asset was revalued by independent professional valuer AXIS Consultants; member of Pakistan Engineering Council and on panel of Pakistan Banking Association; on the basis of professional assessment of present market value on 31 December 2024 at Rs. 61.303 million.

Business activity could not be started since the building was constructed due to pending approval of building map and the issuance of completion certificate from Lahore Development Authority (LDA). Management is hopeful to dispose off the same once the NOC is arranged and provided by the plaza owners.

	2024	2023
	----Rupees----	
14.1.1 Non-banking assets acquired in satisfaction of claims		
Opening balance	71,439,012	74,545,056
Revaluation during the year	(7,029,468)	-
Disposals during the year	-	-
Depreciation	(3,106,044)	(3,106,044)
Closing balance	61,303,500	71,439,012

14.1.2 Gain on disposal of non-banking assets acquired in satisfaction of claims

	2024	2023
Disposal proceeds	-	-
less: carrying value	-	-
Gain realized on disposal	-	-

14.2 Credit loss allowance / Provision held against other assets	Note	2024	2023
		----Rupees----	
Advances, deposits, advance rent & other prepayments	14.2.1	256,792	256,792

14.2.1 Movement in credit loss allowance / provision held against other assets

	2024	2023
Opening balance	256,792	256,792
Charge for the year	-	-
Reversals / transfer	-	-
Amount Written off	-	-
Closing balance	256,792	256,792

15. BORROWINGS

	Note	2024	2023
Secured		----Rupees----	
Borrowings from State Bank of Pakistan under refinance scheme			
Long term financing facility	15.1	1,182,913,465	2,059,903,071
Temporary economic relief facility	15.2	383,925,395	445,353,455
		1,566,838,860	2,505,256,526
Repurchase agreement borrowings	15.3	5,919,281,999	25,705,971,600
Against Government securities	15.4	120,306,548,551	3,738,060,000
Against book debts / receivables	15.5	5,512,500,000	5,250,000,000
Total secured		133,305,169,410	37,199,288,126
Unsecured			
Call borrowings	15.6	12,379,196,370	-
Total unsecured		12,379,196,370	-
		145,684,365,780	37,199,288,126

15.1 These represent facilities obtained against State Bank of Pakistan refinance schemes under LTFF. The mark up is charged at the rates ranging from 2.00% to 14.00% (2023: 2.00% to 7.00%) per annum. These facilities will mature during January 2025 to June 2032 (2023: January 2024 to June 2032).

15.2 These represent facilities obtained against State Bank of Pakistan refinance schemes under TERF. The mark up is charged at the rate of 1.00% (2023: 1.00%) per annum. These facilities will mature during January 2025 to January 2031 (2023:January 2024 to January 2031).

15.3 These facilities were secured against government securities (PIBs and T-bills). These carry markup at rates ranging from 13.09% to 13.25% (2023: 22.08% to 22.16%) per annum having maturity during January 2025 (2023: January 2024).

15.4 These represent facilities obtained from banks against charge on government securities (PIBs and TBILLs). These carry markup at rate of 10.78% to 15%(2023: 21.70%) per annum having maturity during March 2025 (2023: January 2024).

15.5 These represent facilities obtained from various banks against charge on book debts/receivables valuing Rs. 10,267 million (2023: Rs. 10,267 million). The mark up is charged at varying rates ranging from 12.39% to 23.28% (2023: 21.67% to 23.28%) per annum. These facilities will mature during January 2025 to May 2029 (2023: January 2024 to June 2028).

15.6 These facilities were unsecured and carring markup at rate of 12.1% to 12.6% (2023: nil) per annum having maturity in March 2025 (2023: nil).

		Note	2024	2023
			---------------Rupees---------------	
15.7	**Particulars of borrowings with respect to Currencies**			
	In local currency		145,684,365,780	37,199,288,126
	In foreign currencies		-	-
			145,684,365,780	37,199,288,126

16. DEPOSITS AND OTHER ACCOUNTS

		Note	2024	2023
	Customers			
	- Term deposits (local currency)	16.1	5,296,755,151	3,665,000,000
16.1	**Composition of deposits**			
	- Public Sector Entities	16.2	3,019,800,000	3,055,000,000
	- Non-Banking Financial Institutions	16.3	658,850,000	10,000,000
	- Private Sector	16.4	1,618,105,151	600,000,000
			5,296,755,151	3,665,000,000

16.2 These Certificate of Investments (COIs) carry mark up at the rates ranging from 13.68% to 19.00% (2023: 22.30% to 22.63%) per annum with maturity during January 2025 to June 2025 (2023: January 2024 to November 2024).

16.3 These Certificate of Investments (COIs) carry mark up at the rate of 12.25% to 16.00% (2023: 21.37%) per annum with maturity during January 2025 to June 2025 (2023: March 2024).

16.4 These Certificate of Investments (COIs) carry mark up at the rates ranging from 12.00% to 19.43% (2023: 21.49% to 23.15%) per annum with maturity during Jan 2025 to December 2025 (2023: July 2024 to December 2024).

17 LEASE LIABILITIES

	2024	2023
	Rupees	
Outstanding amount at the start of the year	17,520,021	31,382,086
Additions during the year	89,540,534	-
Reassessment of the lease liability	887,039	-
Lease payments including interest	(39,515,258)	(17,487,360)
Interest expense	11,429,120	3,625,295
Outstanding amount at the end of the year	79,861,456	17,520,021

17.1 Contactual maturity of lease laibilities

	2024	2023
Short-term lease liabilities - within one year	20,870,309	17,520,021
Long-term lease liabilities		
- 1 to 5 years	58,991,147	-
- 5 to 10 years	-	-
- More than 10 years	-	-
	58,991,147	-
Total lease liabilities	79,861,456	17,520,021

17.2 This represents office space obtained for Lahore and Karachi office from Saudi Pak Real Estate (Pvt.) Limited, which is a wholly owned subsidiary of the Company. These are discounted using incremental borrowing rate ranging from 14.50% to 15.85% (2023: 14.50%). Lease rentals are subject to annual escalation of 7.5% and 10% respectively.

18. OTHER LIABILITIES

	Note	2024	2023
		Rupees	
Mark-up / return / interest payable in local currency		2,357,317,023	724,775,972
Accrued expenses		96,861,428	57,556,070
Advance rental income	18.1	245,359,063	175,710,549
Security deposits against rented properties		42,961,563	41,108,884
Payable to defined benefit plan	36	11,208,944	1,923,363
Provision for compensated absences		11,731,732	9,188,202
Payable to stock brokers - net		-	2,272,399
Credit loss allowance against off-balance sheet obligations		60,738,573	43,642,361
Others		-	20,559,221
		2,826,178,326	1,076,737,021

18.1 This represents rent received in advance for premises let out in the Saudi Pak Tower, Jinnah Avenue, Blue Area, Islamabad.

18.2 Credit loss allowance / provision against off-balance sheet obligations

	2024	2023
	Rupees	
Opening balance	43,642,361	-
Impact of remeasurement due to adoption of IFRS-9	-	1,337,880
Charge for the year	17,096,212	42,304,481
Reversals	-	-
	17,096,212	42,304,481
Closing balance	60,738,573	43,642,361

19. SHARE CAPITAL

19.1 Authorized Capital

2024	2023		2024	2023
Number of shares				
1,000,000,000	1,000,000,000	Ordinary shares of Rs. 10 each	10,000,000,000	10,000,000,000

19.2 Issued, subscribed and paid up share capital

2024	2023		2024	2023
Number of shares		Ordinary shares		
400,000,000	400,000,000	Fully paid in cash	4,000,000,000	4,000,000,000
276,500,000	276,500,000	Issued as bonus shares	2,765,000,000	2,765,000,000
676,500,000	676,500,000		6,765,000,000	6,765,000,000

19.3 State Bank of Pakistan on behalf of the Government of Pakistan and Ministry of Finance, KSA on behalf of Kingdom of Saudi Arabia are equal shareholders of the Company.

20. SURPLUS ON REVALUATION OF ASSETS

	Note	2024	2023
		---------- Rupees ----------	
Surplus / (deficit) on revaluation of			
- Securities measured at FVOCI	9.1	(746,796,603)	(1,100,259,100)
- Property & equipment	20.1	5,151,775,164	3,726,366,387
- Non-banking assets acquired in satisfaction of claims	20.2	13,956,356	21,939,724
		4,418,934,917	2,648,047,011
Deferred tax on surplus / (deficit) on revaluation of:			
- Securities measured at FVOCI		274,893,968	384,614,291
- Property & equipment	20.1	(2,009,192,310)	(1,453,282,886)
- Non-banking assets acquired in satisfaction of claims		-	-
		(1,734,298,342)	(1,068,668,595)
		2,684,636,575	1,579,378,416

20.1 Surplus on revaluation of property & equipment

	2024	2023
Surplus on revaluation of property & equipment as at January 1	3,726,366,387	3,847,347,375
Recognised during the year	1,546,389,765	-
Realised on disposal during the year	-	-
Related deferred tax liability on surplus realised on disposal	-	-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(73,798,404)	(81,057,260)
Related deferred tax liability on incremental depreciation charged during the year	(47,182,584)	(39,923,728)
Surplus on revaluation of property & equipment as at December 31	5,151,775,164	3,726,366,387
Less: related deferred tax liability on:		
- revaluation as at January 1	1,453,282,886	1,269,624,630
- revaluation recognised during the year	603,092,008	-
- surplus realised on disposal during the year	-	-
- Impact of change in tax rate	-	223,581,984
- incremental depreciation charged during the year	(47,182,584)	(39,923,728)
	2,009,192,310	1,453,282,886
	3,142,582,854	2,273,083,501

20.2 Surplus on revaluation of non-banking assets acquired in satisfaction of claims

	2024	2023
Surplus on revaluation as at January 1	21,939,724	22,893,624
Recognised during the year	(7,029,468)	-
Realized on disposal during the year	-	-
Incremental depreciation	(953,900)	(953,900)
Surplus on revaluation as at December 31	13,956,356	21,939,724

21. CONTINGENCIES AND COMMITMENTS

	Note	2024	2023
-Guarantees	21.1	4,505,100,000	3,316,800,526
-Commitments	21.2	1,452,289,505	3,166,708,369
		5,957,389,505	6,483,508,895

21.1 Guarantees:

	2024	2023
Financial guarantees	4,505,100,000	3,316,800,526

21.2 Commitments:

	2024	2023
Commitment for the acquisition of:		
- Operating property and equipment	8,188,848	821,801
- Intangible assets	5,880,657	2,575,000
	14,069,505	3,396,801
Non disbursed commitment for term and working capital finance	1,438,220,000	3,163,311,568
	1,452,289,505	3,166,708,369

21.3 Other contingent liabilities

21.3.1 Tax contingencies

i) The Appellate Tribunal Inland Revenue (ATIR) Islamabad did not accept the Company's contention on certain matters in appeals relating to tax years 2004 to 2006, 2008 to 2010 and 2012 to 2014. These issues mainly relate to disallowance of provision for non performing loans and apportionment of expenses between income subject to final tax regime and normal tax regime. The Company has filed tax references before the Islamabad High Court. For tax years 2004 to 2006 and 2008 to 2010 the Islamabad High Court (IHC) remanded back the matters of disallowance of provision for non performing loans and apportionment of expenses between income subject to final tax regime and normal tax regime to the assessing officer. However, appeal effect proceedings yet to commence. For tax year 2012 to 2014, cases are still pending adjudication. The Company however, accounted for the impact of tax of Rs. 617.237 million on provision for non performing loans & advances by routing it through Profit & Loss in the year 2018.

The related tax demands for all the aforesaid tax years aggregate to Rs 1,091.694 million, out of which Rs 635.194 million has been paid by / recovered from the Company.

ii) For the tax years 2015 to 2018, the assessing officer amended the Company's assessment under section 122(5A) of the Income Tax Ordinance 2001 and created an aggregate tax demand of Rs. 1,463.932 million by making various add backs and disallowances. The Company preferred appeals before Commissioner Inland Revenue - Appeals [CIR(A)] who in terms of separate appellate orders remanded majority of the matters to the assessing officer and on certain matters upheld the actions of assessing officer. The Company has preferred separate appeals before ATIR for aforesaid cases which are pending adjudication.

iii) For tax years 2015 to 2017 proceedings under section 161 were initiated and cummulative demand of Rs. 276.482 million was created on account of alleged default in withholding of tax out of which Rs 26.034 million has been paid by / recovered from the Company. The Company preferred appeal before the CIR(A) who remanded certain issues and upheld certain matters. The Company preferred further appeal before ATIR which is pending adjudication.

The management, based on the opinion of its tax expert, believes that the above mentioned matters are likely to be decided in favour of the Company at superior appellate forums and therefore no further charge is required to be recognised in these unconsolidated financial statements.

21.3.2 Other contingencies

i) **MACPAC Films Limited (Suit No. B-24/2014 of Rs. 1,040.623 million)**

Macpac Films Limited Karachi ("Customer") availed a Term Finance of Rs.125.00 million in 2003/04 and then defaulted. In 2011, a settlement package was approved by Saudi Pak containing waiver/write-off of Rs.72.659 million on account of markup and liquidated damages subject to payment of Rs.100.141 million. The Customer accepted and paid Rs.100.141 million. The write off/waiver was reported to the State Bank of Pakistan (SBP) in compliance with regulatory requirements. Customer had requested Saudi Pak and SBP to remove its name from CIB of SBP as it was allegedly impacting the customer's business which was neither accepted by SBP nor Saudi Pak. Customer filed the instant suit in the Court which is being contested on merit. Upon Court's direction, SBP had also filed comments endorsing regulatory compliance by Saudi Pak. Evidence of the customer was recorded and part evidence of Saudi Pak's witness is also recorded. Now case is fixed for recording of remaining evidence of Saudi Pak's witnesses. Prima facie, there is no substance in this frivolous suit, therefore, it is expected that it will be dismissed on merits after due process of law.

ii) Muhammad Zafar Sultan Paracha Vs. Saudi Pak, Federation of Pakistan, DHA, Mukhtiarkar Gadap Town, Karachi (Suit No.1065/2014 of Rs. 200 million)

On April 27, 2014, the Company invited bids for the sale of four properties i.e. farm house at Gadap Town and three plots (DHA Plots No.9-C, 17-C, 20-C) at Karachi. Highest bid of Rs.134.500 million offered by Mr. Mudassir for only three plots at DHA was accepted. Down payment was received and sale agreement dated June 2, 2014 was executed between Saudi Pak and the highest bidder through his nominee. Mr. Zafar Sultan Paracha had offered a lower bid of Rs. 93 million against all the four properties therefore his bid was rejected. He filed the subject suit in the Sindh High Court, Karachi and obtained an interim stay on July 5, 2014 restraining sale of the above mentioned plots. Saudi Pak contested and got the stay vacated through Court as a result, three plots at DHA were transferred to the successful bidder/buyer after receipt of balance sale consideration. Mr. Piracha then filed an Appeal in the Court against the Stay Vacation Order which was also contested by Saudi Pak, separately. While vacating the stay order, the learned Judge of the Sindh High Court had observed that remaining suit to the extent of damages claimed against alleged loss of business opportunity etc, will separately be heard and decided. Appeal was fixed for hearing on 20 April 2022 but neither the counsel nor the Appellant attended the hearing, therefore, the Division Bench of the Sindh High Court dismissed the appeal for non-prosecution. Saudi Pak has filed its reply in the suit proceeding and filed application for rejection of plaint being without any merits having no cause of action. The case wil be fixed for settling the issues for evidence of parties and arguments on Saudi Pak's application seeking out-right rejection of the plaint. Prima facie, the suit is baseless, as no cause of action is accrued to the Plaintiff, therefore, it is expected that it will be dismissed after due process of law.

iii) Kohinoor Spinning Mills Limited and its Guarantors Vs. Saudi Pak (Suite No.258676/2018 of Rs. 600 million)

The Customer availed disbursement of TFF of Rs.400 million from Saudi Pak on 11.12.2014 via RTGS but defaulted after part payments whereof Saudi Pak filed a recovery suit COS No.17/2017 of Rs.396.085 million against the Customer and its directors/guarantors in the Lahore High Court, Lahore which was decreed and proceedings are continued against the Customer.

As a counter-blast, the Customer subsequently filed a frivolous damages suit of Rs.600 million against Saudi Pak in the same Court, during 2018, alleging therein that: (i) TFF of Rs.400.00million not disbursed to the Customer; & (ii) Customer suffered business losses of Rs.200.00 million which may also be granted to the Customer. Its reply (PLA) was filed by Saudi Pak. It is still at evidence stage. Customer has filed affidavits in evidence of its witnesses. It will be fixed for cross examination of customer's witnesses. Saudi Pak's evidence will be recorded after completion of customer's evidence. Prima facie suit of the Customer is baseless/frivolous having no substance. It is therefore expected that it will be dismissed on merits after due process of law.

22. Presently, the Company does not deal in derivative products.

	2024	2023
	---------------- Rupees ----------------	
23 MARK-UP / RETURN / INTEREST EARNED		
Loans and advances	2,071,635,290	1,514,593,743
Investments	8,790,057,871	7,979,587,601
Lendings to financial institutions	86,090,168	394,861,039
Balances with banks	14,165,354	7,395,256
	10,961,948,684	9,896,437,639

23.1 Interest income (calculated using effective interest rate method) recognised on:

	2024	2023
Financial assets measured at amortised cost	2,370,183,505	2,154,622,193
Financial assets measured at FVOCI	8,591,765,179	7,741,815,446
	10,961,948,684	9,896,437,639

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		Note	2024	2023
			---------- Rupees ----------	
24	**MARK-UP / RETURN / INTEREST EXPENSED**			
	Deposits	24.2	1,006,089,582	787,725,180
	Borrowings			
	Securities purchased under repurchase agreements		3,769,243,420	7,430,729,633
	Other short term borrowings		3,963,638,152	385,090,507
	Long term finance for export oriented projects from SBP		229,631,330	96,924,429
	Long term borrowings		889,855,629	855,615,651
			8,852,368,531	8,768,360,220
	Interest expense on lease liability against ROU assets		11,429,120	3,625,295
	Brokerage fee		4,725,796	2,675,697
			9,874,613,029	9,562,386,392
24.1	Interest expense calculated using effective interest rate method		9,869,887,233	9,559,710,695
	Other financial liabilities		4,725,796	2,675,697
			9,874,613,029	9,562,386,392

24.2 The markup expensed amounting to Rs. 2,069,148 (2023: Rs. 2,069,202) relates to Saudi Pak Employees Contributory Fund.

		Note	2024	2023
			---------- Rupees ----------	
25	**FEE & COMMISSION INCOME**			
	Credit related fees		28,925,650	13,994,833
	Commission on guarantees		55,962,661	42,526,526
			84,888,311	56,521,359
26	**GAIN / (LOSS) ON SECURITIES**			
	Realised	26.1	141,179,691	209,849,835
	Unrealised - measured at FVPL	9.1	69,366,507	280,134,143
			210,546,198	489,983,978
26.1	Realised gain / (loss) on:			
	Federal Government Securities		22,460,769	(165,073,850)
	Shares		118,718,922	374,923,685
			141,179,691	209,849,835
27	**OTHER INCOME**			
	Rent on property - net	27.1	304,333,504	273,996,108
	Gain on sale of property & equipment - net		3,779,067	212,994
	Other rental		1,902,526	1,818,101
	Sale of scrap items		-	1,658,138
	Others		-	2,008,188
			310,015,097	279,693,529

		Note	2024	2023
			---------------- Rupees ----------------	
27.1	**Rent on property - net**			
	Rental income		551,610,888	517,817,724
	Less: property expense			
	Salaries, allowances and employee benefits		38,279,388	34,884,715
	Traveling and conveyance		8,700	2,800
	Medical		779,291	465,071
	Janitorial services		16,217,486	14,822,185
	Security services		20,275,043	21,548,161
	Insurance		2,384,972	2,370,712
	Postage, telegraph, telegram and telephone		8,657	19,121
	Printing and stationery		205,150	92,059
	Utilities		6,729,106	21,447,278
	Consultancy and professional charges		42,750	902,500
	Repairs and maintenance		29,916,647	18,843,232
	Rent, rates and taxes		2,665,609	2,659,381
	Depreciation		127,198,952	123,305,824
	Office general expenses		2,565,633	2,458,577
			247,277,384	243,821,616
			304,333,504	273,996,108
28	**OPERATING EXPENSES**			
	Total compensation expense	28.1	341,496,166	279,438,680
	Property expense			
	Rent & taxes		570,798	603,223
	Insurance		340,710	338,673
	Utilities cost		34,110,810	26,325,331
	Security (including guards)		4,346,350	4,750,205
	Repair and maintenance (including janitorial charges)		6,591,749	4,809,345
	Depreciation on ROU assets		33,701,541	16,865,682
	Depreciation		18,171,279	17,615,118
			97,833,238	71,307,577
	Information technology expenses			
	Software maintenance		15,346,841	12,738,667
	Hardware maintenance		2,866,870	2,603,446
	Amortisation		3,588,966	3,926,760
	Network charges		4,533,337	5,941,406
			26,336,014	25,210,279
	Other operating expenses			
	Directors' fees and allowances		23,840,000	22,190,000
	Legal and professional charges		5,048,667	4,363,464
	Consultancy, custodial and rating services		11,266,689	9,996,092
	Outsourced services costs		42,036,574	38,046,155
	Travelling and conveyance		34,082,957	26,758,458
	Depreciation		30,908,637	30,409,318
	Training and development		4,567,170	3,557,823
	Postage and courier charges		959,382	432,486
	Communication		5,155,505	4,186,928
	Stationery and printing		5,544,872	5,689,959
	Marketing, advertisement and publicity		13,530,705	4,930,708
	Donations	28.2	3,000,000	2,327,582
	Auditors' remuneration	28.3	2,500,000	4,730,000
	Repair and maintenance		8,845,719	6,748,264
	Insurance		2,699,156	2,055,886
	Office and general expenses		15,773,685	18,829,023
	Bank charges		124,109	236,135
			209,883,827	185,488,281
			675,549,245	561,444,817

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28.1 Total compensation expense

	Note	2024	2023
		---------- Rupees ----------	
Fees and allowances etc.		-	-
Managerial remuneration		-	
i) Fixed		110,120,674	101,009,605
ii) Variable		-	
of which;		-	
a) Cash bonus / awards etc.		42,000,000	32,000,000
b) Bonus & awards in shares etc.		-	-
Charge for defined benefit plan		7,301,419	9,803,037
Contribution to defined contribution plan		10,496,561	6,619,601
Compensated absences		6,513,620	4,009,532
Leave fare assistance		4,927,655	3,979,619
Exgratia		8,950,921	7,536,924
Rent & house maintenance		62,658,645	54,901,154
Utilities		11,931,109	9,889,934
Medical		22,293,970	20,067,004
Conveyance		36,719,541	24,293,196
Grant to employee		-	-
Deferred employee benefit - amortization		13,688,623	-
Others	28.1.1	3,893,428	5,329,074
Sub-total		341,496,166	279,438,680
Sign-on bonus		-	-
Severance allowance		-	-
Grand total		341,496,166	279,438,680

28.1.1 This includes mainly group life insurance for permanent employees.

28.2 Donations

	2024	2023
Noon-Educational Services (Pvt) Ltd	2,000,000	1,000,000
Hrd Network	1,000,000	-
Anjuman Faiz-Ul-Islam (Reg) Rawalpindi	-	1,027,582
Aziz Jehan Begum Trust For The Blind	-	300,000
	3,000,000	2,327,582

28.3 Auditors' remuneration

	2024	2023
Audit fee	1,695,000	1,250,000
Half yearly review	805,000	600,000
Fee for other statutory certifications	-	250,000
Out of pocket expenses	-	100,000
	2,500,000	2,200,000
Fee for other certifications	-	2,530,000
Tax services	-	-
	2,500,000	4,730,000

29 OTHER CHARGES

	2024	2023
Penalties imposed by State Bank of Pakistan	5,126,000	-
	5,126,000	-

30 CREDIT LOSS ALLOWANCE / PROVISIONS & WRITE OFFS - NET

	Note	2024	2023
Credit loss allowance against lending to financial institutions	8.3	176,467	160,987
Credit loss allowance for diminution in value of investments	9.3.2	(203,580,419)	96,799,311
Credit loss allowance against loans & advances	10.6	(238,732,856)	328,507,658
Other credit loss allowance / modification loss		184,955,387	41,900,608
Loss on remeasurement of debt investments / advances		87,520,531	-
Bad debts written off directly		-	-
		(169,660,890)	467,368,564

		Note	2024	2023 (Restated)
			---------------- Rupees ----------------	
31	**Levy differential**			
	Alternate corporate tax	32.1	-	(15,982,256)
	Super tax	32.2	(1,525,997)	(3,700,216)
	Final tax	32.3	(19,062,063)	(50,097,611)
			(20,588,060)	(69,780,083)

32.1 This represents portion of alternate corporate tax paid under section 113C of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

32.2 This represents portion of alternate super tax paid under section 4C of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

32.3 This represents portion of alternate tax on dividend paid under section 5 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

		2024	2023 (Restated)
32	**Taxation**	---------------- Rupees ----------------	
	Current tax		
	Current year	(459,191,984)	(146,772,127)
	Prior year	5,166,707	(3,874,371)
		(454,025,277)	(150,646,498)
	Deferred tax		
	Current year	10,584,555	170,096,544
	Prior year	-	-
		10,584,555	170,096,544
		(443,440,722)	19,450,046

		2024	2023 (Restated)
32.1	**Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:**	---------------- Rupees ----------------	
	Current tax liability for the year as per applicable tax laws	479,780,043	216,552,210
	Portion of current tax liability as per tax laws, representing income tax under IAS 12	(459,191,983)	(146,772,127)
	Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	(20,588,060)	(69,780,083)
	Difference	-	-

32.2 The aggregate of minimum / final tax and income tax, amounting to Rs. 479.780 million (2023: 216.552 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

		2024	2023
32.3	**Relationship between tax expense and accounting profit**	---------------- Rupees ----------------	
	Accounting profit for the year	1,383,849,890	-
	Tax rate	29%	—
	Tax on accounting profit	401,316,468	-
	Tax effect on income subject to lower rate of taxation	(74,427,906)	-
	Tax effect of prior years	(5,166,707)	-
	Impact of super tax for current year	136,858,992	-
	Impact of permanent differences - disallowance of penalties imposed by the SBP	(1,999,140)	-
	Others	(2,556,429)	-
		454,025,277	-

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33 BASIC / DILUTED EARNINGS PER SHARE

	2024	2023
Profit for the year - Rupees	919,821,109	507,562,609
Weighted average number of ordinary shares	676,500,000	676,500,000
Basic / diluted earnings per share - Rupee	1.360	0.750

34 CASH AND CASH EQUIVALENTS

	2024	2023
	Rupees	
Cash and Balance with treasury banks	224,987,485	134,586,641
Balance with other banks - Gross	82,124,879	90,479,271
	307,112,364	225,065,912

35 STAFF STRENGTH

	2024	2023
	(Number)	
Permanent	73	65
On Company's contract	1	2
Company's own staff strength at the end of the year	74	67

35.1 In addition to the above, 76 (2023: 76) employees of outsourcing services companies were assigned to the Company as at the end of the year to perform services other than security and janitorial services. No employee was working abroad.

36 DEFINED BENEFIT PLAN

36.1 General description

The Company operates an approved funded gratuity scheme for all its regular employees and GM/CEO. Contributions are made in accordance with the actuarial recommendations. The benefits under the gratuity fund are payable in lump sum on retirement at the age of 60 years or earlier cessation of service, subject to minimum service period of three years. The benefit is equal to month's last drawn basic salary for each completed year of eligible service and on pro-rata basis for the incomplete year. The latest actuarial valuation of defined benefit plan was conducted at December 31, 2024 using the projected unit credit method. Detail of the defined benefit plan are:

36.2 Number of employees under the scheme

The number of employees covered under the following defined benefit scheme are:

	2024	2023
	(Number)	
Gratuity fund	74	66

36.3 Principal actuarial assumptions

The latest actuarial valuations was carried out as at December 31, 2024 using the following significant assumptions:

	2024	2023
Discount rate	12.25% per annum	15.50% per annum
Expected rate of return on plan assets	20.82% per annum	18.01% per annum
Expected rate of salary increase	11.25% per annum	13.50% per annum
Mortality rates	SLIC (2001-05)-1	SLIC (2001-05)-1
Rate of employee turnover	Moderate	Moderate

	Note	2024	2023
		---------------- Rupees ----------------	
36.4 Reconciliation of payable to defined benefit plans			
Present value of obligations		64,228,226	53,812,472
Fair value of plan assets		(53,019,282)	(51,889,109)
Net liability payable		11,208,944	1,923,363
36.5 Movement in defined benefit obligations			
Obligations at the beginning of the year		53,812,472	74,143,323
Current service cost		7,024,022	8,399,429
Interest cost		8,285,959	10,959,973
Benefits paid by the Company		(10,700,794)	(31,823,654)
Re-measurement loss		5,806,567	(7,866,599)
Obligations at the end of the year		64,228,226	53,812,472
36.6 Movement in fair value of plan assets			
Fair value at the beginning of the year		51,889,109	63,923,454
Interest income on plan assets		8,008,562	9,556,365
Contributions by Company - net		1,941,476	10,219,869
Benefits paid by the Fund to the Company		(10,700,794)	(31,823,654)
Re-measurements: net return on plan assets over interest income - loss	36.8.2	1,880,929	13,075
Fair value at the end of the year		53,019,282	51,889,109
36.7 Movement in payable under defined benefit schemes			
Opening balance		1,923,363	10,219,869
Charge for the year		7,301,419	9,803,037
Benefits paid to outgoing members		(10,700,794)	(31,823,654)
Contribution by the Company - net		(1,941,476)	(10,219,869)
Re-measurement loss recognised in OCI during the year	36.8.2	3,925,638	(7,879,674)
Amount paid by the fund to the Company		10,700,794	31,823,654
Closing balance		11,208,944	1,923,363

36.8 Charge for defined benefit plans

36.8.1 Cost recognised in profit and loss

		2024	2023
Current service cost		7,024,022	8,399,429
Net interest on defined benefit liability		277,397	1,403,608
		7,301,419	9,803,037

36.8.2 Re-measurements recognised in OCI during the year

	2024	2023
	---------------- Rupees ----------------	
Loss / (gain) on obligation		
- Demographic assumptions	-	-
- Financial assumptions	3,817,656	303,819
- Experience adjustments	1,988,911	(8,170,418)
Total actuarial loss on obligation	5,806,567	(7,866,599)
Return on plan assets over interest income - loss	(1,880,929)	(13,075)
Total re-measurements recognised in OCI	3,925,638	(7,879,674)

36.9 Components of plan assets

Cash and cash equivalents	31,300,298	2,454,054
Term deposit receipts (TDR) / Certificate of Investment - unquoted	24,381,953	49,435,055
Payable to the company by the fund	(2,662,969)	-
	53,019,282	51,889,109

36.9.1 There is no significant risk associated with the plan assets, as it consists of fixed interest rate bearing TDR's and saving accounts with financial institutions having satisfactory credit ratings.

36.10 Sensitivity analysis

A sensitivity analysis is performed by varying one assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations under the gratuity scheme. The increase in the present value of defined benefit obligations as a result of change in each assumption is summarised below:

	2024	2023
	---------------- Rupees ----------------	
Discount rate +0.5%	61,865,338	51,992,856
Discount rate -0.5%	66,735,423	55,741,613
Long term salary increase +0.5%	66,896,806	55,890,464
Long term salary increase -0.5%	61,695,169	51,839,217

	2025
	---- Rupees ----
36.11 Expected contributions to be paid to the fund in the next financial year	10,339,234

36.12 Expected charge for next financial year

Current service cost	9,023,010
Net interest on defined benefit asset / liability	1,316,224
	10,339,234

36.13 Maturity profile

	2024	2023
	---------------- Rupees ----------------	
Distribution of timing of benefit payments (years)		
- 1	11,401,210	7,759,864
- 2	3,033,837	11,517,401
- 3	5,435,751	3,184,495
- 4	3,814,835	5,556,837
- 5	8,897,198	6,623,269
- 6-10	91,242,992	77,530,758
Weighted average duration of the PBO (years)	7.57	6.96

36.14 Funding Policy

An implicit, though not formally expressed objective is that the liabilities under the scheme in respect of members in service on the valuation date on a going concern basis and having regard to projected future salary increases, should be covered by the Fund on the valuation date, the total book reserve as of the valuation date, future contributions to the Fund, future additions to the book reserve and future projected investment income of the Fund.

36.15 Significant risk associated with the staff retirement benefit schemes

Asset volatility	The risk of the investment underperforming and not being sufficient to meet the liabilities.
Changes in bond yields	Not applicable as underling interest rate on bonds is fixed.
Inflation risk	The investment and bank balances may loose its value due to the increase of general inflation rate.
Life expectancy	The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.
Withdrawal rate	The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

37 DEFINED CONTRIBUTION PLAN (UN-AUDITED)

The Company operates a recognized provident fund scheme for all its regular employees for which equal monthly contributions are made both by the Company and by the employees to the Fund at the rate of 10% of basic salary of the employee. Payments are made to the employees as specified in the rules of the Fund. As per latest available unaudited financial statements of the Fund, total assets of the Fund as at December 31, 2024 were Rs. 155,174,384 (2023: Rs. 132,072,219).

38 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

38.1 Total compensation expense

Items	2024				
	Directors			GM / CEO	Key Management Personnel
	Chairman	Executives (other than CEO)	Non-Executives		
	Rupees				
Fees and allowances etc.	4,050,000	-	19,790,000	-	-
Managerial remuneration					
i) Fixed	-	-	-	12,025,068	35,871,392
ii) Total variable	-	-	-	-	-
of which					
a) Cash bonus / awards	-	-	-	-	-
b) Bonus & awards in shares	-	-	-	-	-
Charge for defined benefit plan	-	-	-	2,171,816	1,651,273
Contribution to defined contribution plan	-	-	-	1,202,508	3,568,461
Compensated absences	-	-	-	935,283	1,631,172
Leave fare assistance	-	-	-	1,002,089	3,397,556
Exgratia	-	-	-	1,002,088	2,992,307
Rent & house maintenance	-	-	-	7,575,047	21,250,531
Utilities	-	-	-	1,202,509	3,541,765
Medical	-	-	-	408,000	5,947,405
Conveyance	-	-	-	-	-
Deferred employee benefit - amortization	-	-	-	1,007,665	6,036,422
Others	-	-	-	2,008,486	17,937,399
Total	4,050,000	-	19,790,000	30,540,559	103,825,682
Number of persons	1	-	5	1	12

In addition to above, the GM / CEO of the Company and certain other key management personnel are provided with Company maintained vehicles and club membership in accordance with their terms of employment.

For the purposes of the foregoing, the term "Key Management Personnel" as per BPRD Circular No. 2 dated January 25, 2018 means the following functional responsibilities:

(a) Any executive or key executive, acting as second to GM, by whatever name called, and including the Chief Operating Officer (COO) and Deputy Managing Director.

(b) Any executive or key executive reporting directly to the GM / Chief Executive or the person mentioned in (a) above.

Items	2023				
	Directors			GM / CEO	Key Management Personnel
	Chairman	Executives (other than CEO)	Non-Executives		
	Rupees				
Fees and Allowances etc.	3,990,000	-	18,200,000	-	-
Managerial Remuneration					
i) Fixed	-	-	-	10,322,296	40,619,564
ii) Total Variable	-	-	-	-	-
of which					
a) Cash Bonus / Awards	-	-	-	-	3,243,965
b) Bonus & Awards in Shares	-	-	-	-	-
Charge for defined benefit plan	-	-	-	2,915,925	2,771,392
Contribution to defined contribution plan	-	-	-	1,032,109	3,167,001
Compensated absences	-	-	-	-	1,723,696
Leave fare assistance	-	-	-	856,486	3,123,133
Exgratia	-	-	-	856,486	2,576,694
Rent & house maintenance	-	-	-	7,210,900	19,001,938
Utilities	-	-	-	1,844,072	3,264,451
Medical	-	-	-	406,903	5,278,316
Conveyance	-	-	-	1,475,274	13,242,061
Others	-	-	-	2,000,000	-
Total	3,990,000	-	18,200,000	28,920,451	98,012,211
Number of Persons	1	-	7	1	15

38.2 Remuneration paid to Directors for participation in Board and Committee Meetings

Sr. No.	Name of Directors	2024					
		Meeting Fees and Allowances Paid					
		For Board Meetings	For Annual General Meeting	For Board Committees			Total Amount Paid
				Audit Committee	Risk Management Committee	Human Resource Committee	
		----------Rupees----------					
1	Sultan Mohammed Hasan Abdulrauf	3,000,000	150,000	-	-	900,000	4,050,000
2	Majid Misfer J. Alghamdi	1,900,000	80,000	950,000	400,000	-	3,330,000
3	Ghanem Alghanem	2,200,000	-	950,000	450,000	700,000	4,300,000
4	Awais Manzur Sumra	2,500,000	-	1,000,000	-	750,000	4,250,000
5	Qumar Sarwar Abbasi	2,500,000	80,000	1,000,000	500,000	-	4,080,000
6	Ali Tahir	2,500,000	80,000	-	500,000	750,000	3,830,000
	Total Amount Paid	14,600,000	390,000	3,900,000	1,850,000	3,100,000	23,840,000

In addition to the above, boarding/lodging expenses of the Directors' for attending meetings are borne by the Company and are included in traveling expenses under other operating expenses.

Sr. No.	Name of Directors	2023					
		Meeting Fees and Allowances Paid					
		For Board Meetings	For Annual General Meeting	For Board Committees			Total Amount Paid
				Audit Committee	Risk Management Committee	Human Resource Committee	
		----------Rupees----------					
1	Sultan Mohammed Hasan Abdulrauf	3,000,000	150,000	-	-	840,000	3,990,000
2	Majid Misfer J.Alghamdi	1,400,000	80,000	850,000	200,000	-	2,530,000
3	Ghanem Alghanem	1,900,000	80,000	900,000	400,000	750,000	4,030,000
4	Zafar Hasan	1,500,000	80,000	-	250,000	500,000	2,330,000
5	Awais Manzur Sumra	1,000,000	-	250,000	-	250,000	1,500,000
6	Qumar Sarwar Abbasi	2,200,000	80,000	1,000,000	450,000	-	3,730,000
7	Mohammad Tanvir Butt	1,500,000	80,000	500,000	-	500,000	2,580,000
8	Ali Tahir	1,000,000	-	-	250,000	250,000	1,500,000
	Total Amount Paid	13,500,000	550,000	3,500,000	1,550,000	3,090,000	22,190,000

In addition to the above, boarding/lodging expenses of the Directors' for attending meetings are borne by the Company and are included in traveling expenses under other operating expenses.

39 FAIR VALUE MEASUREMENTS

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.

The fair value of traded investments is based on quoted market prices, except for securities classified by the Company as 'amortised cost'. Securities classified as amortised cost are carried at amortized cost. Fair value of unquoted equity investments, other than subsidiary and associates, is determined on the basis of valuation techniques as defined in IFRS 13. Furthermore, financial information for several unquoted equity investments is unavailable, either due to liquidation or ongoing litigation. As a result, the fair value of these investments cannot be determined. However, these investments have been fully provided for, and there is no expectation of recoverability in the near future.

Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Company's accounting policy.

Fair value of remaining financial assets and liabilities except fixed term loans, staff loans, non-performing advances and fixed term deposits is not significantly different from the carrying amounts since assets and liabilities are either short term in nature or are frequently repriced in the case of customer loans and deposits.

39.1 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 (Pakistan Stock Exchange) 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) available at MUFAP, Reuters page, redemption prices determined by valuers on the panel of Pakistan Bank's Association.

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 carried at fair values, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Carrying / Notional Value	2024			
On balance sheet financial instruments		Level 1	Level 2	Level 3	Total
		Rupees			
Financial assets - measured at fair value					
Investments					
Federal Government Securities	141,405,279,374	-	141,405,279,374	-	141,405,279,374
Shares	1,222,174,655	681,503,297	-	540,671,358	1,222,174,655
Non-Government Debt Securities	685,158,852	-	-	685,158,852	685,158,852
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	-	-	-	-	-
Non-Government Debt Securities	1,205,130,717	-	-	-	-
Cash and balances with treasury banks	224,987,485	-	-	-	-
Balances with other banks	75,928,965	-	-	-	-
Advances	12,724,534,281	-	-	-	-
Lendings to Financial Institutions	384,209,641	-	-	-	-
Other assets	3,964,995,386	-	-	-	-
Off-balance sheet financial instruments - measured at fair value		-	-	-	-

	Carrying / Notional Value	2023			
On balance sheet financial instruments		Level 1	Level 2	Level 3	Total
		Rupees			
Financial assets - measured at fair value					
Investments					
Federal Government Securities	25,140,496,800	-	25,140,496,800	-	25,140,496,800
Shares	1,377,529,300	1,377,529,300	-	-	1,377,529,300
Non-Government Debt Securities	980,803,415	-	-	980,803,415	980,803,415
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	6,241,392,062	-	-	6,241,392,062	6,241,392,062
Non-Government Debt Securities	586,301,454	-	-	586,301,454	586,301,454
Cash and balances with treasury banks	134,586,641	-	-	-	-
Balances with other banks	90,301,307	-	-	-	-
Advances	8,262,220,142	-	-	-	-
Lendings to Financial Institutions	3,249,994,713	-	-	-	-
Other assets	2,616,574,925	-	-	-	-
Off-balance sheet financial instruments - measured at fair value		-	-	-	-

Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Items	Valuation approach and input used
Federal Government securities	The fair values of Federal Government securities are determined on the basis of PKRV rates / prices sourced from Mutual Funds Association of Pakistan (MUFAP) and these securities are classified under level 2.
Non-Government Debt Securities	Investment in Non-Government Debt Securities determined in Rupees are valued on the basis of rates announced by MUFAP. These are classified in level 2. Where market rates of these securities are not available on MUFAP as at December 31, 2024, therefore, these securities are classified level 3.
Unquoted Investment	The fair value of investments in unquoted equity securities are valued on the basis of dividend discount model / price to book multiple.

39.2 The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date of the event or change in circumstances that caused such transfer. There were no transfers between levels 1 and 2 during the year.

39.3 Fair value of non-financial assets

In case of non-financial assets, the Company has adopted revaluation model (as per IAS 16) in respect of leasehold land, building and non-banking assets acquired in satisfaction of claims.

The property and equipment of the Company were revalued by independent professional valuer as at December 31, 2024. The revaluation was carried out by AXIS Consultants on the basis of professional assessment of present market values.

The non banking assets acquired from Irfan Textile were revalued by independent professional valuer in December 31, 2024. The revaluation was carried out by AXIS Consultants on the basis of professional assessment of recent market values.

	2024			
	Level 1	Level 2	Level 3	Total
	Rupees			
Non-financial assets				
Operating fixed assets				
Property and equipment (lease hold land, building	-	-	5,433,206,525	5,433,206,525
Other assets				
Non banking assets acquired in satisfaction of claims	-	-	61,303,500	61,303,500

	2023			
	Level 1	Level 2	Level 3	Total
	Rupees			
Non-financial assets				
Operating fixed assets				
Property and equipment (lease hold land, building	-	-	3,926,433,515	3,926,433,515
Other assets				
Non banking assets acquired in satisfaction of claims	-	-	71,439,012	71,439,012

Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Items	Valuation approach and input used
Operating fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and other fixed assets and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

40. SEGMENT INFORMATION

40.1 Segment details with respect to business activities

	2024			
	Corporate Finance	Trading and sales	Building rental services	Total
	----Rupees----			
Profit & loss				
Net mark-up/return/profit	253,388,085	833,947,569	-	1,087,335,655
Non mark-up / return / interest income	82,438,611	418,853,949	306,236,030	807,528,590
Total income	335,826,696	1,252,801,519	306,236,030	1,894,864,245
Segment direct expenses	142,807,152	537,868,093	-	680,675,245
Total expenses	142,807,152	537,868,093	-	680,675,245
Provisions	(169,660,890)	-	-	(169,660,890)
Profit before income tax and minimum tax differential	362,680,435	714,933,426	306,236,030	1,383,849,890
Balance sheet				
Cash & bank balances	-	300,916,450	-	300,916,450
Investments	1,665,239,324	143,352,504,273	-	145,017,743,598
Lendings to financial institutions	-	384,209,641	-	384,209,641
Advances - performing	12,722,572,269	-	-	12,722,572,269
- non-performing net of provision	1,962,012	-	-	1,962,012
Others	1,635,198,928	4,864,159,878	5,698,147,142	12,197,505,949
Total assets	16,024,972,534	148,901,790,243	5,698,147,142	170,624,909,919
Borrowings	14,156,091,577	131,528,274,203	-	145,684,365,780
Deposits & other accounts	514,683,580	4,782,071,571	-	5,296,755,151
Others	118,172,997	909,172,981	2,381,378,471	3,408,724,449
Total liabilities	14,788,948,155	137,219,518,754	2,381,378,471	154,389,845,380
Equity	-	-	-	16,235,064,539
Total equity & liabilities	14,788,948,155	137,219,518,754	2,381,378,471	170,624,909,919
Contingencies & commitments	4,640,180,439	1,255,070,787	62,138,279	5,957,389,505

	2023			
	Corporate Finance	Trading and sales	Building rental services	Total
	-----Rupees-----			
Profit & loss				
Net mark-up/return/profit	8,610,041	325,441,206	-	334,051,247
Non mark-up / return / interest income	56,223,795	918,902,886	277,528,099	1,252,654,780
Total income	64,833,836	1,244,344,092	277,528,099	1,586,706,027
Segment direct expenses	93,431,627	468,013,190	-	561,444,817
Total expenses	93,431,627	468,013,190	-	561,444,817
Provisions	446,821,173	20,547,391	-	467,368,564
Profit before income tax and minimum tax differential	(475,418,964)	755,783,511	277,528,099	557,892,646
Balance sheet				
Cash & bank balances	-	224,887,948	-	224,887,948
Investments	880,253,885	34,456,269,154	-	35,336,523,039
Lendings to financial institutions	-	3,249,994,713	-	3,249,994,713
Advances - performing	7,997,516,086	-	-	7,997,516,086
- non-performing net of provision	264,704,056	-	-	264,704,056
Others	2,233,064,520	4,509,490,044	2,321,240,055	9,063,794,619
Total assets	11,375,538,547	42,440,641,859	2,321,240,055	56,137,420,461
Borrowings	7,755,256,526	29,444,031,600	-	37,199,288,126
Deposits & other accounts	3,665,000,000	-	-	3,665,000,000
Others	196,938,911	711,624,868	185,693,263	1,094,257,042
Total liabilities	11,617,195,437	30,155,656,468	185,693,263	41,958,545,168
Equity	-	-	-	14,178,875,293
Total equity & liabilities	11,617,195,437	30,155,656,468	185,693,263	56,137,420,461
Contingencies & commitments	6,480,573,212	1,940,026	995,657	6,483,508,895

40.2 Segment details with respect to geographical locations

GEOGRAPHICAL SEGMENT ANALYSIS

	2024		
	In Pakistan	Outside Pakistan	Total
Profit & loss	---------- Rupees ----------		
Net mark-up/return/profit	1,087,335,655	-	1,087,335,655
Inter segment revenue - net	-	-	-
Non mark-up / return / interest income	807,528,590	-	807,528,590
Total income	1,894,864,245	-	1,894,864,245
Segment direct expenses	680,675,245	-	680,675,245
Inter segment expense allocation	-	-	-
Total expenses	680,675,245	-	680,675,245
Provisions	(169,660,890)	-	(169,660,890)
Profit before income tax and minimum tax differential	1,383,849,890	-	1,383,849,890
Balance sheet			
Cash & bank balances	300,916,450	-	300,916,450
Investments	145,017,743,598	-	145,017,743,598
Net inter segment lendings	-	-	-
Lendings to financial institutions	384,209,641	-	384,209,641
Advances - performing	12,722,572,269	-	12,722,572,269
- non-performing net of provision	1,962,012	-	1,962,012
Others	12,197,505,949	-	12,197,505,949
Total assets	170,624,909,919	-	170,624,909,919
Borrowings	145,684,365,780	-	145,684,365,780
Deposits & other accounts	5,296,755,151	-	5,296,755,151
Net inter segment borrowing	-	-	-
Others	3,408,724,449	-	3,408,724,449
Total liabilities	154,389,845,380	-	154,389,845,380
Equity	16,235,064,539	-	16,235,064,539
Total equity & liabilities	170,624,909,919	-	170,624,909,919
Contingencies & commitments	5,957,389,505	-	5,957,389,505

	2023		
	In Pakistan	Outside Pakistan	Total
Profit & loss			
Net mark-up/return/profit	334,051,247	-	334,051,247
Inter segment revenue - net	-	-	-
Non mark-up / return / interest income	1,252,654,780	-	1,252,654,780
Total Income	1,586,706,027	-	1,586,706,027
Segment direct expenses	561,444,817	-	561,444,817
Inter segment expense allocation	-	-	-
Total expenses	561,444,817	-	561,444,817
Provisions	467,368,564	-	467,368,564
Profit before income tax and minimum tax differential	557,892,646	-	557,892,646
Balance sheet			
Cash & bank balances	224,887,948	-	224,887,948
Investments	35,336,523,039	-	35,336,523,039
Net inter segment lendings	-	-	-
Lendings to financial institutions	3,249,994,713	-	3,249,994,713
Advances - performing	7,997,516,086	-	7,997,516,086
- non-performing net of provision	264,704,056	-	264,704,056
Others	9,063,794,619	-	9,063,794,619
Total assets	56,137,420,461	-	56,137,420,461
Borrowings	37,199,288,126	-	37,199,288,126
Deposits & other accounts	3,665,000,000	-	3,665,000,000
Net inter segment borrowing	-	-	-
Others	1,094,257,042	-	1,094,257,042
Total liabilities	41,958,545,168	-	41,958,545,168
Equity	14,178,875,293	-	14,178,875,293
Total equity & liabilities	56,137,420,462	-	56,137,420,462
Contingencies & commitments	6,483,508,895	-	6,483,508,895

41 RELATED PARTY TRANSACTIONS

The Government of Kingdom of Saudi Arabia and the Islamic Republic of Pakistan each own 50% shares of the Company. Therefore, all entities owned by and controlled by these Governments are related parties of the Company. Other related parties comprise of entities over which the Company has control (subsidiaries), entities over which the directors are able to exercise significant influence (associated undertakings), entities with common directors, major shareholders, directors, key management personnel and employees' funds. The Company in normal course of business pays for electricity, gas and telephone to entities controlled by Government of Pakistan. Contributions to and accruals in respect of Staff Gratuity Fund are made in accordance with the actuarial valuation.

Transactions which are made under the terms of employment with related parties mainly comprise of loans and advances, deposits etc.

Advances for the house building, conveyance and personal use have also been provided to staff and executives in accordance with the employment and pay policy. Facility of group life insurance and hospitalization facility is also provided to staff and executives. In addition to this, majority of executives of the Company have been provided with Company maintained car.

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

	2024						2023					
	Shareholders	Directors	Key management personnel	Subsidiaries	Associates	Other related parties	Shareholders	Directors	Key management personnel	Subsidiaries	Associates	Other related parties
			Rupees						Rupees			
Lendings to financial institutions												
Opening balance	-	-	-	-	-	3,250,155,700	-	-	-	-	-	-
Addition during the year	-	-	-	-	-	35,380,627,193	-	-	-	-	-	180,681,049,393
Repaid during the year	-	-	-	-	-	(38,630,782,893)	-	-	-	-	-	(177,430,893,693)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	3,250,155,700
Investments												
Opening balance	-	-	-	500,000,000	576,676,075	-	-	-	-	500,000,000	-	199,640,000
Investment made during the year	-	-	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	(80,000)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	576,676,075	-
Closing balance	-	-	-	500,000,000	576,676,075	-	-	-	-	500,000,000	576,676,075	199,560,000
Provision for diminution in value of investments	-	-	-	-	576,676,075	-	-	-	-	-	576,676,075	338,339
Advances												
Opening balance	-	-	63,642,786	-	-	-	-	-	24,564,071	-	-	-
Addition during the year	-	-	45,450,984	-	-	-	-	-	47,157,893	-	-	-
Repaid during the year	-	-	(34,809,470)	-	-	-	-	-	(8,079,178)	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	74,284,300	-	-	-	-	-	63,642,786	-	-	-
Provision held against advances	-	-	-	-	-	-	-	-	-	-	-	-
Non-current asset classified as held for sale												
Opening balance	-	-	-	-	-	-	-	-	-	-	576,676,075	-
Addition during the year	-	-	-	-	-	-	-	-	-	-	-	-
Repaid during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	(576,676,075)	-
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
Provision for Non-current asset classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Other assets - Income / markup accrued	-	-	-	34,620	-	73,956	-	-	-	-	-	14,837,624
Other assets - security deposit	-	-	-	1,602,775	-	-	-	-	-	2,633,280	-	-
Provision against other assets	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings during the year	-	-	-	-	-	66,130,396,033	-	-	-	-	-	20,907,677,325
Settled during the year	-	-	-	-	-	(64,154,314,033)	-	-	-	-	-	(20,907,677,325)
Closing balance	-	-	-	-	-	1,976,082,000	-	-	-	-	-	-
Deposits and other accounts												
Opening balance	-	-	-	-	-	3,065,000,000	-	-	-	-	-	1,353,000,000
Received during the year	-	-	-	-	-	1,907,800,000	-	-	-	-	-	1,712,000,000
Withdrawn during the year	-	-	-	-	-	(1,943,000,000)	-	-	-	-	-	-
Closing balance	-	-	-	-	-	3,029,800,000	-	-	-	-	-	3,065,000,000
Other Liabilities												
Interest / mark-up payable	-	-	-	-	-	16,242,057	-	-	-	-	-	17,866,326
Payable to defined benefit plan	-	-	-	-	-	11,208,944	-	-	-	-	-	1,923,363
Dividend payable to Foreign shareholder	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit	-	-	-	545,049	-	2,988,372	-	-	-	482,245	-	2,988,372
Rent received in advance	-	-	-	1,362,623	-	36,712,597	-	-	-	1,205,610	-	33,886,810
Income												
Mark-up / return / interest earned	-	-	2,871,660	-	-	29,716,150	-	-	793,803	-	-	233,444,774
Rental income	-	-	-	-	6,195,165	39,265,087	-	-	-	5,478,530	-	34,378,212
Expense												
Mark-up / return / interest expensed	-	-	-	-	-	868,862,262	-	-	-	-	-	672,638,606
Contribution to employees' funds	-	-	-	-	-	6,898,649	-	-	-	-	-	6,898,649
Directors' fees and allowances	-	23,840,000	-	-	-	-	-	22,190,000	-	-	-	-
Shareholders' fee	-	-	-	-	-	-	-	-	-	-	-	-
Operating expenses	-	-	134,386,241	-	416,380	-	-	-	129,432,662	-	426,960	-

42. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2024	2023
	Rs '000'	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	6,765,000	6,765,000
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	13,545,327	12,299,877
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	13,545,327	12,299,877
Eligible Tier 2 Capital	3,027,175	1,680,616
Total Eligible Capital (Tier 1 + Tier 2)	16,572,502	13,980,493
Risk Weighted Assets (RWAs):		
Credit Risk	30,649,209	26,355,145
Market Risk	7,766,946	3,489,031
Operational Risk	2,999,559	3,099,671
Total	41,415,714	32,943,848
Common Equity Tier 1 Capital Adequacy ratio	32.71%	37.34%
Tier 1 Capital Adequacy Ratio	32.71%	37.34%
Total Capital Adequacy Ratio	40.02%	42.44%

As of December 2024, the Company is required to meet a Tier 1 to RWA ratio and CAR, including CCB, of 7.5% and 11.5% respectively.

Standardized Approach is used for calculating the Capital Adequacy for Market and Credit Risk while Basic Indicator Approach (BIA) is used for Operational Risk.

	2024	2023
Leverage Ratio (LR):		
Eligible Tier-1 Capital	13,545,327	12,299,877
Total Exposures	176,582,299	62,329,101
Leverage Ratio	7.67%	19.73%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	15,930,000	4,903,416
Total Net Cash Outflow	14,642,000	2,987,739
Liquidity Coverage Ratio	108.80%	164.12%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	93,831,000	37,546,620
Total Required Stable Funding	48,968,000	24,290,905
Net Stable Funding Ratio	191.62%	154.57%

42.1 The link to the full disclosures for capital adequacy, leverage and liquidity ratios will be available at **https://www.saudipak.com/financial/**

43. RISK MANAGEMENT

Saudi Pak Industrial & Agricultural Investment Co. Ltd. (the Company) defines risk as the possibility that an action or event could have adverse outcomes, which could either result in a direct loss of earnings / capital, or the imposition of constraints on the ability to meet objectives. In the normal course of business, the Company is exposed to various risks, including, but not limited to, credit, market, liquidity, and operational risks. The Company recognizes that management of these risks is essential for maintaining financial viability and achieving objectives. In this regard, the Company's approach to risk management is to ensure the ongoing alignment of its risk levels with its risk appetite through a coordinated set of activities that direct and control the Company with regard to risk.

The Company's overall appetite for risk is governed by its Board of Directors (Board) approved "Risk Management Policy", which delineates key definitions, roles and responsibilities, risk appetite / risk limits, and principles for managing risk across the Company. The Company's Risk Management Framework, comprising of the Risk Management Policy, other Board-approved policies, procedural manuals, sound management information system (MIS) and reporting, and clearly articulated roles, responsibilities and accountabilities, is fundamental to the Company's overall risk management culture and awareness.

The Company recognizes that responsibility for risk management resides at all levels, since the risk management processes rely on individual responsibility and independent oversight. The Board, duly supported by its Risk Management Committee, is accountable for ensuring that adequate and sound structures and policies are in place for risk management. The Management's role is to transform strategic decisions and risk appetite set by the Board into effective processes and systems, and to institute an appropriate hierarchy to execute and implement the approved policies and procedures. In this regard, the Company has implemented a three-line-of-defense approach, wherein as a first line of defense, risk management activities are performed in the business units and functional support units, with the Divisional Heads being accountable for managing risk in their area of operations in accordance with the Risk Management Framework, as well as for the results (both positive and negative) of taking these risks.

To assist in discharge of these responsibilities and accountabilities, various cross-functional committees have been constituted at the Senior Management level, and delegation of authority in financial / operational powers for the Divisions / Regional Offices has been clearly defined. The Risk Management Division (RMD) and Compliance Division (CD) serve as second-line of defense by providing independent oversight of the Company's risk-taking activities and regulatory compliance respectively. The RMD's responsibilities include the design of a clear, transparent and well-aligned Risk Management Policy, independent pre-approval risk reviews of proposals and policies, and ongoing assessment, monitoring and reporting of risks at the portfolio and enterprise level through a broad spectrum of techniques.

The second-line-of-defense is further strengthened through the presence of cross-functional committees such as Risk Review Committee, Operational Risk Management Committee and Compliance Committee. The Internal Audit Division functions as the third-line-of-defense, with direct reporting to the Audit Committee of the Board and independently carrying out internal audits in line with its approved roles and responsibilities.

On an enterprise level, risk monitoring results for the year revealed that the Company's Capital Adequacy Ratio (CAR) remained well above both the internal as well as the regulatory requirements throughout the year, and that the capital and liquidity position remained resilient even under stress.

43.1 Credit Risk

Credit risk is the risk of loss to the Company's earnings or capital arising from the potential that an obligor is either unwilling to perform on an obligation or its ability to perform on such obligation is impaired. Credit risk arises primarily from the Company's advances / debt investments portfolio and lending to financial institutions (FIs) portfolio. Credit risk may also arise at the portfolio level in case of inadequate diversification of the advances portfolio, in terms of industrial sectors, regions, products, or clients.

Pursuit of credit risk is essential to fulfilling the corporate objectives of the Company, and is a primary source of income, conversely, also constituting one of the greatest risk of losses. In this regard, focus is primarily on bankable transactions, offering adequate risk & reward relationship with satisfactory security support. The Company's credit risk management process encompasses identification, assessment, monitoring and control of credit risk exposures. As part of this process, obligor risk, facility risk and environmental risk are carefully evaluated using internal risk rating methodologies, as articulated in the Company's Internal Credit Risk Rating Policy.

Advances exposures are invariably secured by credit risk mitigants in the form of various types of collateral / security with adequate margins. Readily marketable / liquid securities / urban properties are preferred over other forms of collateral. Credit risk stress testing is regularly carried out to identify vulnerable areas for initiating corrective action, if necessary. Regular assessment, monitoring and reporting of the performing & non-performing credit risk portfolio in terms of trends & concentrations, is made by the Risk Management Division (RMD) to the Risk Review Committee and Risk Management Committee of the Board. Board-approved Credit Policy, Credit Risk Policy, Credit Administration Policy, and Special Asset Management Policy are in place, clearly establishing relevant roles and responsibilities, selection criteria, principles and limits for credit risk.

Specific norms for appraisal, sanctioning, documentation, inspections and monitoring, maintenance, rehabilitation and management of assets have been stipulated. Internal controls and processes in place for credit risk management also include:

- Well-defined credit approval and disbursement mechanism, with deliberation at cross-functional committee, and review by independent functions;
- Post-disbursement credit administration, monitoring and review, including review of credit ratings;
- Board-approved borrower / group limits well within those prescribed in terms of Prudential Regulations, along with other limits on portfolio concentration, e.g. sectoral limits;
- Board-approved counterparty limits for lendings to FIs in place and regularly reviewed;
- Clear lines of authority for Treasury transactions, and independent Back Office / Settlement Division in place to process deals;
- Independent Middle Office in place at RMD to monitor lending to FIs limit compliance;
- Credit Risk Management Committee-approved insurer-wise limits and eligible valuers in place and reviewed annually;
- Policies & procedures circulated amongst concerned functionaries through the Company's intranet;
- Various training initiatives to enhance credit risk knowledge for concerned personnel.

Dedicated Special Asset Management Division (SAMD) and Law Division (LD) are in place to manage past due and impaired assets through litigation, workout or other remedial measures, as appropriate. The Company adheres to the SBP instructions for definitions of past due and impaired assets in the Corporate / Commercial, SME-Medium Enterprise, and SME-Small Enterprise categories respectively.

In addition, the Company applies ECL model for recognizing allowance for credit loss in accordance with IFRS 9 as disclosed in note 5.1.2 to the financial statements.

The Company employs the Basel Standardized Approach to determine capital requirements for credit risk. As per SBP Guidelines, the Company recognizes VIS and PACRA as approved rating agencies and applies their ratings where available to determine appropriate risk weight by using mapping criteria prescribed by SBP. Also the Company developed its internal credit rating policy for assigning obligor risk rating (ORR) as per SBP guidelines. ORR are assigned based on a time horizon that covers the life of the credit. ORR is assigned on a scale of 12 grades, with the first 4 grades (I-IV) representing stage 1 borrowers and afterword 5 grades (V-IX) representing stage 2 in increasing order of riskiness and the last 3 grades (X-XII) representing stage 3/non-performing borrowers. In absence of risk ratings, the exposures are treated as unrated and relevant risk weights are applied. The Company follows Simple Approach for credit risk mitigation in its Basel capital calculation. Under Simple Approach, the risk weight of the mitigant is substituted for the risk weight of the counterparty to the extent coverage is provided by the mitigant, provided the former risk weight is lower than the latter.

The Company is presently not involved in securitization activities.

The Company's maximum credit risk exposure as at December 31, 2024 amounted to:

	2024 Without benefit of collateral	2024 With benefit of collateral
	------------Rupees-----------	
Lending to financial institutions	-	384,547,095
Debt investments		
(excluding Government of Pakistan local currency denominated de	-	1,890,289,569
Advances	-	12,724,534,281
	-	14,999,370,945

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Particulars of Company's significant on-balance sheet and off-balance sheet credit risk in various sectors are analysed as follows:

43.1.1 Lendings to financial institutions

Credit risk by public / private sector	2024	2023	2024	2023	2024			2023		
	Gross lendings		Non-performing lendings		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
			Rupees							
Public / Government	384,547,095	3,250,155,700	-	-	337,454	-	-	160,987	-	-
Private	-	-	-	-	-	-	-	-	-	-
	384,547,095	3,250,155,700	-	-	-	-	-	-	-	-

43.1.2 Investment in debt securities

Credit risk by industry sector	2024	2023	2024	2023	2024			2023		
	Gross investments		Non-performing investments		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
			Rupees							
Textile	805,347,500	321,352,500	67,500,000	321,352,500	8,837,133	13,358,658	67,500,000	-	-	321,352,500
Chemical and Pharmaceuticals	9	258,448,879	9	258,448,879	-	-	9	-	-	258,448,879
Construction	-	300,000,000	-	-	-	-	-	6,047,569	-	-
Power (electricity), Gas, Water, Sanitary	-	-	-	-	-	-	-	-	-	-
Transport, Storage and Communication	37,964,468	37,964,468	37,964,468	37,964,468	-	-	37,964,468	-	-	37,964,468
Financial	1,328,639,961	1,314,908,921	3,748,500	3,748,500	821,844	71,309,998	3,748,500	1,849,782	69,908,201	3,748,500
	2,171,951,938	2,232,674,768	109,212,977	621,514,347	9,658,977	84,668,656	109,212,977	7,897,351	69,908,201	621,514,347

Credit risk by public / private sector										
Public / Government	199,480,000	199,560,000	-	-	-	-	-	-	-	-
Private	1,972,471,938	2,033,114,768	109,212,977	621,514,347	9,658,977	84,668,656	109,212,977	7,897,351	69,908,201	621,514,347
	2,171,951,938	2,232,674,768	109,212,977	621,514,347	9,658,977	84,668,656	109,212,977	7,897,351	69,908,201	621,514,347

43.1.3 *Advances*

Credit risk by industry sector	2024	2023	2024	2023	2024			2023		
	Gross advances		Non-performing advances		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
			------Rupees------							
Textile	3,319,484,508	3,334,612,189	1,144,571,299	1,283,936,652	72,351,461	4,546,547	1,054,783,600	34,128,394	1,022,383	1,162,487,642
Chemical and Pharmaceuticals	940,038,708	230,000,000	-	-	29,960,826	-	-	7,574,479	-	-
Cement	766,079,362	1,110,942,228	116,206,923	116,206,923	13,897,434	-	116,206,923	10,187,417	-	116,206,923
Sugar	614,025,423	243,114,473	243,114,473	243,114,473	13,999,855	-	243,114,473	-	-	243,114,473
Automobile and transportation equipment	708,247,973	403,000,000	357,847,973	153,000,000	8,535,114	-	445,673,660	-	99,055,104	153,000,000
Electronics and electrical appliances	456,115,950	758,529,371	-	-	14,639,771	-	-	11,763,669	-	-
Construction	357,080,094	95,080,094	57,080,094	95,080,094	8,151,350	-	57,080,094	-	-	95,080,094
Power (electricity), Gas, Water, Sanitary	4,626,474,776	800,312,844	268,153,752	165,028,752	87,818,530	34,286,892	268,153,752	945,761	75,487,207	165,028,752
Transport, Storage and Communication	1,748,913,043	1,600,000,000	-	-	47,893,744	-	-	28,596,783	-	-
Financial	73,500,000	73,500,000	73,500,000	73,500,000	-	-	73,500,000	-	-	73,500,000
Services	1,139,820,383	851,000,000	-	101,000,000	16,578,227	50,125,774	-	16,432,082	-	101,000,000
Paper board and products	4,203,851	4,203,851	4,203,851	4,203,851	-	-	4,203,851	-	-	4,203,851
Rubber and plastic products	577,523,579	223,000,000	-	223,000,000	8,148,097	39,438,369	-	-	-	79,744,954
Basic metals	69,093,230	153,059,948	69,093,230	69,093,230	-	-	69,093,230	1,500,220	-	69,093,230
Dairy & Poultry	-	1,052,257,651	-	-	-	-	-	-	-	614,180,004
Others	250,186,775	539,561,891	142,250,000	41,250,000	1,821,797	-	142,250,000	5,370,976	-	41,250,000
	15,650,787,655	11,472,174,540	2,476,021,595	2,568,413,975	323,796,208	128,397,583	2,474,059,583	116,499,781	175,564,694	2,917,889,923

	2024	2023	2024	2023	2024			2023		
Credit risk by public / private sector	Gross advances		Non-performing advances		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
			------Rupees------							
Public / Government	-	-	-	-	-	-	-	-	-	-
Private	15,650,787,655	11,472,174,540	2,476,021,595	2,568,413,975	323,796,208	128,397,583	2,474,059,583	116,499,781	175,564,694	2,917,889,923
	15,650,787,655	11,472,174,540	2,476,021,595	2,568,413,975	323,796,208	128,397,583	2,474,059,583	116,499,781	175,564,694	2,917,889,923

43.1.4 Contingencies and Commitments

Commitments: credit risk by industry sector

	2024	2023
	Rupees	
Textile	500,000,000	500,000,000
Chemical and Pharmaceuticals	75,000,000	370,000,000
Cement	-	5,264,695
Sugar	-	-
Electronics and electrical appliances	350,000,000	200,180,779
Power (electricity), Gas, Water, Sanitary	2,145,146,686	3,570,000,000
Transport, Storage and Communication	76,086,957	200,000,000
Financial	2,735,100,000	1,326,800,526
Services	72,798,000	275,000,000
Others	3,257,862	36,262,895
	5,957,389,505	6,483,508,895

Credit risk by public / private sector

	2024	2023
Public / Government	5,015,100,000	1,326,800,256
Private	942,289,505	5,156,708,639
	5,957,389,505	6,483,508,895

43.1.5 Concentration of Advances

Top 10 exposures of the Company on the basis of total (funded and non-funded exposures) aggregated to Rs. 9,454 million (2023: Rs. 7,977 million) as follows:

	2024	2023
	Rupees	
Funded	5,754,031,530	5,277,467,905
Non Funded	3,700,000,000	2,700,000,000
Total Exposure	9,454,031,530	7,977,467,905

The sanctioned limits against these top 10 exposures aggregated to Rs. 7,730,000,000 (2023: Rs. 10,144,735,305).

	2024		2023	
	Amount	Credit loss allowance held	Amount	Provision held
	Rupees			
Total funded classified therein				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	-	-	-	-
Total	-	-	-	-

43.1.6 Advances - Province/Region-wise Disbursement & Utilization

	2024						
	Disbursements	Utilization					
Province/Region		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	-	-	-	-	-	-	-
Sindh	14,758,376,315	6,402,274,870	7,519,321,925	300,000,000	-	536,779,520	-
KPK including FATA	-	-	-	-	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	-	-	-	-	-	-	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	14,758,376,315	6,402,274,870	7,519,321,925	300,000,000	-	536,779,520	-

	2023						
	Disbursements	Utilization					
Province/Region		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
Punjab	-	-	-	-	-	-	-
Sindh	-	-	-	-	-	-	-
KPK including FATA	-	-	-	-	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	1,611,913,906	1,381,913,906	230,000,000	-	-	-	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	1,611,913,906	1,381,913,906	230,000,000	-	-	-	-

43.2 Market Risk

Market risk is the risk of loss to the Company's earnings or capital arising from potential movements in market risk factors, such as interest rates, equity prices and foreign exchange rates. The Company is exposed to market risk from its banking book as well as trading book exposures, the latter of which includes FVOCI & FVPL investments in debt & listed equity instruments. The Company uses Basel Standardized Approach to assess the market risk for its trading book exposures. The portfolios covered under the approach include the FVOCI & FVPL investments in debt and listed equity instruments. The capital charge required there against is presented in Note 42.

The market risk strategy of the Company is to maximize returns while keeping exposure to market risk at or below the approved levels, provided in the shape of market risk limits. Board-approved Treasury Policy, PMD Investment Policy and Market Risk Policy are in place with defined market risk management parameters / limits to control market risk levels. The Treasury Division (TD) and Portfolio Management Division (PMD) consider economic and market conditions, along with the Company's portfolio mix, diversification and expertise when setting and executing annual business strategy and reviewing policy.

Assets / Liability Management Committee (ALCO) meets monthly, and evaluates liquidity, market and interest rate risk as part of its approved Terms of Reference. An independent Market & Liquidity Risk /Middle Office Unit housed in RMD is tasked to, inter alia, independently monitor, measure and analyze market risk of the Company on daily basis, perform risk review of day-to-day PMD & TD activities, escalate any limit breaches or exceptions on the same working day of identification, review the Company's interest rate risk management framework & methodology, and prepare risk reports for ALCO and RMCB, including review of performance of the investment portfolio.

The Company uses a comprehensive suite of risk measurement techniques to assess market risk in the trading book, which includes monitoring levels and trends in mark-to-market, price value of basis point (PVBP), beta, and Value-at-Risk (VaR) metrics, as well as stress tests and sensitivity analyses based on these measures. VaR is calculated for all trading book positions and portfolios on a daily basis, and measures the estimated maximum loss over a defined horizon based on historical simulation.

The Company calculates its VaR with a 1-day, 10-day and 30-day horizon period using a one-tail, 99% confidence interval in accordance with Basel specifications. The 1-day VaR is further back tested on daily basis against next day's P&L based on actual observed movements in market risk factors. Back testing results suggest that the model is currently providing an appropriate estimate of the risk. For interest rate risk in the banking book, the Company primarily relies on gap analysis & static simulation model. Stress tests are carried out for traded & non-traded market risks on the basis of extreme, yet plausible, stress scenarios. Results produced by the aforementioned models are included in management and Board-committee reporting.

43.2.1 Balance sheet split by trading and banking books

	2024			2023		
	Banking book	Trading book	Total	Banking book	Trading book	Total
	----Rupees----			----Rupees----		
Cash and balances with treasury banks	224,987,485	-	224,987,485	134,586,641	-	134,586,641
Balances with other banks	75,928,965	-	75,928,965	90,301,307	-	90,301,307
Lendings to financial institutions	384,209,641	-	384,209,641	3,249,994,713	-	3,249,994,713
Investments	2,875,394,420	142,142,349,178	145,017,743,598	8,818,496,939	26,518,026,100	35,336,523,039
Advances	12,724,534,281	-	12,724,534,281	8,262,220,142	-	8,262,220,142
Fixed assets	5,523,419,300	-	5,523,419,300	4,048,080,647	-	4,048,080,647
Right-of-use asset	81,274,896	-	81,274,896	24,548,938	-	24,548,938
Intangible assets	5,105,366	-	5,105,366	6,457,046	-	6,457,046
Deferred tax assets	-	-	-	174,945,204	-	174,945,204
Other assets	6,587,706,387	-	6,587,706,387	4,809,762,784	-	4,809,762,784
	28,482,560,741	142,142,349,178	170,624,909,919	29,619,394,361	26,518,026,100	56,137,420,461

43.2.2 Foreign Exchange Risk

The Company does not actively deal in foreign currency. Its aggregate foreign currency exposure is limited to USD-denominated bank balance, as represented in the table below. As such, the Company's direct exposure to foreign currency risk is minimal, with a favourable impact in case of PKR depreciation.

The foreign exchange exposures during the year of the Company is given as follows:

	2024				2023			
	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure	Foreign Currency Assets	Foreign Currency Liabilities	Off-balance sheet items	Net foreign currency exposure
	----Rupees----				----Rupees----			
United States Dollar	36,527,091	-	-	36,527,091	37,198,710	-	-	37,198,710

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	----Rupees----		----Rupees----	
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	365,271	-	371,987	-
- Other comprehensive income	-	-	-	-

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43.2.3 Equity position Risk

The Company's objective regarding trading in equities is to maximize the return on equity investment by acquiring fundamentally strong shares at appropriate levels and maintaining such a balance between short term and long term investment that can provide maximum possible opportunities to avail both capital gains and dividend income. The Company's maximum exposure to the stock market is constrained in terms of the single-stock and aggregate limits prescribed under the SBP Prudential Regulations. Prime responsibility for managing the Company's equity positions rests with the Portfolio Management Division (PMD). The Board of Directors has approved sectoral limits, as well as portfolio limits that fall within the SBP-prescribed aggregate limit for DFIs. ALCO reviews investment climate and stock market investment strategy & portfolio, and reviews & approves listed stock investment / divestment recommendations by PMD, and stop loss decision where required. ALCO also monitor and manage investments in unquoted companies. The Market & Liquidity Risk /Middle Office Unit housed in RMD independently monitors PMD deals, policy / limit compliance, broker usage, realized/unrealized gain/loss, and generates market risk metrics such as beta, Value-at-Risk, sensitivity analyses and stress tests. The Unit is responsible for escalation of any limit breaches to concerned authorities, and also provides monthly / need basis summary reports to ALCO and periodic performance reports to the Risk Management Committee of the Board. PMD performance is also regularly reviewed by ALCO through regular reporting by the former, with the latter also serving as approving authority for the broker panel.

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
	----------------Rupees--------------		----------------Rupees--------------	
Impact of 5% change in equity prices on				
- Profit and loss account	-	9,322,825	-	42,211,288
- Other comprehensive income	-	27,530,665	-	26,665,178

43.2.4 Yield / Interest Rate Risk in the Banking Book (IRRBB)-Basel II Specific

The Company's interest rate risk arises from its trading book and banking book. Interest rate risk in the trading book is a result of FVPL & OCI investments in debt instruments that are reported at fair value, and whose value is influenced by prevailing interest rates. The Company's interest rate risk exposures in the banking book originate from financial assets & liabilities that are exposed to different points in the yield curve, and are not matched in terms of repricing / maturity dates or interest rate basis. Since the Company does not take non-maturity deposits and bulk of its loans are floating-rate in nature, optionality/prepayment-related interest rate risk is insignificant.

The primary objective of interest rate risk management is to control exposure to interest rate risk, within approved limits. The Company has Board-approved Treasury Policy and Interest Rate Risk Management Framework in place that govern the interest rate risk management process. The Treasury Division directly functions to manage interest rate risks through diversification of exposures and structuring matching asset/liability transactions. The ALCO provides oversight of interest rate risk, including articulating interest rate view, deciding on future business strategy, monitoring interest rate risk and deliberating on mitigation measures. To control interest rate risk in the trading book, duration limits are in place for the fixed income investment portfolio, in terms of the Treasury Policy. To control interest rate risk in the banking book, target levels have been established on the repricing/ maturity gaps in each time band, as determined through slotting of interest-rate sensitive assets and liabilities according to contractual repricing / maturity dates, whichever is earlier, and ALCO-approved earnings at risk tolerance limit is also in place. The Market & Liquidity Risk / Middle Office Unit monitors limit compliance, reviews the interest rate risk management framework, develops interest rate risk measurement methodology, and provides monthly & quarterly reports to ALCO. Interest rate risk measurement methodology currently employed by the Company for the trading book includes marking-to-market, price value of basis point (PVBP), sensitivity analyses / stress testing and Value-at-Risk. For the banking book, methodology is based on gap analysis and static simulation, with an earnings and economic value perspective, as well as stress testing.

	2024		2023	
	Banking book	Trading book	Banking book	Trading book
Impact of 1% change in interest rates on	----------Rupees----------		----------Rupees----------	
- Profit and loss account	46,035,068	-	36,472,935	-
- Other comprehensive income	-	-	-	-

43.2.5 Mismatch of Interest Rate Sensitive Assets and Liabilities

	Effective Yield/ Interest rate	Total	2024 Exposed to Yield/ Interest risk Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	Non-interest bearing financial instruments
							-Rupees-					
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	224,987,485	-	-	-	-	-	-	-	-	-	224,987,485
Balances with other banks	13.50	75,928,965	74,879,436	-	-	-	-	-	-	-	-	1,049,529
Lending to financial institutions	17.94	384,209,641	384,209,641	-	-	-	-	-	-	-	-	-
Investments	18.18	145,017,743,598	20,245,022,346	20,237,676,947	25,520,658,649	-	-	-	37,404,236,296	38,993,410,127	-	2,616,739,234
Advances	16.35	12,724,534,281	3,120,732,184	3,217,840,939	5,932,699,345	347,265,165	5,258,609	-	54,570,894	46,167,145	-	-
Other assets	-	3,964,995,386	-	-	-	-	-	-	-	-	-	3,964,995,386
		162,392,399,356	23,824,843,607	23,455,517,885	31,453,357,994	347,265,165	5,258,609	-	37,458,807,190	39,039,577,272	-	6,807,771,633
Liabilities												
Borrowings	18.17	145,684,365,780	76,667,570,999	62,949,662,194	815,359,245	786,672,534	1,639,022,182	1,451,522,182	773,956,699	600,599,745	-	-
Deposits and other accounts	19.99	5,296,755,151	2,212,000,151	18,105,000	2,466,650,000	600,000,000	-	-	-	-	-	-
Other liabilities	-	2,497,140,014	-	-	-	-	-	-	-	-	-	2,497,140,014
		153,478,260,945	78,879,571,150	62,967,767,194	3,282,009,245	1,386,672,534	1,639,022,182	1,451,522,182	773,956,699	600,599,745	-	2,497,140,014
On-balance sheet gap		8,914,138,412	(55,054,727,543)	(39,512,249,309)	28,171,348,749	(1,039,407,369)	(1,633,763,573)	(1,451,522,182)	36,684,850,491	38,438,977,527	-	4,310,631,620
Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-
Total Yield/Interest Risk Sensitivity Gap			(55,054,727,543)	(39,512,249,309)	28,171,348,749	(1,039,407,369)	(1,633,763,573)	(1,451,522,182)	36,684,850,491	38,438,977,527	-	4,310,631,620
Cumulative Yield/Interest Risk Sensitivity Gap			(55,054,727,543)	(94,566,976,852)	(66,395,628,102)	(67,435,035,471)	(69,068,799,044)	(70,520,321,226)	(33,835,470,735)	4,603,506,792	4,603,506,792	-

	Effective Yield/ Interest rate	Total	2023 Exposed to Yield/ Interest risk Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years	Non-interest bearing financial instruments
							-Rupees-					
On-balance sheet financial instruments												
Assets												
Cash and balances with treasury banks	-	134,586,641	-	-	-	-	-	-	-	-	-	134,586,641
Balances with other banks	20.50	90,301,307	84,123,071	-	-	-	-	-	-	-	-	6,178,236
Lending to financial institutions	22.27	3,249,994,713	3,249,994,713	-	-	-	-	-	-	-	-	-
Investments	19.88	35,336,523,039	7,371,922,332	17,584,873,464	249,359,075	6,241,392,062	-	-	1,467,696,800	-	-	2,421,279,306
Advances	18.83	8,262,220,142	4,086,716,035	2,773,028,258	1,271,297,864	902,194	6,463,640	-	36,176,739	87,635,412	-	-
Other assets	-	2,616,574,925	-	-	-	-	-	-	-	-	-	2,616,574,925
		49,690,200,767	14,792,756,151	20,357,901,722	1,520,656,939	6,242,294,256	6,463,640	-	1,503,873,539	87,635,412	-	5,178,619,108
Liabilities												
Borrowings	20.83	37,199,288,126	30,477,734,205	108,609,692	4,236,687,297	185,604,376	353,845,068	353,845,068	707,690,102	775,272,318	-	-
Deposits and other accounts	22.42	3,665,000,000	3,455,000,000	10,000,000	200,000,000	-	-	-	-	-	-	-
Other liabilities	-	846,272,546	-	-	-	-	-	-	-	-	-	846,272,546
		41,710,560,672	33,932,734,205	118,609,692	4,436,687,297	185,604,376	353,845,068	353,845,068	707,690,102	775,272,318	-	846,272,546
On-balance sheet gap		7,979,640,095	(19,139,978,054)	20,239,292,030	(2,916,030,358)	6,056,689,880	(347,361,428)	(353,845,068)	796,183,437	(687,636,906)	-	4,332,346,562
Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-
Total Yield/Interest Risk Sensitivity Gap			(19,139,978,054)	20,239,292,030	(2,916,030,358)	6,056,689,880	(347,381,428)	(353,845,068)	796,183,437	(687,636,906)	-	4,332,346,562
Cumulative Yield/Interest Risk Sensitivity Gap			(19,139,978,054)	1,099,313,976	(1,816,716,382)	4,239,973,498	3,892,592,070	3,538,747,002	4,334,930,439	3,647,293,533	3,647,293,533	-

43.2.6 Yield Risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates.

43.2.7 Assets do not include fixed assets of Rs. 5,604,694,196 (2023: Rs. 4,072,629,585), Intangible assets of Rs. 5,105,366 (2023: Rs. 6,457,046) and other assets consisting of Advances, deposits, advance rent and other prepayments, advance taxation, excise duty, non-banking assets acquired in satisfaction of claims of Rs. 2,557,199,751 (2023: Rs. 2,193,187,859).

43.2.8 Liabilities do not include other liabilities consisting of advance rental income, Payable to defined benefit plan, Provision for compensated absences of Rs. 268,299,739 (2023: Rs. 247,984,496).

43.3 Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events. Types of events that can lead to operational risk include:

- Internal / external fraud events
- Employment practices & workplace safety events
- Clients, products & business practices events
- Damage to physical assets events
- Business disruption and system failures events
- Execution, delivery & process management events

Types of operational risk losses can include monetary, regulatory, client, or health & safety loss, or legal liability / inability to enforce legal claim, and measures that may be taken to mitigate losses include improving underlying processes through enhanced internal controls, having contingency plan / backup arrangements in place, and ensuring adequate insurance coverage.

The Company's operational risk management process is governed by the Operational Risk Management Framework ("ORMF") and Operational Risk Policy which have been duly approved by the Board of Directors. The operational risk management structure comprises the line management as first line of defense, an independent Operational Risk Management Unit ("ORMU") operating under the Risk Management Division ("RMD") as second line of defense, and independent Internal Audit as third line of defense. An organizational culture of integrity and discipline built through trainings and appropriate hiring, and separation of duties and principles of internal control as embedded in relevant policies and procedures, are key principles for operational risk management. Operational Risk Coordinators ("ORCs") that have been established from each division work with the ORMU to identify, analyze, explain and mitigate operational issues within their respective areas of expertise. The ORMU develops and updates the ORMF, implements operational risk measurement and reporting, and coordinates with ORCs to source necessary information and promote sound operational risk management. Senior management-level Operational Risk Management Committee ("ORMC") meets quarterly / need basis with the goal to assure that actions are being taken to meet the stated objective of operational risk management in the Company. Presently loss data, key risk indicators, risk & control self-assessments, and scenario analysis are being used to assess operational risk. Operational risk reports on the basis of these tools, along with suggested risk mitigants where required, are presented by ORMU to the ORMC. Operational risk reports are also discussed as part of the agenda of meetings of Risk Management Committee of the Board ("RMCB").

In order to ensure business continuity, resumption and recovery of critical business process after a disaster, the Company has a robust Business Continuity Plan / Disaster Recovery Plan in place, with off-site backup and regular testing carried out. The Company also has a Technology Governance Framework & IT Security Policy in place, addressing issues such as incident reporting, risk identification, IT controls and systems security, with added oversight provided by regular meetings of the IT Steering Committee of management. KYC / AML Policies are also in place for Credit and Treasury activities.

Basic Indicator Approach with capital charge of 15% of average gross income for previous 3 years has been applied for Operational Risk. Loss data process has been fully implemented, with ORCs providing details for events / near misses / potential losses through an in-house software.

43.4 *Liquidity Risk*

Liquidity risk is the potential for loss arising from either an inability to meet obligations or to fund increase in assets as they fall due without incurring unacceptable cost or losses.

The liquidity risk strategy of the Company is to strive to maintain liquidity at an acceptable level over the short- and long-term, in order to settle financial obligations in a timely and economical manner. Liquidity Risk Policy, Treasury Policy and Contingency Funding Plan are in place to govern the liquidity risk management process. The prime responsibility for the management of liquidity risk lies with Treasury Division (TD) which ensures that the Company's operations can meet its current and future funding needs. Mix of Saudi Pak assets and liabilities is monitored by TD to ensure that gaps are efficiently managed, and target gap levels are in place. Regulatory limits (e.g. Statutory Liquidity Requirement [SLR], Net Stable Funding Ratio [NSFR]) are monitored and returns are submitted. Internal limit on liquid assets to total borrowings and deposits is also in place. TD further aims for effective diversification of sources of borrowing / liquidity. The Company's leverage also remains well within parameters allowed by SBP, ensuring a stable source of liquidity in the form of capital. ALCO provides additional oversight for liquidity risk management through its monthly meetings. The Market & Liquidity Risk / Middle Office Unit housed in RMD independently reviews liquidity risk policy, and monitors liquidity ratios, gaps and funding concentrations on daily basis, providing regular reporting on the same to ALCO along with stress testing, with timely escalation in case of any limit breach. The Company overall strives to maintain a strong market reputation and to keep credit risk and market risk within manageable limits so that these risks may not trigger any undesirable liquidity crunch.

43.4.1 Assets and Liabilities - based on contractual maturity

	Total	2024												
		Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
		Rupees												
Assets														
Cash and balances with treasury banks	224,987,485	224,987,485	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	75,928,965	75,928,965	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	384,209,641	-	384,209,641	-	-	-	-	-	-	-	-	-	-	-
Investments	145,017,743,598	-	180,000	20,211,275,675	33,386,671	20,223,425,037	36,251,746	25,304,367,399	216,291,250	685,544,547	266,085,000	658,185,000	37,404,236,296	39,978,524,312
Advances	12,724,534,281	9,988,792	414,206,273	1,043,612,528	1,002,224,591	831,405,675	207,957,166	2,770,275,584	998,742,473	792,827,488	2,283,471,856	1,779,633,716	667,039,697	123,148,440
Non-current asset classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property And Equipment	5,523,419,300	567,522	3,405,134	3,972,656	7,659,478	15,604,790	15,604,791	46,814,372	46,814,372	46,814,374	187,257,564	187,256,981	374,080,011	4,567,567,254
Right of Use Asset	81,274,896	138,190	829,141	967,331	2,211,042	4,145,703	4,145,702	12,437,109	12,437,109	12,437,108	31,526,460	-	-	-
Intangible assets	5,105,366	4,727	28,360	33,087	75,628	141,802	141,802	425,405	425,405	425,404	1,701,619	1,702,128	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	6,587,706,387	-	-	-	1,611,909,210	1,335,641,449	1,060,721,674	-	2,579,434,054	-	-	-	-	-
	170,624,909,919	311,615,681	802,858,549	21,259,861,277	2,657,466,620	22,210,364,457	1,324,822,881	28,134,319,869	3,854,144,663	1,538,048,921	2,770,042,500	2,626,777,824	38,445,356,005	44,669,240,006
Liabilities														
Bills payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	145,684,365,780	-	61,667,570,999	-	15,000,000,000	47,118,180,921	15,831,461,273	815,359,245	96,313,289	690,359,245	1,639,022,162	1,451,522,162	773,956,699	600,599,745
Deposits and other accounts	5,296,755,151	-	500,000,000	-	1,712,000,151	2,000,000	16,105,000	2,466,650,000	400,000,000	200,000,000	-	-	-	-
Liabilities against assets subject to finance lease	79,861,456	-	-	-	-	-	-	-	-	79,861,456	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	502,684,667				4,189,298	12,567,283	12,567,283	25,133,945	50,268,506	50,268,506	100,537,017	125,670,962	121,461,044	
Other liabilities	2,626,178,326	20,882,977	146,160,839	292,361,677	167,063,815	417,659,539	835,319,077	700,809,413	162,881,223	83,019,767	-	-	-	-
	154,389,845,380	20,882,977	62,313,751,838	292,361,677	16,883,253,264	47,550,407,743	16,695,472,633	4,007,952,603	709,463,018	1,103,508,974	1,739,559,199	1,577,193,144	895,437,743	600,599,745
Net assets	16,235,064,539	290,732,704	(61,510,893,289)	20,967,499,600	(14,225,786,644)	(25,340,043,286)	(15,370,649,752)	24,126,367,267	3,144,681,645	434,539,947	1,030,483,301	1,049,584,680	37,549,918,262	44,068,640,261
Share capital/ Head office capital account	6,765,000,000													
Reserves	2,075,625,895													
Unappropriated/ Unremitted profit	4,709,802,069													
Surplus/(Deficit) on revaluation of assets	2,684,636,575													
	16,235,064,539													

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SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Total	2023												
		Upto 1 Day	Over 1 to 7 days	Over 7 to 14 days	Over 14 days to 1 Month	Over 1 to 2 Months	Over 2 to 3 Months	Over 3 to 6 Months	Over 6 to 9 Months	Over 9 months to 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 5 Years	Over 5 Years
		Rupees												
Assets														
Cash and balances with treasury banks	134,586,641	134,586,641	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	90,301,307	90,301,307	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	3,249,994,713	-	3,249,994,713	-	-	-	-	-	-	-	-	-	-	-
Investments	35,336,523,039	-	120,000	-	-	30,000	33,750,000	22,154,994	6,241,422,062	6,672,044,151	2,220,691,482	80,000	2,415,730,342	17,730,500,008
Advances	8,262,220,142	260,098,814	433,244,160	43,614,677	217,731,611	68,964,739	88,005,597	574,075,490	328,858,057	557,586,814	1,882,743,812	1,453,960,522	1,469,928,581	863,407,268
Non-current asset classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property And Equipment	4,048,080,647	350,889	2,105,333	2,456,222	5,614,222	10,526,666	10,526,666	91,807,593	31,579,998	31,579,998	126,319,991	126,319,991	244,704,425	3,364,168,653
Right of Use Asset	24,548,938	46,849	281,095	327,944	749,586	1,405,474	1,405,473	4,216,421	4,216,421	4,216,420	7,683,255	-	-	-
Intangible assets	6,457,046	5,978	35,869	41,847	95,650	179,344	179,344	538,033	538,033	538,032	2,152,131	2,152,785	-	-
Deferred tax assets	174,945,204	372,109	619,818	62,397	403,645	1,457,898	2,915,797	4,373,695	2,915,725	5,831,449	17,494,563	17,494,563	34,989,127	86,014,416
Other assets	4,809,762,784	303,764,052	505,976,939	50,936,684	329,508,323	295,151,514	590,303,029	586,671,386	1,073,725,428	1,073,725,429	-	-	-	-
	56,137,420,461	789,526,639	4,192,377,927	97,439,771	554,103,037	377,715,635	727,085,906	1,283,837,612	7,683,255,724	8,345,522,293	4,257,085,234	1,600,007,861	4,185,352,475	22,044,110,347
Liabilities														
Bills payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	37,199,288,126	-	11,000,000,000	11,224,084,098	8,253,650,107	36,860,246	71,749,446	486,687,297	81,370,131	729,234,245	1,478,845,068	1,353,845,068	1,707,690,102	775,272,316
Deposits and other accounts	3,665,000,000	-	-	-	1,712,000,000	-	10,000,000	-	400,000,000	1,543,000,000	-	-	-	-
Liabilities against assets subject to finance lease		-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	1,094,257,042	6,970,011	48,790,078	97,580,156	55,760,089	139,400,223	278,800,445	264,913,015	92,479,033	92,479,033	-	-	5,125,488	11,959,471
	41,958,545,168	6,970,011	11,048,790,078	11,321,664,254	10,021,410,196	176,260,469	360,549,891	751,600,312	573,849,164	2,364,713,278	1,478,845,068	1,353,845,068	1,712,815,590	787,231,789
Net assets	14,178,875,293	782,556,628	(6,856,412,151)	(11,224,224,483)	(9,467,307,159)	201,455,166	366,536,015	532,237,300	7,109,406,560	5,980,809,015	2,778,240,166	246,162,793	2,472,536,885	21,256,878,558

Share capital/ Head office capital account	6,765,000,000
Reserves	1,891,661,673
Unappropriated/ Unremitted profit	3,942,835,204
Surplus/(Deficit) on revaluation of assets	1,579,378,416
	14,178,875,293

43.4.2 Assets and liabilities - based on expected maturities

	Total	2024								
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
	Rupees									
Assets										
Cash and balances with treasury banks	224,987,485	224,987,485	-	-	-	-	-	-	-	-
Balances with other banks	75,928,965	75,928,965	-	-	-	-	-	-	-	-
Lending to financial institutions	384,209,641	384,209,641	-	-	-	-	-	-	-	-
Investments	145,017,743,598	20,244,842,346	20,259,676,782	25,304,367,399	901,835,797	266,085,000	658,185,000	37,404,236,296	39,478,524,312	500,000,000
Advances	12,724,534,281	2,470,032,184	839,362,842	2,770,275,584	1,791,569,961	2,283,471,858	1,779,633,716	667,039,697	123,148,440	-
Non-current asset classified as held for sale	-	-	-	-	-	-	-	-	-	-
Property And Equipment	5,523,419,300	15,604,789	31,209,582	46,814,372	93,628,747	187,257,564	187,256,981	374,080,011	1,672,448,221	2,915,119,033
Right of Use Asset	81,274,896	4,145,704	8,291,405	12,437,109	24,874,217	31,526,460	-	-	-	-
Intangible assets	5,105,366	141,802	283,604	425,405	850,809	1,701,619	1,702,128	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	(42,278,117)	42,278,117
Other assets	6,587,706,387	1,611,909,210	2,396,363,123	-	2,579,434,054	-	-	-	-	-
	170,624,909,919	25,031,802,126	23,535,187,338	28,134,319,869	5,392,193,585	2,770,042,500	2,626,777,824	38,445,356,005	41,231,842,856	3,457,397,150
Liabilities										
Bills payable	-	-	-	-	-	-	-	-	-	-
Borrowings	145,684,365,780	76,667,570,999	62,949,662,194	815,359,245	786,672,534	1,639,022,182	1,451,522,182	773,956,699	600,599,745	-
Deposits and other accounts	5,296,755,151	2,212,000,151	18,105,000	2,466,650,000	600,000,000	-	-	-	-	-
Liabilities against assets subject to finance lease	79,861,456	-	-	-	79,861,456	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	502,684,667	4,189,298	25,134,566	25,133,945	100,537,012	100,537,017	125,670,962	121,481,044	-	-
Other liabilities	2,826,178,326	626,489,308	1,252,978,616	700,809,413	245,900,990	-	-	-	-	-
	154,389,845,380	79,510,249,756	64,245,880,376	4,007,952,603	1,812,971,992	1,739,559,199	1,577,193,144	895,437,743	600,599,745	-
Net assets	16,235,064,539	(54,478,447,629)	(40,710,693,038)	24,126,367,267	3,579,221,593	1,030,483,301	1,049,584,680	37,549,918,262	40,631,243,111	3,457,397,150
Share capital/ Head office capital account	6,765,000,000									
Reserves	2,075,625,895									
Unappropriated/ Unremitted profit	4,709,802,069									
Surplus/(Deficit) on revaluation of assets	2,684,636,575									
	16,235,064,539									

	Total	2023								
		Upto 1 Month	Over 1 to 3 Months	Over 3 to 6 Months	Over 6 Months to 1 Year	Over 1 to 2 Years	Over 2 to 3 Years	Over 3 to 5 Years	Over 5 to 10 Years	Above 10 Years
		Rupees								
Assets										
Cash and balances with treasury banks	134,586,641	134,586,641	-	-	-	-	-	-	-	-
Balances with other banks	90,301,307	90,301,307	-	-	-	-	-	-	-	-
Lending to financial institutions	3,249,994,713	3,249,994,713	-	-	-	-	-	-	-	-
Investments	35,336,523,039	120,000	33,780,000	22,154,994	12,913,466,213	2,220,691,482	80,000	2,415,730,342	17,230,500,008	500,000,000
Advances	8,262,220,142	954,689,282	156,970,336	574,075,490	886,444,871	1,882,743,812	1,453,960,522	1,489,928,581	863,407,268	-
Non-current asset classified as held for sale	-	-	-	-	-	-	-	-	-	-
Property And Equipment	4,048,080,647	10,526,666	21,053,332	91,807,593	63,159,996	126,319,991	126,319,991	244,704,425	449,069,620	2,915,119,033
Right of Use Asset	24,548,938	1,405,474	2,810,947	4,216,421	8,432,841	7,683,255	-	-	-	-
Intangible assets	6,457,046	179,344	358,688	538,033	1,076,065	2,152,131	2,152,785	-	-	-
Deferred tax assets	174,945,204	1,457,969	4,373,695	4,373,695	8,747,174	17,494,563	17,494,563	34,989,127	43,736,301	42,278,117
Other assets	4,809,762,784	1,190,185,998	885,454,543	586,671,386	2,147,450,857	-	-	-	-	-
	56,137,420,461	5,633,447,374	1,104,801,541	1,283,837,612	16,028,778,017	4,257,085,234	1,600,007,861	4,185,352,475	18,586,713,197	3,457,397,150
Liabilities										
Bills payable	-	-	-	-	-	-	-	-	-	-
Borrowings	37,199,288,126	30,477,734,205	108,609,692	486,687,297	810,604,376	1,478,845,068	1,353,845,068	1,707,690,102	775,272,318	-
Deposits and other accounts	3,665,000,000	1,712,000,000	10,000,000	-	1,943,000,000	-	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
Other liabilities	1,094,257,042	209,100,334	418,200,668	264,913,015	184,958,066	-	-	5,125,488	11,959,471	-
	41,958,545,168	32,398,834,539	536,810,360	751,600,312	2,938,562,442	1,478,845,068	1,353,845,068	1,712,815,590	787,231,789	-
Net assets	14,178,875,293	(26,765,387,165)	567,991,181	532,237,300	13,090,215,575	2,778,240,166	246,162,793	2,472,536,885	17,799,481,408	3,457,397,150
Share capital/ Head office capital account	6,765,000,000									
Reserves	1,891,661,673									
Unappropriated/ Unremitted profit	3,942,835,204									
Surplus/(Deficit) on revaluation of assets	1,579,378,416									
	14,178,875,293									

43.5 Derivative Risk

Presently the Company does not have exposure in derivative products, and consequently is not exposed to derivatives-related risk.

44 DATE OF AUTHORIZATION

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Saudi Pak Industrial and Agricultural Investment Company Limited on 08 MAR 2025

GM/Chief Executive | Chief Financial Officer | Director | Director | Director

Annexure - I

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
STATEMENT SHOWING WRITTEN OFF LOANS OR ANY OTHER FINANCIAL RELIEF
OF FIVE HUNDRED THOUSAND RUPEES OR ABOVE,
PROVIDED DURING THE YEAR JANUARY - DECEMBER 31, 2024

(Rupee in million)

S. No.	Name and address	Name of individual / Partners / Directors	CNIC No.	Fathers' / Husband Nanme	Outstanding liabilities at the beginning of the year				Principal written off	Mark up waived	Other financial relief provided	Total
					Principal	Mark up	Others	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
1	N/A	N/A	N/A	N/A	—	—	—	—	—	—	—	—
					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000