SAUDI PAK
INDUSTRIAL AND AGRICULTURAL
INVESTMENT COMPANY LIMITED

IMPACT WITH CREDIBILITY

AAA/A1+

Annual Report 2025

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CORPORATE
INFORMATION

Board of Directors

Mr. Sultan Abdulrauf
Chairman

Mr. Awais Manzur Sumra
Deputy Chairman

Mr. Ali Tahir
Director

Mr. Majid Misfer J. Alghamdi
Director

Mr. Qumar Sarwar Abbasi
Director

Mr. Ghanem Alghanem
Director

GM/Chief Executive

Mr. Rizwan Ahmed Sheikh

Audit Committee

Mr. Ghanem Alghanem
Chairman

Mr. Awais Manzur Sumra
Member

Mr. Qumar Sarwar Abbasi
Member

Mr. Majid Misfer J. Alghamdi
Member

Mr. Ali Aosjah Muhammad
Secretary

Risk Management Committee

Mr. Qumar Sarwar Abbasi
Chairman

Mr. Majid Misfer J. Alghamdi
Member

Mr. Ali Tahir
Member

Mr. Ghanem Alghanem
Member

Ms. Sara Shah
Secretary

Human Resources and Remuneration Committee

Mr. Sultan Abdulrauf
Chairman

Mr. Awais Manzur Sumra
Member

Mr. Ali Tahir
Member

Mr. Ghanem Alghanem
Member

Ms. Sara Shah
Secretary

Company Secretary

Ms. Sara Shah

Legal Advisors

Hassan Kaunain Nafees

Chief Financial Officer

Mr. Usman Manzoor

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

CORPORATE VISION

To excel and play a leading role in the financial sector in Pakistan.

MISSION STATEMENT

Saudi Pak Industrial and Agricultural Investment Company Limited aims to strengthen economic cooperation between the brotherly people of Saudi Arabia and Pakistan.

To achieve this objective, we are committed to adding value for our stakeholders through capital formation and investment related activities in Pakistan and abroad.

CORPORATE PROFILE

Saudi Pak Industrial and Agricultural Investment Company Limited was incorporated in 1981 under a joint venture agreement between the Kingdom of Saudi Arabia and the Government of the Islamic Republic of Pakistan.

The initial authorized capital of the Company was Rs. 10,000 million. As of December 31, 2024, paid up capital of the Company is Rs. 6,765 million.

CORE VALUES

Professionalism in our conduct

Competitiveness in our business

Transparency in our operations

Ethics in our dealings

Kingdom of Saudi Arabia
(Through Ministry of Finance)

50 Percent

Islamic Republic of Pakistan
(Through State Bank of Pakistan)

50 Percent

Saudi Pak has a diverse product range to cater to the growing needs of its corporate customers in the private and public sectors.

Strategic Pillars

EMPOWER BUSINESSES

Provide risk appetite, support growth and empower businesses

INCLUSIVE GROWTH

Impact-focused responsible finance for all segments and sectors of the economy

CAPITAL FORMATION

Encourage capital formation for import substitute and export projects

BILATERAL TRADE

Leverage upon KSA and Pakistan synergies and grow bilateral trade and investments

Board of Directors

Kingdom of Saudi Arabia | Government of Pakistan

Mr. Sultan M. Hasan Abdulrauf
Chairman

Mr. Awais Manzur Sumra
Deputy Chairman

Mr. Ali Tahir
Director

Mr. Majid Misfer J. Alghamdi
Director

Mr. Qumar Sarwar Abbasi
Director

Mr. Ghanem Alghanem
Director

Over the past three years, the Saudi Pak Industrial & Agricultural Investment Company has delivered a decisive institutional transformation, anchored in strengthened governance, enterprise-wide risk discipline, and a clearly defined development-focused, impact-driven, and risk-aligned growth strategy.

This transformation has been execution-led and result-driven, with a clear focus on strengthening the balance sheet through the resolution of stressed assets, rationalization of negatively yielding investments, and prioritization of core developmental objectives. At the same time, the repositioning of key business pillars has enhanced institutional focus and execution capability. Collectively, these actions have significantly strengthened capital buffers, improved asset quality, increased liquidity resilience, and enhanced overall operational efficiency.

The outcomes reflect a sustained and credible turnaround, validated by an "AAA" credit rating and recognition through the "Green Finance and Investment" award, underscoring both financial resilience and leadership in responsible finance.

We enter the next phase as a stronger, more disciplined, and future-ready institution, focused on responsible growth, prudent risk-taking, and durable value creation for all stakeholders. I extend my sincere appreciation to our Board of Directors, employees, and stakeholders for their continued trust and support.

Rizwan Ahmed Sheikh
Chief Executive

Management

Mr. Umer Farooq
Head - Corporate Banking & Client Coverage/Interim Charge of Investment Banking & Strategic Initiatives

Mr. Soofi Saifullah Akber
Head Treasury & Capital Markets

Mr. Adnan Adil Hussain
Group Head Operations

Mr. Usman Manzoor
Chief Financial Officer /Head Finance

Mr. Ali Imran
CIO/Head Information Technology

Ms. Sara Shah
Company Secretary & Head Legal

Mr. Ali Aosjah Muhammad
Chief Internal Auditor

Ms. Tayyaba Yamin
Head Human Resources & Corporate Communications

Mr. Arif Majeed
Chief Compliance Officer

Mr. Umair Hashim
Chief Risk Officer

Financial Highlights

(Rs. in millions)

Six Years Financial Highlights	2020	2021	2022	2023	2024	2025
Profit and Loss						
Net markup income	992	1,431	499	334	1,087	1,525
Non markup income	612	301	740	1,253	808	681
Total income	1,604	1,732	1,240	1,587	1,895	2,206
Non markup expenses	455	531	528	561	681	858
Provisions and write-offs (net)	340	(140)	318	467	(170)	(564)
Profit before tax	809	1,341	394	558	1,384	1,912
Profit after tax	616	922	311	508	920	1,324
Profitability Ratios						
Return on equity net of surplus	5.5%	7.7%	2.5%	4.0%	7.1%	9.4%
Return on assets	1.4%	2.0%	0.6%	0.9%	1.0%	1.8%
Cost/income ratio	28.4%	30.6%	42.6%	35.4%	35.9%	38.9%
Balance Sheet						
Total assets	48,236	44,688	53,607	56,137	170,624	52,529
Advances - gross	9,345	9,109	11,475	11,472	15,650	21,261
Advances - net	6,811	6,868	9,119	8,262	12,724	18,563
Non-performing loans	3,895	2,387	2,778	2,568	2,476	2,263
Investments - net	35,557	31,131	36,321	35,336	145,017	22,737
Borrowings	32,320	26,457	36,775	37,199	145,684	29,114
Deposits	2,446	2,912	1,953	3,665	5,297	3,238
Shareholder's equity	12,912	14,459	14,044	14,179	16,235	17,964
Asset Quality & Other Ratios						
NPL to gross advances	41.7%	26.2%	24.2%	22.0%	15.8%	10.6%
Capital adequacy ratio	38.3%	47.1%	42.9%	42.0%	40.0%	42.6%
Net stable funding ratio	183.9%	167.4%	169.0%	155.0%	191.6%	139.5%
Share Information						
Earnings per share	0.93	1.36	0.46	0.75	1.36	1.96

Chairman's Message

It is with a deep sense of responsibility and pride that I present the performance of Saudi Pak Industrial & Agriculture Investment Company for the period under review. Over the past three years, the Company has undertaken a disciplined and strategically focused transformation, laying a strong foundation for sustainable and resilient growth.

Guided by a comprehensive multi-pronged strategy supported by a robust risk-weighted financial framework, we have strengthened our core business model, enhanced institutional capacity, and reinforced financial stability. Decisive actions were taken to address non-performing and stressed exposures, accelerate recoveries, and fortify the balance sheet. At the same time, the restructuring and realignment of our Corporate, Investment Banking, and Treasury divisions have enhanced operational efficiency, deepened market engagement, and strengthened risk governance.

These strategic initiatives have translated into measurable outcomes. Our capital base has been reinforced, with shareholders' equity increasing to Rs. 17,963.7 million. Prudent investment rationalization improved asset composition and strengthened key financial ratios. Focused recovery efforts reduced the infection ratio from 15.82% in 2024 to 10.64% as of December 2025, reflecting enhanced asset quality and disciplined risk management.

Financial performance over the period has been particularly encouraging. Profit Before Tax increased by 38%, Return on Equity rose by 33% (7.1% to 9.4%), Return on Assets improved by 83% (1.0% to 1.8%), and Earnings per Share advanced by 44% (1.360 to 1.957). These results underscore the effectiveness of our strategy, the resilience of our business model, and the unwavering commitment of our management and staff.

Beyond financial performance, the Company achieved an "AAA" credit rating and was honoured with the "Green Finance and Investment" award, recognizing our leadership in advancing climate resilience and sustainable finance. These milestones affirm our commitment not only to profitability but also to responsible and forward-looking growth.

As we look ahead, we remain focused on strengthening our institutional capabilities, enhancing stakeholder value, and contributing meaningfully to economic development. On behalf of the Board, I extend my sincere appreciation to our shareholders, regulators, clients, and employees for their continued trust and support.

Together, we will continue to build a resilient, responsible, and future-ready institution.

Sultan Abdulrauf
Chairman

چیئرمین کا پیغام

میں پوری ذمہ داری اور فخر کے ساتھ زیرِ جائزہ مدت کے دوران سعودی پاک انڈسٹریل اینڈ ایگریکلچر انویسٹمنٹ کمپنی کی کارکردگی پیش کر رہا ہوں۔ گزشتہ تین سالوں کے دوران کمپنی نے منظم اور حکمت عملی پر مبنی تبدیلی کے عمل سے گزرتے ہوئے پائیدار اور مستحکم ترقی کی بنیاد رکھی ہے۔

ہم نے ایک واضح اور جامع حکمتِ عملی کے تحت ایک مضبوط رسک ویٹڈ مالیاتی فریم ورک کی مدد سے اپنے کاروبار کو بہتر بنایا، ادارے کی صلاحیتوں میں نمایاں اضافہ کیا اور مالی پوزیشن کو مضبوط کیا۔ دباؤ کا شکار اور غیر فعال سرمایہ کاری کو بہتر طریقے سے سنبھالا، ریکوری کے عمل کو تیز کیا اور کمپنی کی بیلنس شیٹ کو مضبوط بنایا۔ اس کے ساتھ ساتھ کارپوریٹ، انویسٹمنٹ بینکنگ اور ٹریژری شعبوں کو بہتر انداز میں منظم کیا گیا جس سے کام کی کارکردگی، مارکیٹ میں موجودگی اور رسک مینجمنٹ میں بہتری آئی۔

ان اسٹریٹجک اقدامات کے نتیجے میں قابل قدر پیش رفت سامنے آئی اور کمپنی نے نمایاں ترقی کی۔ کمپنی کے سرمائے میں اضافہ ہوا اور شیئر ہولڈرز کی ایکویٹی بڑھ کر 17,963.7 ملین روپے تک پہنچ گئی۔ بہتر سرمایہ کاری کی حکمتِ عملی کی وجہ سے مالی صورتحال مزید مضبوط ہوئی۔ مؤثر ریکوری کے باعث انفیکشن ریشو 2024 کے 15.82% سے کم ہو کر دسمبر 2025 میں 10.64% ہو گیا، جو بہتر اثاثہ جاتی معیار اور منضبط رسک مینجمنٹ کی عکاسی کرتا ہے۔

اس عرصے میں کمپنی کی مالی کارکردگی بھی مجموعی طور پر نہایت حوصلہ افزا رہی۔ ٹیکس سے پہلے منافع میں 38% اضافہ ریکارڈ کیا گیا، ریٹرن آن ایکویٹی میں 33% اضافہ ہوا جو 7.1% سے بڑھ کر 9.4% ہو گئی، جبکہ ریٹرن آن ایسٹس 83% بہتری آئی (1.0% سے بڑھ کر 1.8%)۔ فی شیئر آمدنی بھی 44% اضافہ رہا (1.360 سے بڑھ کر 1.957)۔ یہ اعداد و شمار ہماری موثر حکمت عملی، بہترین ٹ کاروباری ماڈل اور مینجمنٹ و اسٹاف کی انتھک محنت و غیر متزلزل عزم کا نتیجہ ہیں

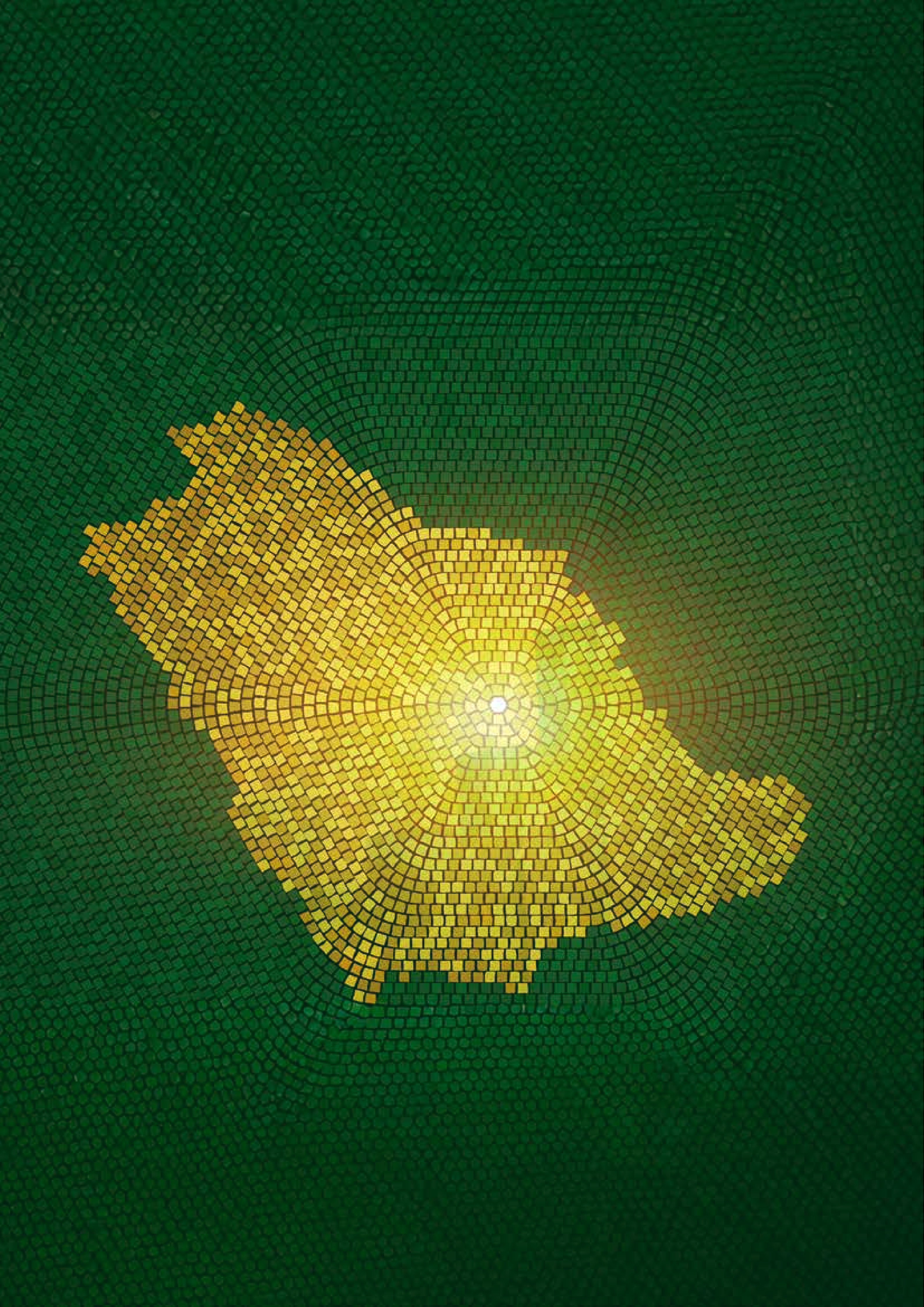
اس عرصے کے دوران کمپنی نے مالی کامیابیوں کے علاوہ "AAA" کریڈٹ ریٹنگ بھی حاصل کی اور "گرین فنانس اینڈ انویسٹمنٹ" ایوارڈ بھی جیتا، جو ماحول دوست اور ذمہ دارانہ مالی اقدامات کے سلسلے میں ہماری کامیابی کو ظاہر کرتا ہے۔ یہ سنگِ میل اس امر کی تصدیق کرتے ہیں کہ ہم نہ صرف منافع بخش ترقی بلکہ ذمہ دارانہ بہتر مستقبل کے لیے بھی پُرعزم ہیں

مستقبل کی جانب پیش قدمی کرتے ہوئے ہم اپنی کارکردگی کو مزید بہتر بنانے، اسٹیک ہولڈرز کے لیے فائدہ بڑھانے اور ملکی معیشت میں اپنا کردار ادا کرنے کے لیے پرعزم ہیں۔ بورڈ آف ڈائریکٹرز کی جانب سے، میں اپنے معزز شیئر ہولڈرز، ریگولیٹرز، کلائنٹس اور ملازمین کا ان کے مسلسل اعتماد اور تعاون پر دلی شکر گزار ہوں۔

ہم سب مل کر ایک مضبوط، ذمہ دار اور مستقبل کے تقاضوں سے ہم آہنگ ادارے کی تشکیل کیلئے یونہی کوشاں رہیں گے۔

سلطان عبدالرؤف

چیئرمین



Directors' Report

Economic Overview

During fiscal year 2025, Pakistan's economy continued its gradual stabilization and recovery from the challenges of prior years, supported by macroeconomic reforms, external financial support, and improving price dynamics.

Real GDP Growth for FY2025 expanded modestly, with growth of 3.1%, an improvement from prior periods of contraction and stabilization. Economic activity was supported by a rebound in industrial output and continued expansion in the services sector. Growth in the Agri sector moderated to 1.5% in FY2025 as compared to 6.4% in FY2024, though overall GDP growth remained supported by momentum in industry and services.

Inflation continued to moderate significantly in 2025 compared to the elevated levels in prior years, with headline measures remaining firmly in single digits. Average inflation for Jan-Dec 2025 stood at 3.5% as compared to 13.1% in the corresponding period last year, driven primarily by easing food prices and improved supply conditions.

On the external accounts front, remittances and export receipts played a crucial role in cushioning external pressures. The broader external position, however, remains sensitive to import demand and global economic conditions. Fiscal discipline continued to be a priority, with focus on deficit containment and enhanced revenue mobilization. Monetary policy continued to support economic activity while anchoring inflation expectations. Ongoing engagement with multilateral partners, particularly the IMF, facilitated programme financing and reinforced fiscal and balance-of-payments stability.

Current account balance posted a deficit of $1.17 Bn. in Jul-Dec FY2026 (2025: surplus $0.96 Bn.). Record-high remittance inflows and strong export performance offset the import bill. Pak Rupee remained stable, indicating favourable external developments. Fiscal Balance achieved a surplus of PKR 981 Bn. in H1-FY2026 (2025: Deficit 43 Bn.)

With improved economic indicators, stable inflation, and growing investors' confidence, Pakistan is poised for a decent GDP growth of 3.5% in FY2026.

In conclusion, while Pakistan continues to face structural challenges such as tax reforms, industrial competitiveness, and export diversification, the recent improvements in macroeconomic stability provide a strong foundation for sustained growth. With continued policy discipline, institutional strengthening, and targeted reforms, the country is well positioned to build resilience, attract investment, and unlock new economic opportunities in the years ahead:


SAUDI PAK

Operational Overview

Corporate Finance

In 2025 industrial performance improved due to economic stability. Continued decrease in interest rates eased the debt burden on most sectors, reflected by continuous surge in scrips across all sectors. Saudi Pak identified the most promising sectors as green renewable energy,Agri and Livestock investments. Agri finance anchored around corporate players and export-oriented entities.

The performing Advances (funded) grew to PKR 19.0 Bn. (2024: 13.17 Bn.) – a 44% increase without compromising on the assets' quality as depicted by very strong Portfolio Risk Ratting. Non-funded portfolio increased to PKR 5.3Bn. (2024: 4.5 Bn.).

Key Success Factors include:

1. **Customized Approach:**

   The key to the growth depicted above came through an approach of handling each financing opportunity according to the specifics; one of these solutions was 'anchoring': involve the corporate presence around undertaking renewable energy projects.

2. **Sectors Identification:**

   Unlike typical financing portfolio woven around the textile sector, the Company identified sectors showing growth potential, like renewable energy, pharmaceutical, and Food supply chain, etc.

3. **Non-Funded Solutions:**

   To provide greater flexibility to clients, strengthen reciprocal banking relationships, and enhance fee-based income, the Company has placed particular emphasis on extending Letters of Comfort in support of Letters of Credit and Bank Guarantee facilities.

4. **Corporate Social Responsibility:**

   Saudi Pak is committed to driving economic growth while promoting social equity and environmental responsibility. Developmental finance remains central to our mission, and we continue to pursue initiatives that create positive and lasting impact for all stakeholders, including our support for institutions providing education to differently-abled individuals.

Key highlights of Saudi Pak exposure during the year are as follows:

Export-Oriented Agri Finance:

Saudi Pak played a pioneering role in facilitating initiatives under SIFC and Green Pakistan aimed at developing land for irrigation-based cultivation of Rhodes Grass and aquaculture.

Solar Finance:

Saudi Pak kept on identifying renewable projects across sectors like Textile, Packaging and Telecom, underscoring the focus on sustainable finance and cost rationalization to remain regionally competitive.

Food Supply Chain:

Saudi Pak has enhanced its footprint in the Rice and Wheat products to ensure that these areas do not remain underserved by the financial sector.

Healthcare & Pharma:

To address the basic needs of populace, Saudi Pak extensively engaged these sectors for its financial needs – both funded and non-funded.

Saudi Pak is committed to playing an essential role in the development of business, export augmentation and catering to underserved sectors, with four key elements: Empowering Business, Inclusive Growth, Capital Formation and Bilateral Trade.

2. Investment Banking and Strategic Initiatives (‘IBSI’)

IBSI completed various syndicate transactions like:

Furniture Export: led an FI syndicate to cater to the financial needs of one of the top Pakistani brands against a confirmed order from Saudi Arabia.

Indigenization of a Key Chemical Plant: The Company also participated in the acquisition financing of one of Pakistan’s largest chemical plants, enabling a local investor to replace the Korean ownership, and facilitated financing arrangements for a pharmaceutical sector acquisition.

3. Strategic Initiatives

During the year, several engagements at government level, corporates and financial institutions at local and international level (Saudi Arabia) were initiated with a view to build understanding with the counterparts and evolve strategy to contribute towards establishing business relationships. Some of the key partnership arrangements and engagements during 2025 included:

MoU with Saudi Pak Business Council (KSA Chapter)

Saudi Pak signed an MoU to facilitate and boost the cooperation in the field of agriculture, livestock and preferred sectors of both countries.

Engagement with Ministry of Finance Saudi Arabia and Pakistan.

Engagements were held with the Ambassador of Saudi Arabia in Pakistan and the Pakistan Embassy in Saudi Arabia to identify and advance areas of cooperation aimed at facilitating investment flows and business partnerships between Saudi and Pakistani entrepreneurs.

4. Risk Management

Saudi Pak has established a comprehensive and robust Enterprise Risk Management (ERM) framework to identify, assess, monitor, and mitigate risks across the organization. The framework is designed to support the Company’s strategic objectives through strong Board oversight, effective senior management supervision, and well-defined systems, policies, and controls. During the year, the Company continued to enhance and further institutionalize its risk management practices, reflecting its commitment to sound governance and prudence.

The Board of Directors has overall responsibility for the effectiveness of the risk management framework and for setting the Company's risk culture and strategic risk direction. The Board is supported by specialized committees, including the Board Risk Management Committee (BRMC), which provides focused oversight on key risk areas. At the senior management level, various management committees oversee the implementation of risk strategies, initiatives, and processes, ensuring that risk considerations are fully integrated into business decision-making.

Saudi Pak has adopted internationally recognized Three Lines of Defence Model:

a. 1st Line of Defence: Business units are responsible for identifying, managing, and mitigating risks on a day-to-day basis within their respective areas of responsibility.

b. 2nd Line of Defence: Independent control functions, including Risk Management and Credit Administration, support the business by developing policies, frameworks, and controls, and by providing oversight to ensure risks are managed within approved risk appetite and regulatory requirements.

c. 3rd Line of Defence: The Risk Monitoring function, Management Risk Committee, and Internal Audit provide independent assurance on the adequacy and effectiveness of internal controls, risk management processes, and governance arrangements.

Key Risk Management Initiatives in 2025

Saudi Pak undertook several initiatives to strengthen its risk management framework:

a. IFRS 9 and Credit Risk Rating (CRR) Models

To address gaps identified by the regulator and internal and external auditors, the Company implemented an enhanced Credit Risk Rating framework incorporating Obligor Risk Rating, Facility Risk Rating, and Environmental & Social Risk Rating. In parallel, identified gaps in the IFRS 9 model were addressed. Both the IFRS 9 and CRR models were independently validated by the external auditor, Grant Thornton, thereby strengthening the reliability and regulatory compliance of credit risk measurement and provisioning.

b. Risk Appetite Statement

The Board approved a comprehensive Risk Appetite Statement to reinforce a culture of conservative and prudent risk taking, in line with the expectations of the Company's two sovereign shareholders. The Risk Appetite Statement provides a clear framework for portfolio construction, capital protection, and sustainable returns. The framework was also validated by the external credit rating agency, PACRA.

c. Enhanced Risk Assessment and Governance

Major business and risk-related decisions are taken through structured management committees, enabling collective assessment and informed decision-making. All major risk policies were reviewed and updated to reflect changes in the internal and external operating environment, regulatory expectations, and emerging risks.

d. Strengthened Monitoring and Early Warning

The Credit Administration Department was revitalized with clearly documented processes, defined roles, and strengthened reporting. This has enhanced the Company's ability to monitor account conduct, identify early warning signals, track exceptions, and proactively escalate emerging risks to senior management.

e. Special Assets Management & Remedial Asset Division (SAM & RAD)

The Special Assets Management & Remedial Assets Division (SAM & RAD) plays a critical role in safeguarding asset quality and strengthening the balance sheet. The Division is responsible for the management, monitoring, and recovery of Non-Performing Loans (NPLs) classified as "Loss," in strict compliance with the Prudential Regulations of the State Bank of Pakistan. In parallel, SAM & RAD undertakes structured remedial actions for Stage II accounts in close coordination with the Business Division, with the objective of preventing further deterioration and restoring account performance where feasible. The Division follows a disciplined and outcome-oriented recovery framework, including settlements, restructuring, and legal enforcement actions.

Despite a challenging macroeconomic environment, SAM & RAD delivered strong performance during the year and made a significant contribution to the Company's profitability and financial stability. Cash recoveries of Rs. 270 million were achieved from NPLs, along with gross provision reversals of Rs. 136 million. These efforts resulted in a significant improvement in asset quality, with the NPL to Gross Advances Ratio declining from 15.8% in 2024 to 10.6% in 2025, demonstrating the effectiveness of the Company's recovery and balance sheet strengthening initiatives.

Going forward, SAM & RAD remains focused on accelerating recoveries, enhancing resolution mechanisms, and supporting the Board's strategic objectives through sustained improvements in asset quality, capital efficiency, and overall risk profile.

f. Credit Risk Management

Credit risk is managed through comprehensive Board-approved policies covering credit approval processes, internal comprehensive risk ratings, documentation standards, post-disbursement administration, and ongoing borrower creditworthiness assessments through periodic reviews. Credit portfolio decisions are taken by the Financing & Investment Committee, while significant risk issues and portfolio performance are reviewed by the Risk Review Committee. The BRMC provides overall strategic guidance and oversight of the Company's credit risk profile.

g. Market, Liquidity, and Enterprise-wide Risk Management

An updated market risk framework was designed and implemented to better assess risk-return dynamics of the investment portfolio and to reduce volatility. Market and liquidity risks are managed through dedicated Board-approved policies. The liquidity risk framework provides structured guidance for maintaining adequate liquidity buffers and managing funding risk. The BRMC oversees market risk, liquidity risk, capital adequacy, and integrated risk management under the Enterprise Risk Management framework. The Company assesses its enterprise-wide risk profile using the Basel framework, Internal Capital Adequacy Assessment Process (ICAAP), and comprehensive stress testing.

The operational risk framework is fully implemented in line with regulatory standards, including the use of operational loss data, Key Risk Indicators (KRIs), and Risk Control Self-Assessments (RCSAs). The Company maintains an approved Business Continuity Plan (BCP) to ensure resilience and continuity of critical operations. All business and operational activities during the year were performed efficiently and without material disruption.

Information security risks are also actively measured and monitored, enabling timely identification and mitigation of technology and cyber-related risks.

h. Automation and Systems Enhancement

The Company continues to invest in automation and systems modernization to improve efficiency, transparency, and control. Key initiatives, including the implementation of a Loan Origination and Management System, are being progressed to strengthen operational effectiveness, data integrity, and risk reporting capabilities.

i. Green Banking at Saudi Pak

Saudi Pak remains aligned with its objective of contributing towards national goals of transitioning into a low-carbon and climate resilient economy. Through responsible engagements within lending and investing activities, the Company strives to support business projects focused on promoting environmental sustainability and climate protection. The Board approved Green Banking Policy ensures avoidance of financing in specific industries / projects being harmful or prone to be causing harm to the environment and society regardless of their financial viability. SBP's Environmental & Social Risk Management Implementation Manual is being adhered to while conducting business transactions and displays Saudi Pak's commitment towards environment friendly causes and reduction in carbon footprint.

Saudi Pak aims to improve the efficiency of its operations and utilization of Information Technology infrastructure to encourage a paperless working environment. Instead of paper use, reliance is being placed on IT applications and software support for operational level inter-departmental communications. For capacity building and awareness with the latest regulatory promulgations, frequent external training is also being provided to key team members of business, control and general administration departments.

As a result, the Company achieved its highest-ever credit risk rating from VIS Credit Rating Company Limited. The Long-Term Entity Rating was upgraded from AA+ to AAA for the first time, while the Short-Term Entity Rating was reaffirmed at A-1+, with a 'Stable' outlook. A AAA rating reflects very high credit quality, indicating strong protection factors and minimal risk, which may vary only marginally due to changes in economic conditions.

5. Capital Market Operations

Equity market delivered another remarkable annual performance, with the KSE-100 Index closing at a record high of 174,054 points (2024: 115,127), translating into a robust annual return of 51%, making the KSE-100 one of the top-performing frontier market indices globally.

Investor confidence during 2025 was further strengthened by continued progress under the IMF Extended Fund Facility (EFF), including successful review completions and tranche disbursements, which reinforced policy credibility and external financing stability.

This year, Saudi Pak will focus on the rollout and scaling of the Margin Trading System (MTS) as a key strategic initiative to broaden its product portfolio, deepen market participation, and strengthen its investment and operational framework, with tangible financial and business benefits expected during the year.

Saudi Pak introduced the Margin Trading System (MTS) as a strategic initiative, aligned with approved KPI, to expand the product suite and strengthen the investment and operational framework, with the benefits expected to be realized in FY2026.

Capital gains outperformed expectations, reaching PKR 514.5 M, while dividend income of PKR 165 M provides stable recurring cash flow. Total income recognized in P&L amounted to PKR 357.34 M, driven by strong listed portfolio performance and unlisted valuation gains. Overall contribution is PKR 679.5 M.

6. Treasury

Treasury function continued to optimize its funding cost against placements and investments by tapping onto the relatively cheaper liquidity avenues from various sources. Treasury kept a focus on liquidity for tenors that fell between the latest and forthcoming monetary policy announcement dates, to take advantage of inversion in the yield curve, thereby not losing potential to optimize costs on a continual basis.

Considering significant monetary easing in recent past, the current monetary policy stance seems adequate with respect to near-term target inflation, Treasury successfully consolidated its fixed rate bond portfolio based on the view that interest rates have largely bottomed out. This was further substantiated by keeping in perspective the fragile nature of the external account and marginal improvement in the Forex reserves position, local as well as global macroeconomic and sociopolitical landscape, Treasury avoided onboarding any significant long-term fixed interest rate risk and instead reduced the size of the legacy fixed rate PIB book.

7. Financial Institutions Division

Financial Institution being a part of Treasury carved its presence to tap COI liquidity avenue and increased the quantum by 61% to add incremental stable funding. FI worked to shape new products catering to SBP's financial inclusion, green financing and women empowerment-centric initiatives enabling financial sector to achieve desired growth and socioeconomic impacts.

The products articulated in support of the financial inclusion aim to augment revenue while optimizing the cost of funds along with a rationalized placement and mobilization without a bargain in cost efficiency of funding that aligns with the macroeconomic outlook.

During FY 2025, FI not only strengthened the relationship with top-tier commercial banks but was also a leading contributor to the augmentation of Saudi Pak's core business.

By virtue of increasing credit base significantly, Saudi Pak has been successful in systematically leveraging its balance sheet to build liability books and through business initiation, with several banking partners, secured credit facilities ranging from mid to long-term tenors that have vastly supported advances growth during the year as well as streamlined asset-liability matching principal to a greater extent. In addition, the upgrade in Saudi Pak's credit rating to

AAA has successfully been leveraged by FI to bring the cost of long-term borrowing down significantly.

Keeping in perspective the fragile nature of the external account and marginal improvement in the Forex reserves position, local as well as global macroeconomic and sociopolitical landscape, Treasury avoided onboarding any significant long-term fixed interest rate risk and instead reduced the size of the legacy fixed rate PIB book.

8. Information Technology

Information Technology continued to strengthen the Company's balance sheet and operating capacity by modernizing core enterprise platforms, improving infrastructure readiness, and tightening the technology control environment. During 2025, Saudi Pak progressed key systems to replace legacy and manual processing and to improve auditability, reporting discipline, and service continuity. The legacy Human Resource Management System (HRMS) was migrated to Smart HCM, deployed on a private virtual cloud with full functional coverage, targeted to go live in 2026. The General Ledger and Fixed Asset environment was upgraded to strengthen the financial system's backbone. An Enterprise Resource Planning (ERP) solution covering expense management and inventory controls was acquired to replace legacy manual and fragmented processing, targeted to go live in 2026. ITD also assumed execution ownership for the Internal Audit Division automation project and accelerated the User Acceptance Testing cycle, with production go live targeted in 2026.

In parallel, ITD upgraded foundational infrastructure to support higher processing demands and future Core Business Solution requirements. Storage capacity has been expanded, with one server procured and another in shipment. Network modernization across LAN and WAN has been undertaken, alongside implementation of Virtual Private Network services including corporate VPN to strengthen secure connectivity. Cybersecurity posture has been strengthened through firewall upgrades and related perimeter control improvements. Information governance has advanced through implementation of a Document Management System and a structured digitization programme for physical records, including scanning and controlled retention, with physical preservation or shredding applied as appropriate to record class and legal requirements. Productivity and collaboration controls have also been improved through deployment of Microsoft Outlook and SharePoint.

The 2026 plan remains focused on disciplined completion and stabilization of these enterprise implementations, supported by robust data readiness, user enablement, and control assurance in post go live operations. In addition, CBS readiness activities will continue under governance oversight, supported by continued investment in resilience, cybersecurity, and institutional continuity arrangements.

9. Human Resources

In 2025, the Human Resources function played a pivotal role in advancing Saudi Pak's strategic priorities through disciplined workforce planning, leadership development, strong governance, and cultural strengthening. HR initiatives were closely aligned with business objectives, regulatory expectations, and a framework of prudent financial stewardship to ensure long-term sustainability and value creation.

HR advanced a workforce transformation agenda focused on strengthening critical functions and building a robust middle management layer through structured succession planning and internal talent deployment. This enhanced leadership continuity, reduced reliance on external hiring, and ensured sustainable talent investment aligned with business priorities.

Key strategic hires were made to address critical business priorities and enhance overall organizational capability. Additionally, leadership depth and succession preparedness were strengthened through structured internal rotations across HOD and subordinate roles, fostering a robust talent pipeline.

A new e-Learning platform was introduced as an additional learning channel, expanding access and flexibility. The organization successfully delivered an enterprise-wide Islamic Banking Certification (EFIBO), alongside mandatory and strategic programs covering AML/CFT, Anti-Bribery & Anti-Corruption, and Gender Sensitization. In total, 432 man-days of training were delivered, the highest in Saudi Pak's history, demonstrating a strong institutional commitment to continuous learning and capability building.

HR institutionalized a data driven approach to employee engagement through the introduction of an in-house Employee Satisfaction Surveys, providing management with clear insights into key engagement drivers. Targeted engagement interventions were implemented to reinforce a culture of recognition and positive behaviors. Leadership capability and organizational culture were further strengthened through a Leadership Retreat and structured leadership assessment exercise, generating actionable insights to guide future leadership development and organizational effectiveness initiatives.

A comprehensive review of HR policies, procedures, and the compensation structure was undertaken in collaboration with external advisors and reached the concluding stage during the year. HR actively supported the implementation of the HR system to strengthen process efficiency, transparency, and data governance. Employee wellbeing remained a priority, with wellness awareness sessions and free medical camps focusing on cardiac health and diabetes organized for employees.

HR strengthened Saudi Pak's employer brand and corporate visibility through structured communication and branding initiatives. Campus engagement was undertaken with leading institutions, including COMSATS, NUML, and Bahria University. Strategic MOUs were finalized with NUST to support talent pipeline development and with ANTH to provide preferred healthcare arrangements for employees. Enhanced social media engagement further improved employer brand perception.

Overall, HR functioned as a strategic partner in 2025, balancing talent investment with strong financial stewardship, strengthening leadership capability and governance, and fostering a performance-driven, engaged, and future-ready organization.

10. Internal Audit

During the year 2025, the Internal Audit Division focused on strengthening its execution capabilities, enhancing technical depth, and further aligning its activities with the evolving risk profile and strategic priorities of the Company. The Division successfully delivered its audit plan with improved timeliness and coverage, while continuing to adopt a risk-based approach to ensure that key operational, financial, and strategic risk areas received appropriate attention.

In line with the increasing emphasis on data integrity and regulatory expectations, the Internal Audit Division expanded its focus on technical and analytical reviews. These included enhanced validation of underlying data and key assumptions, as well as detailed review of critical risk management frameworks, including IFRS 9 and internal risk rating methodologies.

The Internal Audit Division continued to play a constructive advisory role by reviewing policies, procedures, and process changes initiated by Management and providing value-added recommendations aimed at improving efficiency, strengthening controls, and supporting sustainable growth. The focus during the year remained on strengthening process effectiveness and control discipline, thereby contributing to a more resilient control environment.

A major area of focus during the year was the strengthening of the Division's internal capacity. The team was expanded through the addition of new resources, while significant emphasis was placed on training and professional development to enhance technical competencies, particularly in specialized and risk-focused areas. Internal procedures were further refined, and a structured Quality Assurance framework was further strengthened to enhance consistency, documentation standards, and overall audit quality.

Overall, the Internal Audit Division continued to work closely with Management and the Board Audit Committee during the year to support the Company's growth initiatives by providing independent assurance, practical insights, and process improvement recommendations, with the objective of strengthening governance, risk management, and internal controls across the organization.

C. Outlook

As the financial industry undergoes transformational shifts, Saudi Pak is dedicated to staying at the forefront of change, ensuring that our strategies align with emerging trends and the evolving needs of the industry. The resilience displayed in the face of macro-economic uncertainties underscores our adaptability and determination to safeguard the interests of our stakeholders.

As we step into the new year, opportunities in the agriculture value chain, structured trade finance & supply chain initiatives Fintech partnerships will be explored. In recognition of growing demand for Sharia-compliant financial services, Saudi Pak also intends to commence provision of Islamic Finance services through its platform for which a detailed strategy will be laid out going forward.

With a strong foundation, a focus on sustainable banking practices, and a dynamic approach to market dynamics, we are confident in our ability to navigate the future with agility and continue delivering value to our shareholders, customers, and the communities we serve.

D. Entity Rating

Saudi Pak's long term and short-term entity rating has been assessed by VIS Credit Rating Company Limited. Long Term entity rating has been improved for the first time reaching AAA from AA+ and Short-Term entity rating reaffirmed at A-1+. Outlook on assigned rating is 'Stable'.

AAA: Very High credit quality. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

A-1+: Highest certainty of timely payment. Short Term liquidity, including internal operating factors and/or access to alternative sources of funds, is outstanding and safety is just below risk-free Government of Pakistan's Short-Term obligations.

E. Corporate and Financial Reporting Framework

The Directors are pleased to state that:

a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper books of accounts of the Company have been maintained.

c) Appropriate accounting policies have consistently been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has adequately been disclosed.

e) The system of internal control is sound in design and has been effectively implemented and monitored. An audit committee, composed of four non-executive directors, has been formed for the purpose. The Committee meets periodically and independently throughout the year.

f) There are no significant doubts upon the Company's ability to continue as a going concern.

g) There has been no material departure from the best practices of corporate governance.

h) Key operating and financial data for the last five years, in summarized form, is included in this annual report.

i) There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as of 31 December 2025, except as disclosed in the financial statements.

j) The value of investment of Provident Fund as at 31 December 2025 according to their unaudited financial statement is PKR 171.81 M

F. Auditors

The Auditors, Grant Thornton Anjum Rehman, Chartered Accountants, have completed their assignment for the year ended 31 December 2025. The Board, on the proposal of the Audit Committee, recommends the appointment of Grant Thornton Anjum Rehman, Chartered Accountants as Auditors for the year 2026.

G. Board of Directors Meetings

During the year, five meetings of the Board of Directors were held and attended by the directors as follows:

Director	Number of meetings held during the tenor of Directorship	Number of meetings attended during the tenor of Directorship
Mr. Sultan Abdulrauf	5	5
Mr. Majid Misfer J. Alghamdi	5	4
Mr. Ghanem Alghanem	5	5
Mr. Qumar Sarwar Abbasi	5	5
Mr. Awais Manzur Sumra	5	5
Mr. Ali Tahir	5	5

During the year, two meetings of the Risk Management Committee of the Board were held and attended by the directors as follows:

Director		Number of meetings held during the tenor of Directorship	Number of meetings attended during the tenor of Directorship
Mr. Ali Tahir		2	2
Mr. Qumar Sarwar Abbasi		2	2
Mr. Majid Misfer J. Alghamdi		2	2
Mr. Ghanem Alghanem		2	2

During the year, four meetings of the Audit Committee of the Board were held and attended by the directors as follows:

Director		Number of meetings held during the tenor of Directorship	Number of meetings attended during the tenor of Directorship
Mr. Ghanem Alghanem		4	4
Mr. Majid Misfer J. Alghamdi		4	4
Mr. Awais Manzur Sumra		4	4
Mr. Qumar Sarwar Abbasi		4	4

Name of Directors		Number of meetings held during the tenor of Directorship	Number of meetings attended during the tenor of Directorship
Mr. Sultan Abdulrauf		2	2
Mr. Awais Manzur Sumra		2	2
Mr. Ali Tahir		2	2
Mr. Ghanem Alghanem		2	2

The categories and pattern of shareholding as required by the Companies Act, 2017 are included in this Report. The Government of Pakistan and the Kingdom of Saudi Arabia hold the shares of the Company in equal proportion.

Compensation of Directors

The remuneration of the Directors is governed by the Board Remuneration Policy, duly approved by the shareholders of the Company in 2021, and aligned with the requirements of the SBP's Corporate Governance Regulatory Framework.

The details of the remuneration of the CEO and the fees paid to the Directors are disclosed in Notes 39.1 and 39.2 to the unconsolidated financial statements, respectively.

H. Corporate Social Responsibility

Saudi Pak is deeply committed to making a positive impact on the communities we serve through our Corporate Social Responsibility (CSR) initiatives. Aligned with our core values, we actively engage in various CSR activities aimed at supporting social development and well-being. We prioritize education, environmental sustainability, and community empowerment as key pillars of our CSR strategy. Through strategic partnership and direct intervention, we supported Noon under Equitable Edtech initiative, which is a global on-line learning platform (operating from four countries including Saudi Arabia, Iraq, Egypt and Pakistan) enabling deserving and under-privileged students to interact live/in real time with their mentors/teachers, to prepare them to appear for local exams (grade 9 to grade 12 students).

I. Strategic Investments

Saudi Pak's strategic investments include Saudi Pak Real Estate Limited and Saudi Pak Consultancy Company Limited (formerly Saudi Pak Leasing Company Limited).

1. Saudi Pak Real Estate Limited (SPR) continues to demonstrate strong growth in profitability and diversification, providing a solid capital base for future projects.

   Despite a challenging operating environment, the Company maintained a growth trajectory and is expected to report a highest-ever profit of approximately Rs. 71.8 million, reflecting a 17% year-on-year increase. This improved performance was primarily driven by optimization of rental income, effective expense rationalization and steadily increasing capital gains on real estate investments, resulting in a 95% increase in operating profit.

2. Saudi Pak Consultancy Company Limited (formerly Saudi Pak Leasing Company Limited) is an associated company of Saudi Pak, holding 35.06% of ordinary shares and 63.08% of preference shares. Following its rebranding and shift to a new line of business, the Company is currently in a transitional phase, expected to continue over the long term. SPCL management and Board remain optimistic about future growth and prosperity, with a focus on serving the best interests of all stakeholders.

3. Head Office Building

   Saudi Pak Tower, a twenty story multi tower high rise building in Islamabad constructed in 1991, continues to be a strategic balance sheet asset and a stable contributor to recurring rental income through a diversified tenant base. The Company's asset management approach remains centered on safeguarding long term property value, sustaining tenant retention, and ensuring reliability of critical building services through planned maintenance and selective modernization.

   During 2025, a major uplift program was executed to improve asset condition, tenant experience, and operational reliability. Expenditure was deployed efficiently across priority areas, including Building and interior works, Elevator repair and modernization, Heating and Air Conditioning systems, Firefighting improvements and Security enhancements. These investments were directed toward protecting the earning capacity of the asset, reducing operational risk, and strengthening health and safety standards expected for a high-rise commercial facility.

   A major portion of the building is rented out. Several national and multinational companies including financial institutions, telecommunication companies, clinical service-oriented concerns etc. are housed in the Tower. The average building occupancy level in the year 2025 remained 97% translating a revenue with year on year increase of 14.4%. Saudi Pak inaugurated its New Office in Karachi, relocating from Lakson Square to Balad Trade Centre III, Clifton. The newly designed office space is optimized to foster growth, reflecting the company's unwavering commitment to excellence and innovation.

   For 2026, the primary focus will be intensifying of the firefighting system revamp, which has been under phased execution since 2024, with continued priority on life safety readiness and compliance assurance. In parallel, governance improvements are being institutionalized through revamp of procurement procedures across Saudi Pak, aimed at strengthening transparency, documentation discipline, and control effectiveness for major works and services. The enterprise Business Continuity Planning framework has also been comprehensively refreshed, with institutional Level I manuals and Level II departmental manuals prepared for implementation in 2026, further strengthening continuity readiness around critical assets and services.

Financial Results – 2025

The Company delivered a strong financial performance in FY 2025, demonstrating sustained growth in profitability, improved core income generation, and continued balance sheet expansion, despite a challenging macroeconomic environment.

Net Mark-up / Interest Income increased significantly by 40%, rising from PKR 1.09 billion in 2024 to PKR 1.52 billion in 2025. This improvement reflects enhanced asset yields, disciplined pricing strategies, and effective balance sheet optimization. As a result, the Company's core earnings capacity strengthened materially during the year.

Total income increased by 16%, rising from PKR 1.90 billion to PKR 2.21 billion. Although non-markup (fee-based) income declined from PKR 807.5 million to PKR 680.5 million, this reduction was more than compensated by robust growth in net interest income, highlighting the Company's increasing reliance on stable and sustainable core banking revenues.

Total non-markup (operating) expenses increased to PKR 857.7 million from PKR 680.7 million in 2024, driven by higher operating costs, inflationary pressures, and continued investment in business growth. Despite this increase, strong cost discipline was maintained, and operating efficiency continued to be closely monitored.

Profit Before Tax (PBT) recorded an impressive 38% growth, while Profit After Tax (PAT) increased by a robust 44%, highlighting improved operating leverage and stronger revenue momentum. These results demonstrate the Company's ability to translate revenue growth into enhanced shareholder returns.

Credit Loss Allowance recorded a reversal of PKR 564.5 million in 2025, compared to a reversal of PKR 169.7 million in 2024. This higher reversal reflects improved asset quality, recoveries from previously impaired exposures, and a more favorable credit risk outlook across the loan portfolio. The reversal also indicates the effectiveness of the Company's credit risk management framework, proactive monitoring, and strengthened recovery processes. Management continues to apply a prudent and forward looking provisioning approach in line with IFRS 9 and regulatory guidelines, ensuring that credit risk remains appropriately assessed and adequately covered.

On the balance sheet side, Net Advances increased by 46%, reaching PKR 18.6 billion compared to PKR 12.7 billion in the prior year, indicating strong loan growth, improved customer acquisition, and enhanced market penetration. Meanwhile, Total Equity increased by 11% to PKR 18.0 billion, reinforcing the Bank's capital base and supporting future growth.

The summarized financial results and recommendations for appropriations are as under:

Name of Directors	**2025**	**2024**
	(Rupees)	(Rupees)
Un-appropriated/un-remitted profit brought forward	**4,709,802,069**	**3,942,835,204**
Initial Adjustments IFRS-9	-	(38,473,647)
Gain / (loss) – Sale of FV-OCI Securities	(71,149,467)	(1,243,041)
Profit after tax for the year	1,323,706,999	919,821,109
Transfer -Surplus on revaluation of fixed assets	96,146,427	74,752,304
Other comprehensive income related to equity	(3,181,849)	(3,925,638)
Profit available for appropriations	6,055,324,179	4,893,766,291
Appropriations:		
Transfer to reserve funds	264,741,400	183,964,222
Dividend paid	200,000,000	-
Total appropriations	**464,741,400**	**183,964,222**
Un-appropriated/un-remitted profit	**5,590,582,779**	**4,709,802,069**

Acknowledgement

The Board wishes to place on record its appreciation of the hard work and dedication of the management, officers and staff of the Company.

For and on behalf of the
Board of Directors

Jeddah,
February 28, 2026

Chairman

Statement of Compliance with Code of Corporate Governance

1. The Company has complied with the requirements of the Regulations in the following manner. The total number of directors as of December 31, 2025, is six (6), with the following composition:

a) Male: Six (6)

b) Female: Zero (0)

2. The composition of the Board is as follows, there are a total of 6 Non-Executive Directors as illustrated in the table below:

Category	Name
Non-Executive Directors	1. Mr. Sultan Abdulrauf 2. Mr. Awais Manzur Sumra 3. Mr. Ali Tahir 4. Mr. Majid Misfer J. Alghamdi 5. Mr. Qumar Sarwar Abbasi 6. Mr. Ghanem Al Ghanem

Exemptions have been obtained from the State Bank of Pakistan (SBP) regarding the appointment of an independent director. Regarding female directors, no nominations have been received from the Governments of Pakistan and KSA. During the year 2025, three Directors representing Kingdom of Saudi Arabia (KSA) were re-appointed. The Directors nominated by the Government of Pakistan remained unchanged during the period and the composition of the Board remains unchanged.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this, Company.

4. The Company has prepared a Code of Conduct and has taken appropriate steps to disseminate it throughout the organization along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies. A complete record of these policies, along with their approval or update dates, is maintained by the Company.

6. All powers of the Board have been duly exercised, and decisions on relevant matters have been taken by the Board/shareholders in accordance with the Act and these Regulations.

7. Board meetings were presided over by the Chairman or, in his absence, by a director elected for this purpose. The Board complied with the Act and Regulations regarding the frequency, recording, and circulation of meeting minutes.

8. The Directors, General Manager/Chief Executive, and executives do not hold any interest in the shares of the Company. One share has been transferred by the SBP to the Director Finance, SBP in a representative capacity.

9. The Board has a formal policy and transparent procedures for director remuneration in compliance with the Act and Regulations.

10. The Board conducted an internal performance evaluation covering key areas including strategic planning, the effectiveness of the Board and the CEO, the quality of Board information, the performance of Board Committees, and the overall control environment.

11. The following Directors completed the Director Training Program (DTP):

Mr. Sultan Abdulrauf - Chairman	Mr. Majid Misfer J. Alghamdi - Director
Mr. Awais Manzur Sumra - Deputy Chairman	Mr. Qumar Sarwar Abbasi – Director
Mr. Ali Tahir - Director	Mr. Ghanem Al Ghanem - Director

12. The Board has approved the appointment, remuneration, anpd terms of employment for the Chief Financial Officer, Company Secretary, and Head of Internal Audit, ensuring compliance with relevant regulations.

13. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before Board approval.

14. The Board has formed committees comprising of members given below:

#	Name of committee	Current membership	Role
1	Audit Committee	Mr. Ghanem AL Ghanem	Chairman
		Mr. Awais Manzur Sumra	Member
		Mr. Qumar Sarwar Abbasi	Member
		Mr. Majid Misfer J. Alghamdi	Member
2	Human Resource & Remuneration Committee	Mr. Sultan Abdulrauf	Chairman
		Mr. Awais Manzur Sumra	Member
		Mr. Ali Tahir	Member
		Mr. Ghanem Al Ghanem	Member
3	Risk Management Committee	Mr. Qumar Sarwar Abbasi	Chairman
		Mr. Majid Misfer J. Alghamdi	Member
		Mr. Ali Tahir	Member
		Mr. Ghanem Al Ghanem	Member

The Board committees have the required diversity, experience and skills to function effectively.

16. The Terms of Reference for the above committees have been formatted, documented and advised to the Committees for compliance.
17. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:

#	Committee	Number. of meetings held during the year
a)	Audit Committee:	4
b)	Risk Management Committee	2
c)	Human Resource & Remuneration Committee	2

18. The Board has set up an effective internal audit function with suitably qualified and experienced personnel, conversant with the Company's policies and procedures.
19. The statutory auditors have confirmed that they hold a satisfactory Quality Control Review rating from the Institute of Chartered Accountants of Pakistan (ICAP), are registered with the Audit Oversight Board of Pakistan, comply with IFAC's Code of Ethics as adopted by ICAP, and do not have any close relatives (spouse, parent, dependent/non-dependent children) serving as the CEO, CFO, Head of Internal Audit, Company Secretary, or Director of the Company.
20. The statutory auditors and their associates have not been appointed for any non-audit services, ensuring compliance with the Act, these Regulations, and IFAC guidelines.
21. The Company confirms that all requirements under Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Code of Corporate Governance have been duly complied with.

For and on behalf of the
Board of Directors

Jeddah,
February 28, 2026

Chairman

Statement on Internal Controls

The Company's management is responsible to establish and maintain an adequate and effective system of internal controls and procedures. The internal controls system comprises of various components including Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring. The management is also responsible for evaluating the effectiveness of the Company's internal controls that encompass material matters by identifying control objectives and reviewing significant policies and procedures.

The Company has adopted an internationally accepted internal control COSO Framework in accordance with ICFR guidelines from State Bank of Pakistan (SBP). Keeping in view of the risk exposure, the control activities are evaluated across the Company through the Internal Audit Division, working independently of the line management. In addition, Compliance Division monitors control activities related to regulatory and other procedural compliance requirements. The Audit Committee of the Board regularly reviews both internal and external audit reports and recommends to the Board for desired corrective measures to be taken by the Management, wherever required.

The Management of the Company ensures that an effective and efficient internal control system stays implemented and no compromises are made in implementing the desired control procedures and maintaining suitable control environment in general. However, control activities are continuous in nature that include identification, evaluation and management of significant risks faced by the Company. The Management strives for timely and satisfactory response to new identifications or recommendations by the risk controlling divisions. Nonetheless, all internal control systems, no matter how well designed, have inherent limitations that may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that degree of compliance with policies and procedures may deteriorate.

The Management took sufficiently necessary steps to rectify all observations and suggestions for improvement raised during the year by the Internal Audit Division. Furthermore, regular follow-up of the internal audit reports was done by the Compliance Division which ensured timely implementation of queries raised and recommendations to mitigate identified risks to safeguard the interests of the Company. Based upon the results achieved through ongoing testing of financial reporting controls and internal audits carried out during the year, the management considers that the Company's existing internal control system is adequate and has been implemented and monitored.

The Company has completed all stages of its ICFR program as per the guidelines and has been granted exemption from the requirement of submission of the External Auditor's issued Long Form report to SBP. Annual assessment report on the efficacy of ICFR for the year ended December 31, 2024, was duly prepared and submitted to the Audit Committee of the Board in its 111th meeting for review.

Based on the above, the Board endorses the management's evaluation of Internal Controls.

For and on behalf of the Board of Directors.

Chairman

Islamabad, Pakistan

February 28, 2026

GrantThornton

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of
Saudi Pak Industrial and Agricultural Investment Company Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by Board of Directors of Saudi Pak Industrial and Agricultural Investment Company Limited (the Company) for the year ended December 31, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provision of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such controls, the Company's corporate governance procedures and risks.

The Regulation require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2025.

Grant Thornton Anjum Rahman

Grant Thornton Anjum Rahman
Chartered Accountants
Islamabad
Date: March 06, 2026
UDIN: CR202510164dOpXgY60Z

Financial Statements

for the year ended December 31,2025

STANDALONE

Grant Thornton

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INDEPENDENT AUDITOR'S REPORT

To the members of
Saudi Pak Industrial and Agricultural Investment Company Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Saudi Pak Industrial and Agricultural Investment Company Limited** (the Company), which comprise the unconsolidated statement of financial position as at December 31, 2025 and the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated cash flow statement for the year then ended, and notes to the unconsolidated financial statements, including a material accounting policies information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 22.3.1 to the accompanying unconsolidated financial statements describing the status of tax contingencies. Our opinion is not modified in respect of this matter.

Grant Thornton

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current year. This matter was addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
Accuracy of expected credit loss allowance (Note 9, 10, 19 & 31) The Company recognizes expected credit loss (ECL) allowance in accordance with IFRS 9: Financial Instruments as applied under the Application Instructions issued by the State Bank of Pakistan (SBP) through BPRD Circular No. 07 of 2023. Because of the high degree of estimation uncertainty and judgement involved in the calculation of ECL we considered the area of ECL provision as a key audit matter.	With respect to measurement of expected credit loss allowance, we performed, among others, the following audit procedures: a. Read the Company's IFRS 9 based measurement of expected credit loss allowance policy; b. Performed risk assessment procedures over the credit loss allowance on exposure within the DFI's unconsolidated financial statements. This included identifying portfolios susceptible to material misstatement, particularly those involving significant judgement in estimating expected credit losses (ECL) due to assumptions, methodologies, and input data. c. Assessing the design and implementation of key controls established by the DFI's over measurement of ECL and provision calculated as per PR.; d. Evaluated the reasonableness of the Company's determination of significant increase in credit risk (SICR) and the resultant basis for classification of exposures into various stages. For a sample of exposures, we checked the appropriateness of the Company's staging; e. Checked the key data sources used in ECL model and for a sample of obligors the correctness of historical data input in ECL model has been tested; f. Checked the accuracy of the Exposure at Default (EAD), appropriateness of the Probability of Default (PD) and calculations of the Loss Given Default (LGD) used in the Company's ECL model. Also read the internal risk rating reports to test the correctness of internal credit risk ratings used in the ECL model on sample basis; g. For Stage 3 items, checked that the impairment provisions recognized in the unconsolidated financial statements are the higher of those determined under IFRS 9 or the applicable Prudential Regulations; h. Checked the completeness of financial assets including off balance sheet items included in ECL calculation; i. Checked the arithmetical accuracy of the ECL model; and j. Evaluated the adequacy of the financial statement disclosures.

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Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of information to be included in the annual report that shall also include the directors' report but does not include the unconsolidated financial statements and our auditor's report thereon. The other information obtained at the date of audit report is information included in directors' report while the complete set of annual report in expected to be made available to us after the date of this auditor's report.

Our opinion on the unconsolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained at the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit and loss account, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated cash flow statement together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Hassaan Riaz.

Grant Thornton Anjum

Grant Thornton Anjum Rahman
Chartered Accountants
Place: Islamabad
Date: March 06, 2026
UDIN: AR2025101642KVP75LSI

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	2025	2024
		-----------------Rupees-----------------	
ASSETS			
Cash and balances with treasury banks	6	**257,902,472**	224,987,485
Balances with other banks	7	**665,303,795**	75,928,965
Lendings to financial institutions	8	**84,812,758**	384,209,641
Investments	9	**22,736,532,331**	145,017,743,598
Advances	10	**18,562,521,473**	12,724,534,281
Non-current asset classified as held for sale	11	**50,000,000**	-
Property and equipment	12.1	**5,323,883,287**	5,523,419,300
Right-of-use asset	12.2	**160,415,870**	81,274,896
Intangible assets	13	**7,263,746**	5,105,366
Other assets	14	**4,680,116,507**	6,587,706,387
Total Assets		**52,528,752,239**	170,624,909,919
LIABILITIES			
Bills payable		**-**	-
Borrowings	15	**29,113,700,049**	145,684,365,780
Deposits and other accounts	16	**3,238,406,212**	5,296,755,151
Lease liabilities	17	**167,934,950**	79,861,456
Subordinated debt		**-**	-
Deferred tax liabilities	18	**816,149,163**	502,684,667
Other liabilities	19	**1,228,864,593**	2,826,178,326
Total Liabilities		**34,565,054,967**	154,389,845,380
NET ASSETS		**17,963,697,272**	16,235,064,539
REPRESENTED BY			
Share capital	20	**6,765,000,000**	6,765,000,000
Statutory reserve		**1,981,704,355**	1,716,962,955
General reserve		**358,662,940**	358,662,940
Surplus on revaluation of assets - net	21	**3,267,747,198**	2,684,636,575
Unappropriated / unremitted profit		**5,590,582,779**	4,709,802,069
		17,963,697,272	16,235,064,539
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 45 and annexure I form an integral part of these financial statements.

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

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		------------Rupees------------	
Mark-up / Return / Interest earned	24	**6,420,100,728**	10,961,948,684
Mark-up / Return / Interest expensed	25	**4,895,122,306**	9,874,613,029
Net Mark-up / Interest Income		**1,524,978,422**	1,087,335,655
NON MARK-UP / INTEREST INCOME			
Fee and commission income	26	**116,812,104**	84,888,311
Dividend income		**122,439,806**	202,731,023
Foreign exchange income / (loss)		**(33,356)**	(652,039)
Gain on securities	27	**113,657,374**	210,546,198
Other income	28	**327,654,897**	310,015,097
Total non-markup / interest income		**680,530,825**	807,528,590
Total income		**2,205,509,247**	1,894,864,245
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	**857,684,042**	675,549,245
Other charges	30	**-**	5,126,000
Total Non-markup / Interest Expenses		**857,684,042**	680,675,245
Profit before credit loss allowance		**1,347,825,205**	1,214,189,000
Credit loss allowance and write offs - net	31	**(564,489,444)**	(169,660,890)
Profit before income tax and minimum tax differential		**1,912,314,649**	1,383,849,890
Levy differential	32		
Super tax		**(19,964,787)**	(1,525,997)
Final tax		**(29,429,568)**	(19,062,063)
PROFIT BEFORE INCOME TAX		**1,862,920,294**	1,363,261,831
Taxation	33	**(539,213,295)**	(443,440,722)
PROFIT AFTER TAXATION		**1,323,706,999**	919,821,109
Basic earnings per share	34	**1.957**	1.360
Diluted earnings per share	34	**1.957**	1.360

The annexed notes 1 to 45 and annexure I form an integral part of these financial statements.

GM / Chief Executive	Chief Financial Officer	Director	Director	Director

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	------------Rupees------------	
Profit after taxation for the year	**1,323,706,999**	919,821,109
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of debt investments through FVOCI / Investment - net of tax	**380,918,891**	194,612,779
	380,918,891	194,612,779
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement loss on defined benefit obligations	**(3,181,849)**	(3,925,638)
Movement in surplus on revaluation of equity investments - net of tax	**228,884,544**	74,353,865
Movement in (deficit) / surplus on revaluation of operating fixed assets - net of tax	**(1,695,853)**	943,297,757
Movement in deficit on revaluation of non-banking assets - net of tax	**-**	(7,029,468)
	224,006,842	1,006,696,517
Total comprehensive income	**1,928,632,732**	2,121,130,404

The annexed notes 1 to 45 and annexure I form an integral part of these financial statements.

GM / Chief Executive	Chief Financial Officer	Director	Director	Director

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

	Share capital	Statutory reserve	General reserve	Surplus/(deficit) on revaluation of		Unappropriated/ Unremitted profit	Total
				Investments	Property & Equipment / Non banking assets		
	Rupees						
Balance as at January 1, 2024	**6,765,000,000**	**1,532,998,733**	**358,662,940**	**(715,644,809)**	**2,295,023,225**	**3,942,835,204**	**14,178,875,293**
IFRS - 9 adjustment	-	-	-	(25,224,471)	-	(38,473,647)	(63,698,117)
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	919,821,109	919,821,109
Other comprehensive income - net of tax	-	-	-	268,966,644	936,268,289	(3,925,638)	1,201,309,295
Transfer to statutory reserve	-	183,964,222	-	-	-	(183,964,222)	-
Loss realized on sale of FVOCI	-	-	-	-	-	(1,243,041)	(1,243,041)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(74,752,304)	74,752,304	-
Balance as at December 31, 2024	**6,765,000,000**	**1,716,962,955**	**358,662,940**	**(471,902,636)**	**3,156,539,210**	**4,709,802,069**	**16,235,064,539**
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	1,323,706,999	1,323,706,999
Other comprehensive income - net of tax	-	-	-	609,803,435	(1,695,853)	(3,181,849)	604,925,734
Transfer to statutory reserve	-	264,741,400	-	-	-	(264,741,400)	-
Loss realized on sale of FVOCI	-	-	-	71,149,467	-	(71,149,467)	-
Dividend paid to GOP	-	-	-	-	-	(100,000,000)	(100,000,000)
Dividend paid to KSA	-	-	-	-	-	(100,000,000)	(100,000,000)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(96,146,427)	96,146,427	-
Balance as at December 31, 2025	**6,765,000,000**	**1,981,704,355**	**358,662,940**	**209,050,267**	**3,058,696,931**	**5,590,582,779**	**17,963,697,272**

The annexed notes 1 to 45 and annexure I form an integral part of these financial statements.

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

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		----------------Rupees----------------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax and minimum tax differential		**1,912,314,649**	1,383,849,890
Less: dividend income		**(122,439,806)**	(202,731,023)
		1,789,874,843	1,181,118,867
Adjustments:			
Depreciation	28.1 & 29	**222,050,551**	176,278,781
Depreciation on right-of-use asset	29	**40,641,351**	33,701,616
Amortization	29	**3,210,740**	3,588,974
Credit loss allowance and write-offs	31	**(247,723,597)**	(169,660,890)
Gain on sale/disposal of property and equipment	28	**(8,725,947)**	(3,779,067)
Finance charges on leased assets	25	**16,064,486**	11,429,120
Charge for defined benefit plan	29.1	**10,339,234**	7,301,419
Charge for compensated absences	29.1	**6,916,478**	6,513,620
Unrealized loss - FVPL investments	27	**(10,572,493)**	(69,366,507)
		32,200,803	(3,992,934)
		1,822,075,646	1,177,125,933
Decrease in operating assets			
Lendings to financial institutions	8	**299,547,095**	2,865,447,618
Securities classified as FVPL		**104,001,002**	727,135,750
Advances	10	**(5,610,626,266)**	(5,134,421,319)
Others assets (excluding advance taxation)		**1,953,937,416**	(932,824,133)
		(3,253,140,753)	(2,474,662,084)
(Decrease) / Increase in operating liabilities			
Borrowings from financial institutions	15	**(116,570,665,731)**	109,440,799,098
Deposits	16	**(2,058,348,939)**	1,631,755,151
Other liabilities		**(1,563,170,479)**	1,517,562,104
		(120,192,185,149)	112,590,116,353
Payments against off-balance sheet obligations		**-**	-
Payment to defined benefit plan and compensated absences	37.7	**(16,175,775)**	(5,911,566)
Income tax / levy paid		**(741,254,072)**	(816,204,284)
Net cash flow (used in) / generated from operating activities		**(122,380,680,102)**	110,470,464,351
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in amortized cost securities		**45,778,238**	(115,879,053,955)
Net Investments in securities classified as FVOCI		**123,069,139,208**	5,622,562,799
Dividends received		**199,647,871**	152,599,683
Investments in property and equipment		**(93,109,608)**	(253,786,093)
Disposal of property and equipment		**24,535,138**	8,774,926
Net cash flow generated / (used in) from investing activities		**123,245,990,847**	(110,348,902,640)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations	17	**(47,773,317)**	(39,515,259)
Dividend paid		**(200,000,000)**	-
Net cash flow (used in) / from financing activities		**(247,773,317)**	(39,515,259)
Effects of exchange rate changes on cash and cash equivalents		**-**	-
Increase in cash and cash equivalents		**617,537,427**	82,046,452
Cash and cash equivalents at beginning of the year		**307,112,364**	225,065,912
Cash and cash equivalents at end of the year	35	**924,649,791**	307,112,364

The annexed notes 1 to 45 and annexure I form an integral part of these financial statements.

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

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.

The Company believes that there is no significant doubt on the Company's ability to continue as a going concern. Therefore, these unconsolidated financial statements continue to be prepared on the going concern basis.

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, 2025. 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 2026 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.

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, investment 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 and compensated absences.

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, lendings, bank balances, off-balance sheet 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 and compensated absences;
ix) Impairment of subsidiary and associates and
x) Contingent assets and liabilities, provision against off balances sheet obligations.

5 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these unconsolidated financial statements are stated below. These policies have been consistently applied to all the years presented.

5.1.1 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.

5.1.2 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.

5.1.3 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

5.1.4 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.

5.1.5 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.

5.1.6 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.

5.1.7 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. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to the unconsolidated statement of profit and loss account, including on disposal.This election is made on an investment-by-investment basis. IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments.

5.1.8 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.

5.1.8.1 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.

5.1.8.2 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.

5.1.8.3 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.

5.1.9 Derecognition

5.1.9.1 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.

5.1.9.2 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.

5.1.10 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.

5.1.11 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.

5.1.12 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.

5.1.13 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.

5.1.13.1 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.

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.

Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts, and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:
- The amount of the loss allowance ; and
- The premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Company are measured at the amount of the loss allowance. For financing commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a financing and an undrawn commitment and the Company cannot separately identify the expected credit losses on the undrawn commitment component from those on the financing component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the financing. To the extent that the combined expected credit losses exceed the gross carrying amount of the financing, the expected credit losses are recognised as a provision.

5.1.15 Measurement of unquoted equity securities

Unquoted equity investments are 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.

5.2 Cash and cash equivalents

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

5.3 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.

5.4 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.

5.5 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.

5.6 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 5.1.
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.

5.7 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.

5.8 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.

5.9 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.

5.10 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.

5.11 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.

5.12 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.

5.13 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.

5.14 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.

5.15 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.

5.16 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.

5.17 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.

5.18 Other borrowings

Other borrowings include borrowings from various financial institutions and the SBP. These borrowings are recorded at the proceeds received except for TERF. Mark-up on all these borrowings is charged to the unconsolidated statement of profit and loss account under the effective interest rate method.

Funds received from the SBP for advances disbursed under the Temporary Economic Refinance Facility (TERF) are recorded at fair/present value on initial recognition using the prevailing market rate. This results in a fair value adjustment on initial recognition, which is charged to the unconsolidated statement of profit and loss account. Unwinding of expense on the fair value adjustment is recognised in the unconsolidated statement of profit and loss account.

5.19 Bai Muajjal

The Company enters into Bai Muajjal transactions of sale (borrowing) and purchase (lending). These are recorded as below:

Bai Muajjal transactions representing purchase of Shariah compliant instruments on deferred payment basis are shown in lendings to financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction using the effective interest rate method in the unconsolidated statement of profit and loss account.

Bai Muajjal transactions representing sale of Shariah compliant instruments on deferred payment basis are shown in borrowings. The credit price is agreed at the time of purchase and the proceeds are paid at the end of the credit period. The difference between the deferred payment amount payable and the carrying value at the time of purchase is accrued and recorded as borrowing cost over the life of the transaction using the effective interest rate method in the unconsolidated statement of profit and loss account.

5.20 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.

5.21 Provision for claims under guarantees and other off balance sheet obligations

Provision for guarantee claims and other off balance sheet obligations is recognised when reasonable certainty exists for the Company to settle the obligation. The charge to the unconsolidated statement of profit and loss account is stated net of expected recoveries and the obligation is recognised in other liabilities.

5.21 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.

5.22 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.

5.23 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.

5.24 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.

5.25 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.

5.26 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.

5.27 EVENTS AFTER THE REPORTING DATE

Subsequent to the year end, the Board of Directors proposed a cash dividend of Rs. 0.296 per share (2024: Rs.0.296 per share). These unconsolidated financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the year end.

	Note	2025	2024
		-------------Rupees-------------	
6 CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		**296,597**	305,690
With State Bank of Pakistan			
in local currency current account	6.1	**257,605,875**	224,681,795
		257,902,472	224,987,485

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

	2025	2024
	-------------Rupees-------------	
7 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	**25,895,913**	7,245,443
In deposit accounts	**640,851,406**	74,879,436
	666,747,319	82,124,879
Less: Credit loss allowance held against balances with other banks	**(1,443,524)**	(6,195,914)
	665,303,795	75,928,965

7.1 Deposit accounts include Rs. 640,666,518 (2024: Rs 74,604,286) held in local currency accounts. These accounts carry markup at the rates ranging from 7.59% to 9.50% (2024: 11.50% to 22.50%) per annum.

7.2 Deposit accounts include USD 663.09 (2024: USD 993.90) held in foreign currency accounts. These accounts carry markup at the rate of 0.25% to 0.3% (2024: 0.25%) per annum.

	Note	2025	2024
		------------Rupees------------	
8 LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	8.1	**-**	384,547,095
Letter based placement		**85,000,000**	-
		85,000,000	384,547,095
Less: Credit loss allowance held against lending to financial institutions		**(187,242)**	(337,454)
Lendings to Financial Institutions - net of provision		**84,812,758**	384,209,641

8.1 Particulars of lending

	2025	2024
In local currency	**84,812,758**	384,209,641
In foreign currencies	**-**	-
	84,812,758	384,209,641

8.2 Securities held as collateral against lending to financial institutions

	2025			2024		
	Held by the Company	**Further given as collateral**	**Total**	Held by the Company	Further given as collateral	Total
	------------------------Rupees------------------------			------------------------Rupees------------------------		
Pakistan Investment Bonds	-	-	**-**	-	-	-
Market Treasury Bills	-	-	**-**	384,222,674	-	384,222,674
	-	**-**	**-**	384,222,674	-	384,222,674

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8.3 Lending to FIs - Particulars of credit loss allowance

		2025		2024	
		Lending	**Credit loss allowance held**	Lending	Credit loss allowance held
		---Rupees---			
Domestic					
Performing	Stage 1	**85,000,000**	**187,242**	384,547,095	337,454
Under performing	Stage 2	**-**	**-**	-	-
Non-performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**-**	**-**	-	-
		-	**-**	-	-
Total		**85,000,000**	**187,242**	384,547,095	337,454

	2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	--- Rupees ---			
Balance at the start of the year	**337,454**	**-**	**-**	**337,454**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
Net remeasurement of credit loss allowance	**337,454**	**-**	**-**	**337,454**
New financial assets originated or purchased	**187,242**	**-**	**-**	**187,242**
Financial assets that have been derecognised	**(337,454)**	**-**	**-**	**(337,454)**
Write offs	**-**	**-**	**-**	**-**
Unwind of discount	**-**	**-**	**-**	**-**
Changes in risk parameters (PDs/LGDs/EADs)	**-**	**-**	**-**	**-**
Balance at the end of the year	**187,242**	**-**	**-**	**187,242**

	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)
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	**337,454**	**-**	**-**	**337,454**

9 INVESTMENTS

9.1 Investments by type:

	Note	2025 Fair value / Cost / Amortised cost	2025 Credit loss allowance	2025 Surplus / (deficit)	2025 Carrying value	2024 Fair value / Cost / Amortised cost	2024 Credit loss allowance	2024 Surplus / (deficit)	2024 Carrying value
		------	------	------	------Rupees	------	------	------	------
Classified / Measured at FVPL									
Debt Instruments									
Un-listed companies		55,566,507	-	1,523,493	57,090,000	55,566,507	-	-	55,566,507
Equity instruments									
Listed companies		13,088,998	-	9,049,000	22,137,998	117,090,000	-	13,800,000	130,890,000
Classified / Measured at FVOCI									
Federal Government Securities									
-Pakistan Investment Bonds (PIBs)		18,188,758,663	-	(35,676,663)	18,153,082,000	86,639,269,889	-	(757,155,869)	85,882,114,020
-Market Treasury Bills		804,340,838	-	1,797,602	806,138,440	55,419,107,492	-	104,057,862	55,523,165,354
		18,993,099,501	-	(33,879,061)	18,959,220,440	142,058,377,381	-	(653,098,007)	141,405,279,374
Non Government Debt Securities									
-Term Finance Certificates (TFCs) / Sukuk		712,394,505	(28,247,336)	5,238,252	689,385,421	712,394,505	(27,235,653)	-	685,158,852
		19,705,494,006	(28,247,336)	(28,640,809)	19,648,605,861	142,770,771,886	(27,235,653)	(653,098,007)	142,090,438,226
Equity instruments									
Listed companies		558,143,851	-	147,741,617	705,885,468	619,416,735	-	(68,803,438)	550,613,297
Un-listed companies		510,000,008	-	151,964,811	661,964,819	510,000,008	-	(24,895,157)	485,104,851
		1,068,143,859	-	299,706,428	1,367,850,287	1,129,416,743	-	(93,698,595)	1,035,718,148
Classified / Measured at Amortised cost									
Non Government Debt Securities									
-Term Finance Certificates (TFCs) / Sukuk		1,172,225,455	(194,449,197)	-	977,776,258	1,345,169,634	(176,290,662)	-	1,168,878,972
-Term Deposit		163,431,981	(360,054)	-	163,071,927	36,266,040	(14,294)	-	36,251,746
		1,335,657,436	(194,809,251)	-	1,140,848,185	1,381,435,674	(176,304,957)	-	1,205,130,717
Associates									
Saudi Pak Consultancy 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)	-	-
	9.1.1	576,676,075	(576,676,075)	-	-	576,676,075	(576,676,075)	-	-
Subsidiaries									
Saudi Pak Real Estate Company Limited	9.1.2	500,000,000	-	-	500,000,000	500,000,000	-	-	500,000,000
Total Investments		23,254,626,881	(799,732,662)	281,638,112	22,736,532,331	146,530,956,885	(780,216,685)	(732,996,602)	145,017,743,598

9.1.1 The Company holds 35.06% (December 31, 2024: 35.06%) equity stake in Saudi Pak Consultancy Company Limited ("SPCL"), formerly known as Saudi Pak Leasing Company Limited. The Company also holds 63.08% (December 31, 2024: 63.08%) non-voting, non-cumulative, convertible unlisted Preference Shares. On the basis of latest available management financial statements (un-audted) of SPCL as at December 31, 2025 total assets are Rs. 649.935 million (December 31, 2024: Rs. 721.167 million) whereas liabilities of SPCL are Rs. 1,042.624 million (December 31, 2024: Rs. 1,148.618 million). Total revenue, profit after taxation and total comprehensive income for the period ended December 31, 2025 are Rs. 42.713 million (December 31, 2024: Rs. 74.617 million), Rs. 10.721 million (December 31, 2024: Rs. 24.299 million) and Rs. 6.963 million (December 31, 2024: Rs. 32.251 million) respectively.

9.1.2 The Company has investment in 50 million shares (100% of paid up capital) of Saudi Pak Real Estate Limited (SPREL). On the basis of latest available management financial statements (un-audited) of SPREL as at December 31, 2025 total assets and liabilities of SPREL are Rs. 991.478 million (December 31, 2024: Rs. 926.086 million) and Rs. 26.907 million (December 31, 2024: Rs. 33.783 million) respectively. As at December 31, 2025 total revenue, profit after taxation and total comprehensive income are Rs. 61.027 million (December 31, 2024: Rs. 50.938 million), Rs. 72.063 million (December 31, 2024: Rs. 61.320 million) and Rs. 72.267 million (December 31, 2024: Rs. 60.861 million) respectively.

9.2 Investments by segments:	2025				2024			
	Fair value / Cost / Amortised cost	**Credit loss allowance / Provision**	**Surplus / (Deficit)**	**Carrying Value**	Fair value / Cost / Amortised cost	Credit loss allowance / Provision	Surplus / (Deficit)	Carrying Value
	Rupees				Rupees			
Federal Government Securities:								
Pakistan Investment Bonds	**18,188,758,663**	**-**	**(35,676,663)**	**18,153,082,000**	86,639,269,889	-	(757,155,869)	85,882,114,020
Market Treasury Bills	**804,340,838**	**-**	**1,797,602**	**806,138,440**	55,419,107,492	-	104,057,862	55,523,165,354
	18,993,099,501	**-**	**(33,879,061)**	**18,959,220,440**	142,058,377,381	-	(653,098,007)	141,405,279,374
Shares:								
Listed Companies	**571,232,849**	**-**	**156,790,617**	**728,023,466**	736,506,735	-	(55,003,438)	681,503,297
Unlisted Companies	**565,566,515**	**-**	**153,488,304**	**719,054,819**	565,566,515	-	(24,895,157)	540,671,358
	1,136,799,364	**-**	**310,278,921**	**1,447,078,285**	1,302,073,250	-	(79,898,595)	1,222,174,655
Non Government Debt Securities								
Listed TFCs / Sukuk	**831,098,389**	**(48,587,624)**	**5,238,252**	**787,749,017**	731,098,389	(45,939,537)	-	685,158,852
Unlisted TFCs / Sukuk	**1,053,521,571**	**(174,108,909)**	**-**	**879,412,662**	1,326,465,750	(157,586,778)	-	1,168,878,972
Term Deposit	**163,431,981**	**(360,054)**	**-**	**163,071,927**	36,266,040	(14,294)	-	36,251,746
	2,048,051,941	**(223,056,587)**	**5,238,252**	**1,830,233,606**	2,093,830,179	(203,540,610)	-	1,890,289,569
Associates								
Saudi Pak Consultancy 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	**23,254,626,881**	**(799,732,662)**	**281,638,112**	**22,736,532,331**	146,530,956,885	(780,216,685)	(732,996,602)	145,017,743,598

9.3 Investments given as collateral

The market value of investments given as collateral is as follows:

	2025	2024
	Rupees	
Pakistan Investment Bonds (PIBs)	**2,731,590,000**	74,663,165,218
Treasury Bills	**-**	51,562,665,332
	2,731,590,000	126,225,830,550

9.4 Particulars of credit loss allowance

9.4.1 Investments - exposure

	2025			2024		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
	Rupees			Rupees		
Opening balance	**1,395,746,040**	**588,871,162**	**109,212,977**	1,182,015,000	429,145,421	621,514,347
New investments	**274,245,237**	**-**	**89,105,000**	536,266,040	-	-
Investments derecognised or repaid	**(118,489,396)**	**(290,639,079)**	**-**	(322,535,000)	-	(274,453,870)
Transfer to stage 1	**168,846,662**	**(168,846,662)**	**-**	-	-	-
Transfer to stage 2	**-**	**-**	**-**	-	237,847,500	(237,847,500)
Transfer to stage 3	**-**	**-**	**-**	-	-	-
	324,602,503	**(459,485,741)**	**89,105,000**	213,731,040	237,847,500	(512,301,370)
Amounts written off / charged Off	**-**	**-**	**-**	-	-	-
Saudi Pak Consultancy Company Limited	**-**	**-**	**576,676,075**	-	(78,121,759)	576,676,075
Closing balance	**1,720,348,543**	**129,385,421**	**774,994,052**	1,395,746,040	588,871,162	685,889,052

9.4.2 Investments - Credit loss allowance

	2025			2024		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
	Rupees			Rupees		
Opening balance	**9,658,977**	**84,668,656**	**109,212,977**	7,897,351	69,908,201	861,597,387
New investments	**1,636,352**	**-**	**89,105,000**	8,851,427	-	-
Investments derecognised or repaid	**(1,092,968)**	**(56,970,626)**	**(9)**	(6,545,941)	-	(258,448,870)
Transfer to stage 1	**13,358,658**	**(13,358,658)**	**-**	-	-	-
Transfer to stage 2	**-**	**-**	**-**	-	237,847,500	(237,847,500)
Transfer to stage 3	**-**	**-**	**-**	-	-	-
	13,902,042	**(70,329,284)**	**89,104,991**	2,305,486	237,847,500	(496,296,370)
Amounts written off / charged off	**-**	**-**	**-**	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	**(4,591,680)**	**(8,570,091)**	**-**	(543,860)	(223,087,045)	(256,088,040)
	18,969,339	**5,769,280**	**198,317,968**	9,658,977	84,668,656	109,212,977
Provision (Note 9.1.1)	**-**	**-**	**576,676,075**	-	-	576,676,075
Closing balance	**18,969,339**	**5,769,280**	**774,994,043**	9,658,977	84,668,656	685,889,052

9.4.3 Particulars of credit loss allowance / provision against debt securities

Category of classification

		2025		2024	
		Outstanding amount	**Credit Loss Allowance**	Outstanding amount	Credit Loss Allowance
		Rupees		Rupees	
Other assets especially mentioned				-	-
Domestic					
Performing	Stage 1	**1,720,348,543**	**18,969,339**	1,395,746,040	9,658,977
Underperforming	Stage 2	**129,385,421**	**5,769,280**	666,992,921	84,668,656
Non-Performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**198,317,977**	**198,317,968**	109,212,977	109,212,977
		198,317,977	**198,317,968**	109,212,977	109,212,977
Overseas		**-**	**-**	-	-
Total		**2,048,051,941**	**223,056,587**	2,171,951,938	203,540,610

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9.5 Quality of securities

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

	2025	2024
	---------- Cost in Rupees ----------	
Federal Government Securities - Government guaranteed		
Pakistan Investment Bonds	**18,188,758,663**	86,639,269,889
Market Treasury Bills	**804,340,838**	55,419,107,492
	18,993,099,501	############
Shares:		
Listed Companies		
Cement	**-**	48,437,257
Chemical	**278,604,720**	417,127,705
Fertilizer	**117,127,705**	-
Power Generation and Distribution	**162,411,426**	153,851,773
	558,143,851	619,416,735

	2025		2024	
	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	-
Pace Barka Properties Limited	**168,750,008**	**295,028,815**	168,750,008	218,918,507
Pak Kuwait Takaful Company	**40,000,000**	**-**	40,000,000	-
Pakistan Textile City Limited	**50,000,000**	**-**	50,000,000	-
Saudi Pak Kalabagh Livestock Company	**10,000,000**	**-**	10,000,000	-
Taurus Securities Limited	**11,250,000**	**32,630,195**	11,250,000	28,425,778
Trust Investment Bank Limited	**20,000,000**	**-**	20,000,000	-
PGP Consortium*	**330,000,000**	**329,779,063**	330,000,000	379,502,822
	783,833,056	**657,438,073**	783,833,056	626,847,107

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.

*The investment has been made in preference shares; therefore, the investment has been disclosed at fair value in the above note rather than at break-up value.

	2025	2024
	------------Cost in Rupees------------	
Non Government Debt Securities		
Listed		
- AAA	**330,000,000**	-
- AA+, AA, AA-	**330,000,000**	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-	**-**	-
- Unrated	**-**	-
	-	-
	712,394,505	712,394,505

9.6 The Company does not have any investments in foreign securities as at December 31, 2025 (2024: Nil).

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

	Note	2025	2024
		------------Cost in Rupees------------	
Federal Government Securities - Government guaranteed			
Pakistan Investment Bonds		**-**	-
		-	-
Non Government Debt Securities			
Listed			
- AA+, AA, AA-		**199,440,000**	-
- Unrated		**18,703,884**	18,703,884
		218,143,884	18,703,884
Unlisted			
- AA+, AA, AA-		**-**	199,480,000
- A+, A, A-		**200,000,000**	100,000,000
- BBB+, BBB, BBB-		**159,902,051**	-
- B+, B, B-		**-**	299,760,000
- Unrated		**594,179,520**	727,225,750
		954,081,571	1,326,465,750
	9.7.1	**1,172,225,455**	1,345,169,634

9.7.1 The market value of securities classified under HTC other than non performing investments as at December 31, 2025 is Rs 978 million (2024: Rs. 201 million).

10 ADVANCES

	Performing		Non Performing		Total	
	2025	2024	**2025**	2024	**2025**	2024
	Rupees					
Loans, leases, running finances- gross	**18,998,704,535**	13,174,766,060	**2,262,709,386**	2,476,021,595	**21,261,413,921**	15,650,787,655
Credit loss allowance against advances						
- Stage 1	**(157,641,229)**	(200,516,662)	**-**	-	**(157,641,229)**	(200,516,662)
- Stage 2	**(116,422,138)**	(112,982,442)	**-**	-	**(116,422,138)**	(112,982,442)
- Stage 3	**-**	-	**(2,227,953,997)**	(2,474,059,583)	**(2,227,953,997)**	(2,474,059,583)
- General	**(196,875,084)**	(138,694,687)	**-**	-	**(196,875,084)**	(138,694,687)
	(470,938,451)	(452,193,791)	**(2,227,953,997)**	(2,474,059,583)	**(2,698,892,448)**	(2,926,253,374)
Advances - net of credit loss allowance	**18,527,766,084**	12,722,572,269	**34,755,389**	1,962,012	**18,562,521,473**	12,724,534,281

10.1 Includes net investment in finance lease as disclosed below:

	2025				2024			
	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	**252,690,355**	**441,437,056**	**-**	**694,127,411**	93,182,383	-	-	93,182,383
Residual value	**-**	**-**	**-**	**-**	-	-	-	-
Minimum lease payments	**252,690,355**	**441,437,056**	**-**	**694,127,411**	93,182,383	-	-	93,182,383
Financial charges for future periods	**(87,519,228)**	**(76,884,962)**	**-**	**(164,404,190)**	(28,746,708)	-	-	(28,746,708)
Present value of minimum lease payments	**165,171,127**	**364,552,094**	**-**	**529,723,221**	64,435,675	-	-	64,435,675

10.2 Particulars of advances (Gross)

	2025	2024
	Rupees	
In local currency	**21,261,413,921**	15,650,787,655
In foreign currencies	**-**	-
	21,261,413,921	15,650,787,655

10.3 Advances to Women, Women-owned and Managed Enterprises

Women	**10,866,678**	4,574,787
Women Owned and Managed Enterprises	**-**	-
	10,866,678	4,574,787

10.4 Particulars of credit loss allowance

10.4.1 Advances - exposure

	2025			2024		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
	Rupees			Rupees		
Gross carrying amount - 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
IFRS-9 adjustment	**-**	**-**	**-**	(982,846,856)	(65,746,018)	125,647,813
New advances	**28,574,365,829**	**100,000,000**	**-**	8,068,123,603	304,545,455	-
Advances derecognized or repaid	**(22,752,553,970)**	**(200,998,384)**	**(110,187,209)**	(1,690,992,226)	(376,365,180)	(1,203,753,476)
Transfer to stage 1	**786,568,697**	**(786,568,697)**	**-**	-	-	-
Transfer to stage 2	**(300,000,000)**	**403,125,000**	**(103,125,000)**	(689,820,383)	1,071,837,725	(382,017,341)
Transfer to stage 3	**-**	**-**	**-**	-	(315,472,973)	315,472,973
	6,308,380,556	**(484,442,081)**	**(213,312,209)**	5,687,310,994	684,545,027	(1,270,297,845)
Amounts written off / charged Off	**-**	**-**	**-**	-	-	-
Closing balance - current year	**18,037,573,116**	**961,131,419**	**2,262,709,386**	11,729,192,560	1,445,573,500	2,476,021,595

10.4.2 Advances - Credit loss allowance

	2025			2024		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
	Rupees			Rupees		
Opening balance	**323,796,207**	**128,397,583**	**2,474,059,583**	116,499,781	175,564,694	2,917,889,923
IFRS-9 adjustment	**-**	**-**	**-**	(6,843,800)	(24,800,010)	76,600,534
New advances	**85,046,886**	**1,864,683**	**-**	125,685,258	5,984,582	-
Advances derecognized or repaid	**(130,721,169)**	**(85,721,175)**	**(92,806,925)**	(32,774,913)	(171,611,863)	(692,038,202)
Transfer to stage 1	**74,400,229**	**(74,400,229)**	**-**	-	-	-
Transfer to stage 2	**(8,151,350)**	**111,276,350**	**(103,125,000)**	(16,432,082)	164,022,879	(147,590,798)
Transfer to stage 3	**-**	**-**	**-**	-	(102,527,803)	102,527,803
	20,574,596	**(46,980,371)**	**(195,931,925)**	76,478,264	(104,132,204)	(737,101,196)
Amounts written off / charged off	**-**	**-**	**-**	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	**(63,450,027)**	**50,420,066**	**(50,173,660)**	14,382,417	66,349,962	216,670,322
General provision	**61,159,525**	**(2,979,127)**	**-**	123,279,546	15,415,141	-
Transfers - net	**-**	**-**	**-**	-	-	-
Closing balance	**342,080,301**	**128,858,150**	**2,227,953,998**	323,796,207	128,397,583	2,474,059,583

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

	2025			2024		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
	---------- Rupees ----------			---------- Rupees ----------		
Outstanding gross exposure						
Performing - Stage 1	**18,037,573,116**	**-**	**-**	11,729,192,560	-	-
Under Performing - Stage 2	**-**	**961,131,419**	**-**	-	1,445,573,500	-
Non-performing - Stage 3						
Other Assets Especially Mentioned	**-**	**-**	**-**	-	-	-
Substandard	**-**	**-**	**-**	-	-	-
Doubtful	**-**	**-**	**-**	-	-	-
Loss	**-**	**-**	**2,262,709,386**	-	-	2,476,021,595
	-	**-**	**2,262,709,386**	-	-	2,476,021,595
Total	**18,037,573,116**	**961,131,419**	**2,262,709,386**	11,729,192,560	1,445,573,500	2,476,021,595
Corresponding ECL						
Stage 1 and stage 2	**(157,641,229)**	**(116,422,137)**	**-**	(200,516,661)	(112,982,442)	-
Stage 3	**-**	**-**	**(2,227,953,998)**	-	-	(2,474,059,583)
General	**(184,439,072)**	**(12,436,013)**	**-**	(123,279,546)	(15,415,141)	-
	17,695,492,815	**832,273,269**	**34,755,388**	11,405,396,353	1,317,175,918	1,962,011

10.5 Advances include Rs. 2,262,709,386 (2024: Rs. 2,476,021,595) which have been placed under non-performing / stage 3 status as detailed below:-

Category of Classification in Stage 3	2025		2024	
	Non Performing Loans	**Credit Loss Allowance**	Non Performing Loans	Credit Loss Allowance
	------Rupees------		------Rupees------	
Domestic				
Other Assets Especially Mentioned	**-**	**-**	-	-
Substandard	**-**	**-**	-	-
Doubtful	**-**	**-**	-	-
Loss	**2,262,709,386**	**(2,227,953,998)**	2,476,021,595	(2,474,059,583)
Total	**2,262,709,386**	**(2,227,953,998)**	2,476,021,595	(2,474,059,583)

10.6 Particulars of credit loss allowance / provision against advances

		2025				2024			
	Note	**Stage 3**	**Stage 2**	**Stage 1**	**Total**	Stage 3	Stage 2	Stage 1	Total
		Rupees				Rupees			
Opening balance		**2,474,059,583**	**128,397,583**	**323,796,207**	**2,926,253,373**	2,917,889,923	175,564,694	116,499,781	3,209,954,398
IFRS-9 adjustment		**-**	**-**	**-**	**-**	76,600,534	(24,800,010)	(6,843,800)	44,956,724
Charge for the year		**-**	**67,390,659**	**145,065,205**	**212,455,864**	293,270,856	62,949,675	256,503,421	612,723,953
Reversals		**(246,105,585)**	**(66,930,091)**	**(126,781,112)**	**(439,816,788)**	(813,701,731)	(85,316,777)	(42,363,194)	(941,381,701)
		(246,105,585)	**460,568**	**18,284,093**	**(227,360,924)**	(520,430,874)	(22,367,101)	214,140,227	(328,657,749)
Amounts written off	10.7	**-**	**-**	**-**	**-**	-	-	-	-
Closing balance		**2,227,953,998**	**128,858,150**	**342,080,301**	**2,698,892,449**	2,474,059,583	128,397,583	323,796,207	2,926,253,373

10.6.1 Particulars of Credit loss allowance / provision against advances

	2025				2024			
	Stage 3	**Stage 2**	**Stage 1**	**Total**	Stage 3	Stage 2	Stage 1	Total
	Rupees				Rupees			
In local currency	**2,227,953,998**	**128,858,150**	**342,080,301**	**2,698,892,449**	2,474,059,583	128,397,583	323,796,207	2,926,253,373
In foreign currencies	**-**	**-**	**-**	**-**	-	-	-	-
	2,227,953,998	**128,858,150**	**342,080,301**	**2,698,892,449**	2,474,059,583	128,397,583	323,796,207	2,926,253,373

10.6.2 The net FSV benefit availed during the year amounted to Rs. 12,545,874 (2024: Rs. 67,578,185), 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. 12,545,874 (2024: Rs. 67,578,185) and Rs. 7,652,983 (2024: Rs. 41,222,693), respectively. As of December 31, 2025, the accumulated availed FSV benefit stands at Rs. 12,545,874 (2024: Rs. 67,578,185). This amount is not available for distribution as cash or stock dividends.

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		Note	2025	2024
			------------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, 2025 is given at Annexure I.

10.9 Particulars of loans and advances to staff included in advances

	2025	2024
	------------Rupees------------	
Opening balance	**105,996,640**	131,177,985
IFRS - 9 adjustment	**(13,613,516)**	(46,853,265)
Amount disbursed during the year	**129,170,977**	72,716,397
Amount received during the year	**(58,329,979)**	(51,044,477)
Amount written off	**-**	-
Closing balance	**163,224,122**	105,996,640

11 NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

	2025	2024
Fair value less cost to sell	**65,000,000**	-
Less: Amounts received till 31 December	**(15,000,000)**	-
	50,000,000	**-**

11.1 The Company's ownership interest in Lakson Square Building, Karachi has been classified as a non-current asset held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations." Accordingly, the asset is measured at the lower of its carrying amount at the date of classification and its fair value less costs to sell.

		Note	2025	2024
			------------Rupees------------	
12.1	**PROPERTY AND EQUIPMENT**			
	Capital work-in-progress	12.1.1	**6,065,810**	5,336,814
	Property and equipment	12.1.2	**5,317,817,477**	5,518,082,486
			5,323,883,287	5,523,419,300
12.1.1	**Capital work-in-progress**			
	Civil works		**6,065,810**	5,336,814
	Equipment		**-**	-
			6,065,810	5,336,814

12.1.2 Property and equipment

2025

	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, 2025											
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
Year ended December 31, 2025											
Opening 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
Additions	-	-	5,888,951	3,296,358	16,571,050	17,177,311	16,298,938	3,511,260	2,529,810	21,799,905	87,073,583
Disposals											
- Cost / Revalued amount	-	-	-	(34,867)	(1,221,938)	(19,733,970)	(237,184)	-	-	-	(21,227,959)
- Accumulated depreciation	-	-	-	34,864	965,650	19,417,486	768	-	-	-	20,418,768
	-	-	-	(3)	(256,288)	(316,484)	(236,416)	-	-	-	(809,191)
Transfer to non current assets available for sale	-	(66,633,762)	-	(125)	-	-	-	-	-	(61,965)	(66,695,852)
Depreciation charge	(57,117,456)	(2,652,238)	(64,608,245)	(4,141,316)	(13,077,477)	(13,060,259)	(18,575,653)	(9,147,726)	(886,150)	(36,567,028)	(219,833,548)
Revaluation adjustment	-	-	-	-	-	-	-	-	-	-	-
Closing net book value	3,279,182,544	-	1,554,853,362	16,117,655	24,576,324	50,374,749	114,336,633	54,013,534	6,715,605	217,647,071	5,317,817,477
At December 31, 2025											
Cost / Revalued amount	3,336,300,000	-	1,619,461,606	34,086,648	95,229,167	95,483,672	132,911,519	63,161,260	7,711,776	269,764,333	5,654,109,981
Accumulated depreciation	57,117,456	-	64,608,245	17,968,993	70,652,843	45,108,923	18,574,885	9,147,726	996,171	52,117,262	336,292,504
Net book value	3,279,182,544	-	1,554,853,361	16,117,655	24,576,324	50,374,749	114,336,634	54,013,534	6,715,605	217,647,071	5,317,817,477
Rate of depreciation (percentage)	1.71	4.00	4.00	20.00	33.33	20.00	15.00	15.00	15.00	15.00	

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)	(16,282,730)	(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	142,411,346
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	4.00	4.00	20.00	33.33	20.00	15.00	15.00	15.00	15.00	

* 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.

12.1.3 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	34,867	34,864	3	4,000	Auction	Abdul Sadiq
Heating and air conditioning						
Fan Coil Units	237,184	768	236,416	487,818	Auction	Abdul Sadiq
Office equipment						
XIOMI-III Mobile	67,500	67,499	1	1	As per policy *	Ali Imran
Redmi note 4 Pro	61,875	4,012	57,863	57,863	As per policy *	Mahtab Alam
Samsung A24 mobile	67,500	32,059	35,441	35,441	As per policy *	Shuja Ali
Iphone SE	100,000	99,999	1	1	As per policy *	Fateh Tariq
Laptop HP Probook 450 G9	317,098	154,118	162,980	162,982	As per policy *	Fateh Tariq
Laptop HP Probook 850 G8	343,965	343,964	1	1	As per policy *	Ali Imran
Laptop HP Probook 850 G8	264,000	263,999	1	1	As per policy *	Arif Majeed Butt
	1,221,938	965,650	256,288	256,290		
Vehicles						
Kia Picanto APY-832	2,057,502	2,057,501	1	1	As per policy *	Umair Hashim
Suzuki Cultus VXL AQB-196	1,886,962	1,886,961	1	1	As per policy *	Arif Majeed Butt
Toyota Corolla GLI 1.3 CC ANH-627	2,523,636	2,523,635	1	3,864,000	Auction	Syed Faisal Zafar
Honda CD 70 AYN-814	72,500	72,499	1	76,700	Auction	Syed Faisal Zafar
Honda CD 70 AUR-193	64,000	63,999	1	77,850	Auction	Suleman Khan
Kia Picanto AQT-843	2,057,502	2,057,501	1	1	As per policy *	Muhammad Azam
Kia Picanto AQT-847	2,058,302	2,058,301	1	1	As per policy *	Muhammad Yousaf Kharal
Kia Picanto AQV-422	2,059,512	2,059,511	1	1	As per policy *	Babar Ejaz
Suzuki Cultus ATT-980	1,932,412	1,615,938	316,474	316,474	As per policy *	Muhammad Faisal Israr
Honda Civic 1.8i Vetech Oriel BNP-	2,964,140	2,964,139	1	4,452,000	Auction	Muhammad Jhangir Khan
KIA PICANTO AQV-842	2,057,502	2,057,501	1	1	As per policy *	Sannaan Aqil
	19,733,970	19,417,486	316,484	8,787,030		
Total	**21,227,959**	**20,418,768**	**809,191**	**9,535,138**		

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

12.1.4 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 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, 2025, 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, 2025, would have been as follows:

	2025	2024
	-------------Rupees	**------------**
Leasehold Land	**25,987,456**	26,437,190
Building - Karachi office	**-**	308,081
Building	**35,806,602**	48,184,998
Heating and air-conditioning system	**26,246,743**	24,249,970
Elevators	**9,022,367**	11,830,345
Security system	**5,206,793**	3,634,790
Electrical fittings, fire fighting equipment and others	**105,897,257**	166,785,987
	208,167,218	281,431,361

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

Furniture and fixture	**11,554,191**	13,099,230
Office equipment	**55,134,140**	46,670,023
Vehicles	**19,718,097**	27,399,875
Electrical fittings, fire fighting equipment and others	**11,920,936**	10,053,567
	98,327,364	97,222,695

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		2025	2024
		----------------Rupees----------------	
12.2	**Right-of-use assets**		
	At January 1		
	Cost	**136,808,201**	46,380,627
	Accumulated depreciation	**55,533,305**	21,831,689
	Net Carrying amount at January 1	**81,274,896**	24,548,938
	Additions	**119,782,325**	89,540,534
	Reassessment of the lease liability	**-**	887,040
	Depreciation charge	**40,641,351**	33,701,616
	Net Carrying amount at period end	**160,415,870**	81,274,896
	At period end		
	Cost	**209,322,860**	136,808,201
	Accumulated depreciation	**48,906,990**	55,533,305
	Net Carrying amount at period end	**160,415,870**	81,274,896
	Rate of amortisation (percentage)		
	- Lahore office	**22.12**	36.36
	- Karachi office	**20.00**	20.00
	- Karachi office	**28.01**	-
	Useful life (years)		
	- Lahore office	**4.52**	2.75
	- Karachi office	**5.00**	5.00
	- Karachi office	**3.57**	-
13	**INTANGIBLE ASSETS**		
	(Licences & softwares)		
	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
	Year ended December 31		
	Opening net book value	**5,105,366**	6,457,046
	Additions - directly purchased	**5,369,111**	2,237,294
	Amortisation charge	**3,210,731**	3,588,974
	Other adjustments	**-**	-
	Closing net book value	**7,263,746**	5,105,366
	At December 31		
	Cost	**46,507,270**	41,138,159
	Accumulated amortisation and impairment	**39,243,524**	36,032,793
	Net book value	**7,263,746**	5,105,366
	Rate of amortisation (percentage)	**33.33**	33.33
	Useful life (years)	**3.00**	3.00

13.1 Cost of fully amortized intangible assets still in use amount to Rs. 31,947,460 (2024: Rs. 30,203,575).

14 OTHER ASSETS

	Note	2025	2024
		------------------Rupees------------------	
Income/ mark-up accrued in local currency			
On investments		**808,211,588**	2,828,221,500
On advances		**772,044,949**	983,074,556
On lending to financial institutions		**1,098,340**	1,347,985
		1,581,354,877	3,812,644,042
Advances, deposits, advance rent and other prepayments		**50,967,193**	33,786,178
Advance taxation (payments less provisions)		**2,512,750,568**	2,383,548,970
Excise duty		**78,817,895**	78,817,895
Non-banking assets acquired in satisfaction of claims	14.1	**45,634,864**	47,347,144
Dividend receivable		**56,678,542**	133,886,607
Deferred employee benefit		**80,989,804**	65,511,250
Trading transaction in process		**89,641,601**	-
Other receivables		**173,515,316**	18,464,737
		4,670,350,660	6,574,006,823
Less: Credit loss allowance held against other assets	14.2	**(3,685,786)**	(256,792)
Other Assets (Net of credit loss allowance)		**4,666,664,874**	6,573,750,031
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	14.1.1	**13,451,633**	13,956,356
Other assets - total		**4,680,116,507**	6,587,706,387

14.1 The non-banking asset acquired from Irfan Textile represents office area on 8th 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). During the year on November 26, 2025, the Company entered into an agreement with a buyer for the sale of the asset on an “as is where is” basis. Under the terms of the agreement, the buyer has agreed to pay consideration of Rs. 62.5 million, against which an advance of Rs. 20 million has been received. In addition, all operational charges, maintenance dues, utility bills, mall administration charges and any other occupational liabilities payable to Famous Mall Private Limited whether accruing before or after the date of transfer to be borne and discharge by the buyer.

14.1.1 Non-banking assets acquired in satisfaction of claims

	Note	2025	2024
		------------------Rupees------------------	
Opening balance		**61,303,500**	71,439,012
Revaluation during the year		**-**	(7,029,468)
Disposals during the year		**-**	-
Depreciation		**(2,217,003)**	(3,106,044)
Impairment		**-**	-
Closing balance		**59,086,497**	61,303,500

14.2 Credit Loss Allowance held against other assets

	Note	2025	2024
Advances, deposits, advance rent & other prepayments	14.2.1	**3,685,786**	256,792

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

	2025	2024
Opening balance	**256,792**	256,792
Charge for the year	**3,428,994**	-
Reversals / transfer	**-**	-
Amount Written off	**-**	-
Closing balance	**3,685,786**	256,792

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		Note	2025	2024
			------------------Rupees------------------	
15	**BORROWINGS**			
	Secured			
	State Bank of Pakistan (SBP) refinance scheme			
	Long term financing facility	15.1	**721,899,918**	1,182,913,465
	Temporary economic relief facility	15.2	**269,903,963**	383,925,395
			991,803,881	1,566,838,860
	Repurchase agreement borrowings	15.3	**2,700,000,000**	5,919,281,999
	Against Government securities	15.4	**-**	120,306,548,551
	Against book debts / receivables	15.5	**11,020,833,333**	5,512,500,000
	Total secured		**14,712,637,214**	133,305,169,410
	Unsecured			
	Call borrowings	15.6	**14,401,062,835**	12,379,196,370
	Total unsecured		**14,401,062,835**	12,379,196,370
			29,113,700,049	145,684,365,780

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% (2024: 2.00% to 14.00%) per annum. These facilities will mature during March 2028 to August 2031 (2024: January 2025 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% (2024: 1.00%) per annum. These facilities will mature during January 2031 (2024:January 2025 to January 2031).

15.3 These facilities were secured against government securities (PIBs and T-bills). These carry markup at rates 10.75% (2024: 13.09% to 13.25%) per annum having maturity during January 2026 (2024: January 2025).

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

15.5 These represent facilities obtained from various banks against charge on book debts/receivables valuing Rs. 16,314 million (2024: Rs. 10,267 million). The mark up is charged at varying rates ranging from 10.80% to 11.42% (2024: 12.39% to 23.28%) per annum. These facilities will mature during January 2026 to May 2029 (2024: January 2025 to May 2029).

15.6 These facilities were unsecured and carring markup at rate of 10.85% to 10.90% (2024: 12.1% to 12.6%) per annum having maturity in January 2026 to March 2026 (2024: March 2025).

		Note	2025	2024
			------------------Rupees------------------	
15.7	**Particulars of borrowings with respect to Currencies**			
	In local currency		**29,113,700,049**	145,684,365,780
	In foreign currencies		**-**	-
			29,113,700,049	145,684,365,780
16	**DEPOSITS AND OTHER ACCOUNTS**			
	Customers			
	- Term deposits (local currency)	16.1	**3,238,406,212**	5,296,755,151
16.1	**Composition of deposits**			
	- Public Sector Entities	16.1.1	**298,681,679**	3,019,800,000
	- Non-Banking Financial Institutions	16.1.2	**887,850,000**	658,850,000
	- Private Sector	16.1.3	**2,051,874,533**	1,618,105,151
			3,238,406,212	5,296,755,151

16.1.1 These Certificate of Investments (COIs) carry mark up at the rates 11.00% to 19.00% (2024: 13.68% to 19.00%) per annum with maturity during February 2026 (2024: January 2025 to June 2025).

16.1.2 These Certificate of Investments (COIs) carry mark up at the rate of 8.60% to 16.00% (2024: 12.25% to 16.00%) per annum with maturity during February 2026 to June 2026 (2024: January 2025 to June 2025).

16.1.3 These Certificate of Investments (COIs) carry mark up at the rates ranging from 11.66% to 19.43% (2024 12.00% to 19.43%) per annum with maturity during January 2026 to September 2026 (2025: January 2025 to December 2025).

17 LEASE LIABILITIES

	2025	2024
	----Rupees----	
Outstanding amount at January 1	**79,861,456**	17,520,021
Additions during the period/year	**119,782,325**	89,540,534
Reassessment of the lease liability	**-**	887,039
Lease payments including interest	**(47,773,317)**	(39,515,258)
Interest expense	**16,064,486**	11,429,120
Outstanding amount at the end of the period	**167,934,950**	79,861,456

17.1 Contactual maturity of lease laibilities

	2025	2024
Short-term lease liabilities - within one year	**52,550,650**	20,870,309
Long-term lease liabilities		
- 1 to 5 years	**115,384,300**	58,991,147
- 5 to 10 years	**-**	-
- More than 10 years	**-**	-
	115,384,300	58,991,147
Total lease liabilities	**167,934,950**	79,861,456

17.2 This represent office space for Lahore and Karachi offices from Saudi Pak Real Estate (Pvt) Limited which is wholly owned subsidary of Company. These are discounted using incremental borrowing rate ranging from 11.98% to 15.85% (2024: 14.50% to 15.85%).

18 DEFERRED TAX LIABILITIES

	2025			
	At January 1, 2025	**Recognised in P&L**	**Recognised in OCI**	**At December 31, 2025**
	----Rupees----			
Deductible temporary differences on				
Surplus / (deficit) on revaluation of securities - FVOCI	**274,893,968**	**-**	**(274,893,968)**	**-**
Deficit on revaluation of securities - FVTPL	**76,019,122**	**474,813**	**-**	**76,493,934**
Right of Use Assets	**-**	**2,932,441**	**-**	**2,932,441**
Provision / Credit loss allowance against advances, investment, off balance sheet etc	**1,233,266,176**	**(56,800,483)**	**-**	**1,176,465,693**
	1,584,179,265	**(53,393,229)**	**(274,893,968)**	**1,255,892,069**
Taxable temporary differences on				
Accelerated tax depreciation	**(43,648,701)**	**21,698,143**	**-**	**(21,950,558)**
Dividend receivable	**(33,471,652)**	**19,302,016**	**-**	**(14,169,636)**
Net investment in leases	**-**	**(25,798,398)**	**-**	**(25,798,398)**
Right of Use Assets	**(551,271)**	**551,271**	**-**	**-**
Surplus on revaluation of securities - FVOCI	**-**	**-**	**(62,015,352)**	**(62,015,352)**
Surplus on revaluation of operating fixed assets	**(2,009,192,309)**	**61,085,020**	**-**	**(1,948,107,289)**
	(2,086,863,932)	**76,838,052**	**(62,015,352)**	**(2,072,041,232)**
	(502,684,667)	**23,444,823**	**(336,909,320)**	**(816,149,163)**

	2024			
	At January 1 2024 (Adjusted)	Recognised in P&L	Recognised in OCI	At December 31 2024
	----Rupees----			
DEFERRED TAX LIABILITIES				
Deductible temporary differences on				
Surplus / (deficit) on revaluation of securities - FVOCI	400,741,412	-	(125,847,444)	274,893,968
Deficit on revaluation of securities - FVTPL	(63,030,182)	139,049,304	-	76,019,122
Provision / Credit loss allowance against advances, investment, off balance sheet etc	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)

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		Note	2025	2024
			--------------Rupees--------------	
19	**OTHER LIABILITIES**			
	Mark-up / return / interest payable in local currency		**586,099,555**	2,357,317,023
	Accrued expenses		**148,655,532**	96,861,428
	Advance rental income	19.1	**226,616,008**	214,195,224
	Security deposits against rented properties	19.1	**44,848,149**	42,961,563
	Payable to defined benefit plan	37.4	**13,521,083**	11,208,944
	Provision for compensated absences		**13,681,379**	11,731,732
	Contract liability	19.2	**173,109,354**	31,163,839
	Credit loss allowance against off-balance sheet obligations	19.3	**22,333,533**	60,738,573
			1,228,864,593	2,826,178,326

19.1 This relate to premises let out in the Saudi Pak Tower, Jinnah Avenue, Blue Area, Islamabad.

19.2 This includes advance of Rs. 20 million (2024: Rs. nil) received against the sale of the non-banking asset.

		2025	2024
		--------------Rupees--------------	
19.3	**Credit loss allowance against off-balance sheet obligations**		
	Opening balance	**60,738,573**	43,642,361
	Charge for the year	**-**	17,096,212
	Reversals	**(38,405,040)**	-
		(38,405,040)	17,096,212
	Closing balance	**22,333,533**	60,738,573

20 **SHARE CAPITAL**

20.1 **Authorized Capital**

2025	2024		2025	2024
---------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

20.2 **Issued, subscribed and paid up share capital**

2025	2024		2025	2024
---------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

20.3 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.

	Note	2025	2024
		---------------Rupees	--------------
21 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
(Deficit) / surplus on revaluation of			
- Securities measured at FVOCI	9.1	**271,065,619**	(746,796,603)
- Property and equipment	21.1	**4,995,048,443**	5,151,775,164
- Non-banking assets acquired in satisfaction of claims		**13,451,631**	13,956,356
		5,279,565,693	4,418,934,917
Deferred tax on (deficit) / surplus on revaluation of:			
- Securities measured at FVOCI	18	**(62,015,352)**	274,893,968
- Property and equipment	21.1	**(1,949,803,143)**	(2,009,192,310)
		(2,011,818,495)	(1,734,298,342)
		3,267,747,198	2,684,636,575

21.1 Surplus on revaluation of property & equipment

	2025	2024
Surplus on revaluation of property & equipment as at January 1	**5,151,775,164**	3,726,366,387
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	**(95,641,702)**	(73,798,404)
Related deferred tax liability on incremental depreciation charged during the year	**(61,085,020)**	(47,182,584)
Surplus on revaluation of property & equipment as at December 31	**4,995,048,443**	5,151,775,164
Less: related deferred tax liability on:		
- revaluation as at January 1	**2,009,192,310**	1,453,282,886
- revaluation recognised during the year	**-**	603,092,008
- surplus realised on disposal during the year	**1,695,853**	-
- incremental depreciation charged during the year	**(61,085,020)**	(47,182,584)
	1,949,803,143	2,009,192,310
	3,045,245,299	3,142,582,854

22 CONTINGENCIES AND COMMITMENTS

	Note	2025	2024
-Guarantees	22.1	**5,288,029,000**	4,505,100,000
-Commitments	22.2	**8,255,037,932**	1,452,289,505
		13,543,066,932	5,957,389,505

22.1 Guarantees:

	2025	2024
Financial guarantees	**5,288,029,000**	4,505,100,000

22.2 Commitments:

	2025	2024
Commitments for acquisition of:		
- Operating fixed assets	**12,517,098**	8,188,848
- Intangible assets	**15,331,834**	5,880,657
	27,848,932	14,069,505
Non disbursed commitment for term and working capital finance	**8,227,189,000**	1,438,220,000
	8,255,037,932	1,452,289,505

22.3 Other contingent liabilities

22.3.1 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 vide order dated December 7, 2015 and 2012 to 2014 vide order dated November 7, 2017. 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 2019, 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. 1,592.976 million by making various add backs and disallowances in terms of orders DCR No. 14/108 dated March 18, 2019 for tax year 2015, DCR No. 15/108 dated March 18, 2019 for tax year 2016, DCR No. 16/108 dated March 18, 2019 for tax year 2017, DCR No. 05/61 dated March 14, 2019 for tax year 2018 and January 18, 2024 for tax year 2019. 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 vide order dated October 30, 2018 all of the tax years under consideration, and cummulative demand of Rs. 276.482 million was created on account of alleged default in withholding of tax in respect of payment of mark-up to Microfinance and Investment banks 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.

iv) For the tax year 2022, the assessing officer passed an order under section 4C of the Income Tax Ordinance 2001 levying super tax on the company and created demand of Rs. 59.230 million. The Company preferred appeal before the CIR(A) who remanded the matter to the assessing officer. The Company preferred further appeal before ATIR which is pending adjudication. Meanwhile, the company has already accounted for an impact of super tax to the extent of Rs 47.752 million out of such demand in the year 2022.

The management, 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.

22.3.2 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. The 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. The Customer filed the instant suit in the Sindh High Court, Karachi 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 will be 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. The 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 to extent of Rs.388.738 in favor of Saudi Pak and execution 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.400.00 million 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. The 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.

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

		2025	2024
24	**MARK-UP / RETURN / INTEREST EARNED**	--------------Rupees-------------	
	On:		
	Loans and advances	**2,373,649,996**	2,071,635,290
	Investments	**3,938,580,245**	8,790,057,871
	Lendings to financial institutions	**91,820,905**	86,090,168
	Balances with banks	**16,049,582**	14,165,354
		6,420,100,728	10,961,948,684
24.1	**Interest income (calculated using effective interest rate method) recognised on :**		
	Financial assets measured at amortised cost	**2,626,614,412**	2,370,183,505
	Financial assets measured at fair value through OCI	**3,793,486,316**	8,591,765,179
		6,420,100,728	10,961,948,684

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			2025	2024
			-------------Rupees-------------	
25	**MARK-UP / RETURN / INTEREST EXPENSED**			
	On:			
	Deposits		**468,000,377**	1,006,089,582
	Borrowings			
	Securities purchased under repurchase agreements		**1,111,901,786**	3,769,243,420
	Other short term borrowings		**2,139,252,133**	3,963,638,152
	Long term finance for export oriented projects from SBP		**362,206,178**	229,631,330
	Long term borrowings		**793,753,147**	889,855,629
			4,407,113,244	8,852,368,531
	Interest expense on lease liability against ROU assets		**16,064,486**	11,429,120
	Brokerage fee		**3,944,199**	4,725,796
			4,895,122,306	9,874,613,029
25.1	Interest expense calculated using effective interest rate method		**4,891,178,107**	9,869,887,233
	Brokerage fee		**3,944,199**	4,725,796
			4,895,122,306	9,874,613,029

25.2 The markup expensed amounting to Rs. 584,046 (2024: Rs. 2,069,1482) relates to Saudi Pak Employees Contributory Fund.

		Note	2025	2024
			-------------Rupees-------------	
26	**FEE & COMMISSION INCOME**			
	Credit related fees		**22,374,000**	28,925,650
	Commission on guarantees		**94,438,104**	55,962,661
			116,812,104	84,888,311
27	**GAIN / (LOSS) ON SECURITIES**			
	Realised	27.1	**103,084,881**	141,179,691
	Unrealised - measured at FVPL	9.1	**10,572,493**	69,366,507
			113,657,374	210,546,198
27.1	**Realised gain / (loss) on:**			
	Federal Government securities		**(78,929,240)**	22,460,769
	Shares		**181,633,446**	118,718,922
	Other debt securities		**380,675**	-
			103,084,881	141,179,691
28	**OTHER INCOME**			
	Rent on property- net	28.1	**317,423,483**	304,333,504
	Gain on sale of property & equipment - net		**8,725,947**	3,779,067
	Other rental		**1,505,467**	1,902,526
			327,654,897	310,015,097

		Note	2025	2024
			-------------Rupees-------------	
28.1	**Rent on property - net**			
	Rental income		**631,212,808**	551,610,888
	Less: property expense			
	Salaries, allowances and employee benefits		**41,658,781**	38,279,388
	Traveling and conveyance		**162,510**	8,700
	Medical		**909,005**	779,291
	Janitorial services		**21,120,471**	16,217,486
	Security services		**25,537,761**	20,275,043
	Insurance		**4,356,233**	2,384,972
	Postage, telegraph, telegram and telephone		**40,072**	8,657
	Printing and stationery		**179,100**	205,150
	Utilities		**30,964,321**	6,729,106
	Consultancy and professional charges		**166,569**	42,750
	Repairs and maintenance		**24,820,139**	29,916,647
	Rent, rates and taxes		**2,677,054**	2,665,609
	Depreciation		**156,831,689**	127,198,952
	Office general expenses		**4,365,620**	2,565,633
			313,789,325	247,277,384
			317,423,483	304,333,504
29	**OPERATING EXPENSES**			
	Total compensation expense	29.1	**432,932,997**	341,496,166
	Property expense			
	Rent & taxes		**739,216**	570,798
	Insurance		**622,319**	340,710
	Utilities cost		**28,638,555**	34,110,810
	Security (including guards)		**4,742,684**	4,346,350
	Repair and maintenance (including janitorial charges)		**6,550,025**	6,591,749
	Depreciation on ROU assets		**40,641,351**	33,701,541
	Depreciation		**22,404,527**	18,171,279
			104,338,676	97,833,238
	Information technology expenses			
	Software maintenance		**15,780,647**	15,346,841
	Hardware maintenance		**4,018,847**	2,866,870
	Amortisation		**3,210,740**	3,588,966
	Network charges		**4,558,901**	4,533,337
			27,569,135	26,336,014
	Other operating expenses			
	Directors' fees and allowances		**22,720,000**	23,840,000
	Legal and professional charges		**20,672,909**	5,048,667
	Consultancy, custodial and rating services		**27,641,143**	11,266,689
	Outsourced services costs		**47,647,855**	42,036,574
	Travelling and conveyance		**45,190,489**	34,082,957
	Depreciation		**42,814,335**	30,908,637
	Training and development		**6,106,138**	4,567,170
	Postage and courier charges		**670,339**	959,382
	Communication		**7,024,798**	5,155,505
	Stationery and printing		**6,801,910**	5,544,872
	Marketing, advertisement and publicity		**11,503,422**	13,530,705
	Donations	29.2	**2,000,000**	3,000,000
	Auditors' remuneration	29.3	**8,400,000**	2,500,000
	Repair and maintenance		**11,393,140**	8,845,719
	Insurance		**4,235,509**	2,699,156
	Office and general expenses		**27,754,911**	15,773,685
	Bank charges		**266,336**	124,109
			292,843,234	209,883,827
			857,684,042	675,549,245

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29.1 Total compensation expense

	Note	2025	2024
		---------------- Rupees ----------------	
Fees and allowances etc.			
Managerial remuneration			
i) Fixed		**127,693,030**	110,120,674
ii) Variable			
of which;			
a) Cash bonus / awards etc.		**70,354,453**	42,000,000
b) Bonus & awards in shares etc.		**-**	-
Charge for defined benefit plan	37.7	**10,339,234**	7,301,419
Contribution to defined contribution plan		**12,584,440**	10,496,561
Compensated absences		**6,916,478**	6,513,620
Leave fare assistance		**6,880,889**	4,927,655
Exgratia		**10,701,811**	8,950,921
Rent & house maintenance		**75,866,449**	62,658,645
Utilities		**14,041,382**	11,931,109
Medical		**28,112,053**	22,293,970
Conveyance		**48,604,778**	36,719,541
Grant to employee		**-**	-
Deferred employee benefit - amortization		**17,719,826**	13,688,623
Others	29.1.1	**3,118,174**	3,893,428
Sub-total		**432,932,997**	341,496,166
Sign-on bonus		**-**	-
Severance allowance		**-**	-
Grand total		**432,932,997**	341,496,166

29.1.1 This includes mainly group life insurance for permanent employees.

29.2 Donations

	2025	2024
Noon Educational Services (Pvt) Ltd	**2,000,000**	2,000,000
Hrd Network	**-**	1,000,000
	2,000,000	3,000,000

29.3 Auditors' remuneration

	2025	2024
Audit fee	**1,914,500**	1,695,000
Half yearly review	**885,500**	805,000
Fee for other statutory certifications	**-**	-
Out of pocket expenses	**-**	-
	2,800,000	2,500,000
Fee for other certifications	**-**	-
Special review - IFRS 9	**5,600,000**	-
	8,400,000	**2,500,000**

30 OTHER CHARGES

	2025	2024
Penalties imposed by State Bank of Pakistan	-	5,126,000

31 CREDIT LOSS ALLOWANCE & WRITE OFFS - NET

	Note	2025	2024
Credit loss allowance against lending to financial institutions	8.3	**(150,212)**	176,467
Credit loss allowance for diminution in value of investments - net	9.4.2	**(69,589,023)**	(203,580,419)
Credit loss allowance against loans and advances - net	10.6	**(227,360,924)**	(238,732,856)
Other credit loss allowance / write offs		**(267,389,285)**	184,955,387
		(564,489,444)	(169,660,890)

		Note	2025	2024
			---------------- Rupees ----------------	
32	**Levy differential**			
	Minimum Tax	33.1	**(19,964,787)**	(1,525,997)
	Final tax	33.2	**(29,429,568)**	(19,062,063)
			(49,394,355)	(20,588,060)

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

33.2 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.

		2025	2024
		---------------- Rupees ----------------	
33	**TAXATION**		
	Current tax		
	Current year	**(548,033,827)**	(459,191,984)
	Prior year	**(14,624,292)**	5,166,707
		(562,658,119)	(454,025,277)
	Deferred tax		
	Current year	**23,444,823**	10,584,555
	Prior year	**-**	-
		23,444,823	10,584,555
		(539,213,295)	(443,440,722)

33.1 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:

	2025	2024
	--------------Rupees--------------	
Current tax liability for the year as per applicable tax laws	**597,428,182**	479,780,043
Portion of current tax liability as per tax laws, representing income tax under IAS 12	**(548,033,827)**	(459,191,983)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	**(49,394,355)**	(20,588,060)
Difference	-	-

33.2 The aggregate of minimum / final tax and income tax, amounting to Rs. 597.428 million (2024: 479.780 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

		2025	2024
33.3	**Relationship between tax expense and accounting profit**	--------------Rupees--------------	
	Accounting profit for the year	**1,912,314,649**	**1,383,849,890**
	Tax Rate	29%	-
	Tax on accounting profit	**554,571,248**	-
	Tax effect on income subject to lower rate of taxation	**(57,920,221)**	-
	Tax effect of prior years	**14,624,292**	-
	Impact of super tax for current year	**162,478,700**	-
	Impact of permanent differences - disallowance of penalties imposed by the SBP	**-**	-
	Others	**(93,414,936)**	-
		580,339,084	-

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34 BASIC EARNINGS PER SHARE

	2025	2024
Profit for the period - Rupees	**1,323,706,999**	919,821,109
Weighted average number of ordinary shares	**676,500,000**	676,500,000
Basic earnings per share - Rupee	**1.957**	1.360

35 CASH AND CASH EQUIVALENTS

	2025	2024
Cash and Balance with Treasury Banks	**257,902,472**	224,987,485
Balance with other banks	**666,747,319**	82,124,879
	924,649,791	307,112,364

36 STAFF STRENGTH

	2025	2024
	------------ (Number) ------------	
Permanent	**73**	73
On Company's contract	**1**	1
Company's own staff strength at the end of the year	**74**	74

36.1 In addition to the above, 68 (2024: 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.

37 DEFINED BENEFIT PLAN

37.1 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, 2025 using the projected unit credit method. Detail of the defined benefit plan are:

37.2 Number of employees under the scheme

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

	2025	2024
	------------ (Number) ------------	
Gratuity fund	**74**	74

37.3 Principal actuarial assumptions

The latest actuarial valuations was carried out as at December 31, 2025 using the following significant assumptions:

	2025	2024
Discount rate	**11.00% per annum**	12.25% per annum
Expected rate of return on plan assets	**12.02% per annum**	20.82% per annum
Expected rate of salary increase	**10.00% per annum**	11.25% per annum
Expected rate of increase in pension		
Expected rate of increase in medical benefit		
Mortality rates	**SLIC (2001-05)-1**	SLIC (2001-05)-1
Rate of employee turnover	**Moderate**	Moderate

	Note	2025	2024
		------------- Rupees -------------	
37.4 Reconciliation of payable to defined benefit plans			
Present value of obligations		**71,472,696**	64,228,226
Fair value of plan assets		**(57,951,613)**	(53,019,282)
Net liability		**13,521,083**	11,208,944
37.5 Movement in defined benefit obligations			
Obligations at the beginning of the year		**64,228,226**	53,812,472
Current service cost		**9,023,010**	7,024,022
Interest cost		**7,726,500**	8,285,959
Benefits paid by the Company		**(12,567,072)**	(10,700,794)
Re-measurement loss		**3,062,032**	5,806,567
Obligations at the end of the year		**71,472,696**	64,228,226
37.6 Movement in fair value of plan assets			
Fair value at the beginning of the year		**53,019,282**	51,889,109
Interest income on plan assets		**6,410,276**	8,008,562
Contributions by Company		**11,208,944**	1,941,476
Benefits paid by the Fund to the Company		**(12,567,072)**	(10,700,794)
Re-measurements: Actuarial gain / (loss) on plan assets	37.8.2	**(119,817)**	1,880,929
Fair value at the end of the year		**57,951,613**	53,019,282
37.7 Movement in payable under defined benefit schemes			
Opening balance		**11,208,944**	1,923,363
Charge for the year		**10,339,234**	7,301,419
Benefits paid to outgoing members		**(12,567,072)**	(10,700,794)
Contribution by the Company		**(11,208,944)**	(1,941,476)
Re-measurement loss recognised in OCI during the year	37.8.2	**3,181,849**	3,925,638
Amount paid by the fund to the Company		**12,567,072**	10,700,794
Closing balance		**13,521,083**	11,208,944

37.8 Charge for defined benefit plans

	2025	2024
37.8.1 Cost recognised in profit and loss		
Current service cost	**9,023,010**	7,024,022
Net interest on defined benefit liability	**1,316,224**	277,397
	10,339,234	7,301,419

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	2025	2024
37.8.2 Re-measurements recognised in OCI during the year	------------ Rupees	------------
Loss / (gain) on obligation		
- Demographic assumptions	**-**	-
- Financial assumptions	**(470,925)**	3,817,656
- Experience adjustments	**3,532,957**	1,988,911
Total actuarial loss on obligation	**3,062,032**	5,806,567
Net return on plan assets over interest income / (loss)	**119,817**	(1,880,929)
Total re-measurements recognised in OCI	**3,181,849**	3,925,638

37.9 Components of plan assets

	2025	2024
Cash and cash equivalents	**7,951,613**	31,300,298
Term deposit receipts (TDR) / Certificate of Investment - unquoted	**50,000,000**	24,381,953
Payable to the company by the fund	**-**	(2,662,969)
	57,951,613	53,019,282

37.9.1 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.

37.10 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:

	2025	2024
	------------ Rupees	------------
Discount rate +0.5%	**68,637,412**	61,865,338
Discount rate -0.5%	**74,476,544**	66,735,423
Long term salary increase +0.5%	**74,659,643**	66,896,806
Long term salary increase -0.5%	**68,443,602**	61,695,169

	2026
	---- Rupees ----
37.11 Expected contributions to be paid to the fund in the next financial year	**11,740,723**

37.12 Expected charge for next financial year

Current service cost	**10,310,135**
Net interest on defined benefit asset / liability	**1,430,588**
	11,740,723

37.13 Maturity profile

Distribution of timing of benefit payments (years)

	2025	2024
	------------- Rupees -------------	
- 1	**3,050,170**	11,401,210
- 2	**5,496,466**	3,033,837
- 3	**3,932,840**	5,435,751
- 4	**8,779,498**	3,814,835
- 5	**4,693,739**	8,897,198
- 6-10	**107,964,714**	91,242,992
Weighted average duration of the PBO (years)	**8.16**	7.57

37.14 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.

37.15 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
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.

38 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, 2025 were Rs. 171,814,306 (2024: Rs. 155,273,501).

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39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

39.1 Total compensation expense

Items	2025				
	Directors			GM / CEO	Key Management Personnel
	Chairman	Executives (other than CEO)	Non-Executives		
	Rupees				
Fees and allowances etc.	3,750,000	-	18,970,000	-	-
Managerial remuneration					
i) Fixed	-	-	-	12,025,068	37,483,260
ii) Total variable					
of which					
a) Cash bonus / awards	-	-	-	15,500,000	18,829,604
b) Bonus & awards in shares	-	-	-	-	-
Charge for defined benefit plan	-	-	-	3,075,417	2,143,441
Contribution to defined contribution plan	-	-	-	1,202,507	4,084,976
Compensated absences	-	-	-	1,670,150	3,853,940
Leave fare assistance	-	-	-	1,002,089	3,635,300
Exgratia	-	-	-	1,002,089	3,179,160
Rent & house maintenance	-	-	-	7,575,041	22,489,956
Utilities	-	-	-	1,202,507	3,748,326
Medical	-	-	-	408,000	6,240,796
Conveyance	-	-	-	-	-
Deferred employee benefit - amortization	-	-	-	6,434,982	23,273,555
Others	-	-	-	2,953,402	19,994,974
Total	3,750,000	-	18,970,000	54,051,252	148,957,288
Number of persons	1	-	5	1	10

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	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	-	-	-	13,838,613	12,776,505
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	44,379,172	116,602,187
Number of Persons	1	-	5	1	12

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

		2025					
		Meeting Fees and Allowances Paid					
				For Board Committees			
Sr. No.	Name of Directors	For Board Meetings	For Annual General Meeting	Audit Committee	Risk Management Committee	Human Resource Committee	Total Amount Paid
			----------Rupees----------				
1	Sultan Mohammed Hasan Abdulrauf	3,000,000	150,000	-	-	600,000	3,750,000
2	Majid Misfer J. Alghamdi	1,400,000	80,000	950,000	450,000	-	2,880,000
3	Ghanem Alghanem	2,500,000	80,000	950,000	450,000	450,000	4,430,000
4	Awais Manzur Sumra	2,500,000	-	1,000,000	-	500,000	4,000,000
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	500,000	3,580,000
	Total Amount Paid	14,400,000	470,000	3,900,000	1,900,000	2,050,000	22,720,000

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.

		2024					
		Meeting Fees and Allowances Paid					
				For Board Committees			
Sr. No.	Name of Directors	For Board Meetings	For Annual General Meeting	Audit Committee	Risk Management Committee	Human Resource Committee	Total Amount Paid
			----------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.

40 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

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.

40.1 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 Mutual Fund Association of Pakistan (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 measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2025				
	Carrying value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments			------------------------------ Rupees ------------------------------		
Financial assets - measured at fair value					
Investments					
- Federal Government Securities	18,959,220,440	-	18,959,220,440	-	18,959,220,440
- Shares					
Listed companies	728,023,466	728,023,466	-	-	728,023,466
Unlisted companies	719,054,819	-	-	719,054,819	719,054,819
- Non-Government Debt Securities	689,385,421	-	-	689,385,421	689,385,421
	21,095,684,146	728,023,466	18,959,220,440	1,408,440,240	21,095,684,146
Financial assets disclosed but not-measured at fair value					
Investments					
- Federal Government Securities	-	-	-	-	-
- Non-Government Debt Securities	1,140,848,185	-	-	-	1,140,848,185
	1,140,848,185	-	-	-	1,140,848,185
Off-balance sheet financial instruments - measured at fair value	-	-	-	-	-

	2024				
	Carrying value	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments			Rupees		
Financial assets - measured at fair value					
Investments					
- Federal Government Securities	141,405,279,374	-	141,405,279,374	-	141,405,279,374
- Shares	-				
Listed companies	681,503,297	681,503,297	-	-	681,503,297
Unlisted companies	540,671,358	-	-	540,671,358	540,671,358
- Non-Government Debt Securities	685,158,852	-	-	685,158,852	685,158,852
	143,312,612,881	681,503,297	141,405,279,374	1,225,830,210	143,312,612,881
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	-	-	-	-	-
Non-Government Debt Securities	1,205,130,717	-	-	-	1,205,130,717
	1,205,130,717	-	-	-	1,205,130,717
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, 2025, 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.

40.2 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.

40.3 Fair value of non-financial assets

	2025				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Total**
			Rupees		
Non-financial assets					
Property and equipment (lease hold land, building and others)	**5,317,817,477**	**-**	**-**	**5,317,817,477**	**5,317,817,477**
Non banking assets acquired in satisfaction of claims	**59,086,497**	**-**	**-**	**59,086,497**	**59,086,497**

	2024				
	Carrying value	Level 1	Level 2	Level 3	Total
			Rupees		
Non-financial assets					
Property and equipment (lease hold land, building and others)	5,518,082,486	-	-	5,518,082,486	5,518,082,486
Non banking assets acquired in satisfaction of claims	61,303,500	-	-	61,303,500	61,303,500

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

Items	**Valuation approach and input used**
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.

41 Segment Details with respect to Business Activities

41.1 Segment details with respect to business activities

	2025			
	Corporate Finance	Trading and sales	Building rental services	Total
	----------Rupees----------			
Profit & Loss				
Net mark-up/return/profit	868,732,138	656,246,284	-	1,524,978,422
Non mark-up / return / interest income	125,538,051	236,063,824	318,928,950	680,530,825
Total income	994,270,189	892,310,108	318,928,950	2,205,509,247
Segment direct expenses	452,018,753	405,665,289	-	857,684,042
Total expenses	452,018,753	405,665,289	-	857,684,042
Credit loss allowance	(407,989,594)	(156,499,850)	-	(564,489,444)
Profit before tax	950,241,030	643,144,669	318,928,950	1,912,314,649
Balance Sheet				
Cash and bank balances	-	923,206,267	-	923,206,267
Lendings to financial institutions	-	84,812,758	-	84,812,758
Investments	977,416,204	21,759,116,127	-	22,736,532,331
Advances - performing	18,527,766,084	-	-	18,527,766,084
- non-performing net	34,755,389	-	-	34,755,389
Others	1,770,977,078	2,782,817,625	5,667,884,707	10,221,679,410
Total assets	21,310,914,755	25,549,952,777	5,667,884,707	52,528,752,239
Borrowings	12,012,637,215	17,101,062,834	-	29,113,700,049
Deposits & other accounts	3,238,406,212	-	-	3,238,406,212
Others	846,540,650	1,198,473,106	167,934,950	2,212,948,706
Total liabilities	16,097,584,077	18,299,535,940	167,934,950	34,565,054,967
Equity	-	-	-	17,963,697,272
Total equity & liabilities	16,097,584,077	18,299,535,940	167,934,950	52,528,752,239
Contingencies and commitments	13,515,218,000	-	27,848,932	13,543,066,932

	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
Credit loss allowance	(169,660,890)	-	-	(169,660,890)
Profit before tax	362,680,435	714,933,426	306,236,030	1,383,849,890
Balance Sheet				
Cash and bank balances	-	300,916,450	-	300,916,450
Lendings to financial institutions	-	384,209,641	-	384,209,641
Investments	1,665,239,324	143,352,504,273	-	145,017,743,598
Advances - performing	12,722,572,269	-	-	12,722,572,269
- non-performing net	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	170,624,909,918
Contingencies and commitments	4,640,180,439	1,255,070,787	62,138,279	5,957,389,505

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41.2 Segment details with respect to geographical locations

GEOGRAPHICAL SEGMENT ANALYSIS

	2025		
	In Pakistan	Outside Pakistan	Total
Profit & loss	Rupees		
Net mark-up/return/profit	1,524,978,422	-	1,524,978,422
Inter segment revenue - net	-	-	-
Non mark-up / return / interest income	680,530,825	-	680,530,825
Total income	2,205,509,247	-	2,205,509,247
Segment direct expenses	857,684,042	-	857,684,042
Inter segment expense allocation	-	-	-
Total expenses	857,684,042	-	857,684,042
Provisions	(564,489,444)	-	(564,489,444)
Profit before income tax and minimum tax differential	1,912,314,649	-	1,912,314,649
Balance sheet			
Cash & bank balances	923,206,267	-	923,206,267
Investments	22,736,532,331	-	22,736,532,331
Net inter segment lendings	-	-	-
Lendings to financial institutions	84,812,758	-	84,812,758
Advances - performing	18,527,766,084	-	18,527,766,084
- non-performing net of provision	34,755,389	-	34,755,389
Others	10,221,679,410	-	10,221,679,410
Total assets	52,528,752,239	-	52,528,752,239
Borrowings	29,113,700,049	-	29,113,700,049
Deposits & other accounts	3,238,406,212	-	3,238,406,212
Net inter segment borrowing	-	-	-
Others	2,212,948,706	-	2,212,948,706
Total liabilities	34,565,054,967	-	34,565,054,967
Equity	17,963,697,272	-	17,963,697,272
Total equity & liabilities	52,528,752,239	-	52,528,752,239
Contingencies & commitments	13,543,066,932	-	13,543,066,932

	2024		
	In Pakistan	Outside Pakistan	Total
	Rupees		
Profit & loss			
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

42 RELATED PARTY TRANSACTIONS

The Governments 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.

Transactions which are made under the terms of employment with related parties mainly comprise of loans and advances 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:

	2025						2024					
	Shareholders	**Directors**	**Key management personnel**	**Subsidiary**	**Associate**	**Other related parties**	Shareholders	Directors	Key management personnel	Subsidiary	Associate	Other related parties
	Rupees						Rupees					
Lendings to financial institutions												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	3,250,155,700
Addition during the year	-	-	-	-	-	54,325,251,284	-	-	-	-	-	35,380,627,193
Repaid during the year	-	-	-	-	-	(54,240,251,284)	-	-	-	-	-	(38,630,782,893)
Closing balance	-	-	-	-	-	85,000,000	-	-	-	-	-	-
ECL held against Lendings to financial institutions	-	-	-	-	-	-	-	-	-	-	-	-
Investments												
Opening balance	-	-	-	500,000,000	576,676,075	-	-	-	-	500,000,000	576,676,075	-
Investment made during the year	-	-	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	500,000,000	576,676,075	-	-	-	-	500,000,000	576,676,075	-
ECL for diminution in value of investments	-	-	-	-	(576,676,075)	-	-	-	-	-	(576,676,075)	-
Advances												
Opening balance	-	-	74,284,300	-	-	-	-	-	63,642,786	-	-	-
Addition during the year	-	-	47,208,903	-	-	-	-	-	45,450,984	-	-	-
Repaid during the year	-	-	(28,588,410)	-	-	-	-	-	(34,809,470)	-	-	-
Closing balance	-	-	92,904,793	-	-	-	-	-	74,284,300	-	-	-
ECL held against advances	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets												
Interest / mark-up accrued	-	-	-	-	-	-	-	-	-	34,620	-	73,956
Security deposit	-	-	-	4,584,480	-	-	-	-	-	1,602,775	-	-
Borrowings												
Opening balance	-	-	-	-	-	1,976,082,000	-	-	-	-	-	-
Borrowings during the year	-	-	-	-	-	34,945,405,158	-	-	-	-	-	66,130,396,033
Settled during the year	-	-	-	-	-	(36,921,487,158)	-	-	-	-	-	(64,154,314,033)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	1,976,082,000
Deposits and other accounts												
Opening balance	-	-	-	-	-	3,029,800,000	-	-	-	-	-	3,065,000,000
Received during the year	-	-	-	-	-	-	-	-	-	-	-	1,907,800,000
Withdrawn during the year	-	-	-	-	-	(3,029,800,000)	-	-	-	-	-	(1,943,000,000)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	3,029,800,000
Other Liabilities												
Interest / mark-up payable	-	-	-	-	-	-	-	-	-	-	-	16,242,057
Payable to staff retirement fund	-	-	-	-	-	13,521,083	-	-	-	-	-	11,208,944
Dividend payable to foreign shareholder	-	-	-	-	-	-	-	-	-	-	-	-
Security deposit	-	-	-	605,610	-	2,988,372	-	-	-	545,049	-	2,988,372
Rent received in advance	-	-	-	1,514,025	-	39,773,574	-	-	-	1,362,623	-	36,712,597

	2025						2024					
	Shareholders	**Directors**	**Key manage-ment personnel**	**Subsidiary**	**Associate**	**Other related parties**	Shareholders	Directors	Key manage-ment personnel	Subsidiary	Associate	Other related parties
	Rupees						Rupees					
Income												
Mark-up / return / interest earned	-	-	8,730,042	-	-	24,384,945	-	-	2,871,660	-	-	29,716,150
Rental income	-	-	-	6,934,235	-	42,539,299	-	-	-	6,195,165	-	39,265,087
Expense												
Mark-up / return / interest expensed	-	-	-	-	-	156,003,592	-	-	-	-	-	868,862,262
Contribution to employees' funds	-	-	-	-	-	22,923,674	-	-	-	-	-	6,898,649
Directors' fees and allowances	-	22,720,000	-	-	-	-	-	23,840,000	-	-	-	-
Shareholders' fee	-	-	-	-	-	-	-	-	-	-	-	-
Operating expenses	-	-	203,008,541	-	-	-	-	-	160,981,359	-	416,380	-

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43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2025	2024
	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	**14,688,686**	13,545,327
Eligible Additional Tier 1 (ADT 1) Capital	**-**	-
Total Eligible Tier 1 Capital	**14,688,686**	13,545,327
Eligible Tier 2 Capital	**3,671,214**	3,027,175
Total Eligible Capital (Tier 1 + Tier 2)	**18,359,900**	16,572,502
Risk Weighted Assets (RWAs):		
Credit Risk	**36,947,401**	30,649,209
Market Risk	**1,956,493**	7,766,946
Operational Risk	**4,195,707**	2,999,559
Total	**43,099,601**	41,415,714
Common Equity Tier 1 Capital Adequacy ratio	**34.08%**	32.71%
Tier 1 Capital Adequacy Ratio	**34.08%**	32.71%
Total Capital Adequacy Ratio	**42.60%**	40.02%

As of Decmber 31, 2025, the Company must 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.

	2025	2024
	Rs '000'	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**14,688,686**	13,545,327
Total Exposures	**66,071,819**	176,582,299
Leverage Ratio	**22.23%**	7.67%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**17,598,000**	15,930,000
Total Net Cash Outflow	**12,984,000**	14,642,000
Liquidity Coverage Ratio	**135.54%**	108.80%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**35,189,000**	93,831,000
Total Required Stable Funding	**25,222,000**	48,968,000
Net Stable Funding Ratio	**139.52%**	191.62%

44 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.

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44.1 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; and
- 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.

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, 2025 amounted to:

	2025 Without benefit of collateral	2025 With benefit of collateral
	------------Rupees-----------	
Lending to financial institutions	-	**85,000,000**
Debt investments		
(excluding Government of Pakistan local currency denominated debt)	-	**1,830,233,606**
Advances	-	**18,562,521,473**
	-	**20,477,755,079**

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

44.1.1 Lendings to financial institutions

Credit risk by public / private sector	2025	2024	2025	2024	2025			2024		
	Gross lendings		Non-performing lendings		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	-----	-----	-----	-----	-----Rupees-----	-----	-----	-----	-----	-----
Public / Government	**85,000,000**	384,547,095	-	-	**187,242**	**-**	**-**	337,454	-	-
Private	**-**	-	-	-	**-**	**-**	**-**	-	-	-
	85,000,000	384,547,095	-	-	**187,242**	**-**	**-**	337,454	-	-

44.1.2 Investment in debt securities

Credit risk by industry sector	2025	2024	2025	2024	2025			2024		
	Gross investments		Non-performing investments		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	-----	-----	-----	-----	-----Rupees-----	-----	-----	-----	-----	-----
Textile	**665,016,571**	805,347,500	**67,500,000**	67,500,000	**11,467,564**	**-**	**67,500,000**	8,837,133	13,358,658	67,500,000
Chemical and Pharmaceuticals	**89,105,000**	9	**89,105,000**	9	**-**	**-**	**89,105,000**	-	-	9
Construction	**-**	-	**-**	-	**-**	**-**	**-**	-	-	-
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	**1,255,965,902**	1,250,518,202	**3,748,500**	3,748,500	**7,501,776**	**5,769,280**	**3,748,500**	821,844	71,309,998	3,748,500
	2,048,051,941	2,093,830,179	**198,317,968**	109,212,977	**18,969,339**	**5,769,280**	**198,317,968**	9,658,977	84,668,656	109,212,977

Credit risk by public / private sector

Public / Government	**199,480,000**	199,480,000	**-**	-	**-**	**-**	**-**	-	-	-
Private	**1,848,571,941**	1,972,471,938	**198,317,968**	109,212,977	**18,969,339**	**5,769,280**	**198,317,968**	9,658,977	84,668,656	109,212,977
	2,048,051,941	2,171,951,938	**198,317,968**	109,212,977	**18,969,339**	**5,769,280**	**198,317,968**	9,658,977	84,668,656	109,212,977

44.1.3 ***Advances***

Credit risk by industry sector	2025	2024	2025	2024	2025			2024		
	Gross advances		Non-performing advances		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	------Rupees------									
Textile	**4,721,312,793**	3,319,484,508	**1,023,421,800**	1,144,571,299	**74,903,755**	**2,488,696**	**988,666,411**	72,351,461	4,546,547	1,054,783,600
Chemical and Pharmaceuticals	**1,985,819,354**	940,038,708	**-**	-	**32,630,860**	**-**	**-**	29,960,826	-	-
Cement	**116,206,923**	766,079,362	**116,206,923**	116,206,923	**-**	**-**	**116,206,923**	13,897,434	-	116,206,923
Sugar	**1,309,541,641**	614,025,423	**221,557,236**	243,114,473	**24,576,705**	**-**	**221,557,236**	13,999,855	-	243,114,473
Automobile and transportation equipment	**1,304,023,579**	708,247,973	**395,500,000**	357,847,973	**18,900,586**	**-**	**395,500,000**	8,535,114	-	445,673,660
Electronics and electrical appliances	**1,421,090,713**	456,115,950	**-**	-	**31,262,951**	**-**	**-**	14,639,771	-	-
Construction	**357,080,094**	357,080,094	**57,080,094**	57,080,094	**-**	**55,592,289**	**57,080,094**	8,151,350	-	57,080,094
Power (electricity), Gas, Water, Sanitary	**3,274,774,199**	4,626,474,776	**165,028,752**	268,153,752	**53,447,688**	**701,670**	**165,028,752**	87,818,530	34,286,892	268,153,752
Transport, Storage and Communication	**4,395,974,739**	1,748,913,043	**-**	-	**77,172,157**	**1,864,683**	**-**	47,893,744	-	-
Financial	**73,500,000**	73,500,000	**73,500,000**	73,500,000	**-**	**-**	**73,500,000**	-	-	73,500,000
Services	**1,325,546,104**	1,139,820,383	**15,000,000**	-	**15,811,728**	**68,210,813**	**15,000,000**	16,578,227	50,125,774	-
Paper board and products	**253,413,261**	4,203,851	**4,203,851**	4,203,851	**3,852,219**	**-**	**4,203,852**	-	-	4,203,851
Rubber and plastic products	**-**	577,523,579	**-**	-	**-**	**-**	**-**	8,148,097	39,438,369	-
Basic metals	**63,960,730**	69,093,230	**63,960,730**	69,093,230	**-**	**-**	**63,960,730**	-	-	69,093,230
Dairy & Poultry	**-**	-	**-**	-	**-**	**-**	**-**	-	-	-
Others	**659,169,791**	250,186,775	**127,250,000**	142,250,000	**9,521,652**	**-**	**127,250,000**	1,821,797	-	142,250,000
	21,261,413,921	15,650,787,655	**2,262,709,386**	2,476,021,595	**342,080,301**	**128,858,150**	**2,227,953,998**	323,796,208	128,397,583	2,474,059,583

Credit risk by public / private sector	2025	2024	2025	2024	2025			2024		
	Gross advances		Non-performing advances		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	------Rupees------									
Public / Government	-	-	-	-	-	-	-	-	-	-
Private	21,261,413,921	15,650,787,655	2,262,709,386	2,476,021,595	342,080,301	128,858,150	2,227,953,998	323,796,208	128,397,583	2,474,059,583
	21,261,413,921	15,650,787,655	2,262,709,386	2,476,021,595	342,080,301	128,858,150	2,227,953,998	323,796,208	128,397,583	2,474,059,583

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44.1.4 Contingencies and Commitments

	2025	2024
	------------Rupees------------	
Commitments: credit risk by industry sector		
Textile	**-**	500,000,000
Chemical and Pharmaceuticals	**700,000,000**	75,000,000
Cement	**-**	-
Sugar	**322,000,000**	-
Automobile and transportation equipment	**400,000,000**	-
Electronics and electrical appliances	**500,000,000**	350,000,000
Power (electricity), Gas, Water, Sanitary	**4,923,189,000**	2,145,146,686
Transport, Storage and Communication	**1,252,025,000**	76,086,957
Financial	**3,663,100,000**	2,735,100,000
Services	**-**	72,798,000
Others	**1,782,752,932**	3,257,862
	13,543,066,932	5,957,389,505
Credit risk by public / private sector		
Public / Government	**1,000,000,000**	5,015,100,000
Private	**12,543,066,932**	942,289,505
	13,543,066,932	5,957,389,505

44.1.5 Concentration of Advances

Top 10 exposures of the Company on the basis of total (funded and non-funded exposures) aggregated to Rs. 13,519 million (2024: Rs. 9,454 million) as follows:

	2025	2024
	------------Rupees------------	
Funded	**7,796,128,236**	5,754,031,530
Non Funded	**5,723,188,711**	3,700,000,000
Total Exposure	**13,519,316,947**	9,454,031,530

The sanctioned limits against these top 10 exposures aggregated to Rs. 14,265,000,000 (2024: Rs. 7,730,000,000).

	2025		2024	
	Amount	**Credit loss allowance held**	Amount	Provision held
	------------------------------Rupees------------------------------			
Total funded classified therein				
Substandard	**-**	**-**	-	-
Doubtful	**-**	**-**	-	-
Loss	**-**	**-**	-	-
Total	**-**	**-**	-	-

44.1.6 Advances - Province/Region-wise Disbursement & Utilization

	2025						
	Disbursements	Utilization					
Province/Region		**Punjab**	**Sindh**	**KPK including FATA**	**Balochistan**	**Islamabad**	**AJK including Gilgit-Baltistan**
		Rupees					
Punjab	-	-	-	-	-	-	-
Sindh	**28,674,365,829**	**12,856,515,767**	**14,227,558,307**	**700,000,000**	-	**890,291,755**	-
KPK including FATA	-	-	-	-	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	-	-	-	-	-	-	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	**28,674,365,829**	**12,856,515,767**	**14,227,558,307**	**700,000,000**	-	**890,291,755**	-

	2024						
	Disbursements	Utilization					
Province/Region		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
		Rupees					
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	-

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44.2 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 43.

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.

44.2.1 Balance sheet split by trading and banking books

	2025			2024		
	Banking book	**Trading book**	**Total**	Banking book	Trading book	Total
	Rupees			Rupees		
Cash and balances with treasury banks	**257,902,472**	**-**	**257,902,472**	224,987,485		224,987,485
Balances with other banks	**665,303,795**	**-**	**665,303,795**	75,928,965	-	75,928,965
Lendings to financial institutions	**84,812,758**	**-**	**84,812,758**	384,209,641	-	384,209,641
Investments	**2,992,198,425**	**19,744,333,906**	**22,736,532,331**	2,875,394,420	142,142,349,178	145,017,743,598
Advances	**18,562,521,473**	**-**	**18,562,521,473**	12,724,534,281	-	12,724,534,281
Non-current asset classified as held for sale	**50,000,000**	**-**	**50,000,000**	-	-	-
Fixed assets	**5,323,883,287**	**-**	**5,323,883,287**	5,523,419,300	-	5,523,419,300
Right-of-use asset	**160,415,870**	**-**	**160,415,870**	81,274,896	-	81,274,896
Intangible assets	**7,263,746**	**-**	**7,263,746**	5,105,366	-	5,105,366
Deferred tax assets	**-**	**-**	**-**	-	-	-
Other assets	**4,680,116,507**	**-**	**4,680,116,507**	6,587,706,387	-	6,587,706,387
	32,784,418,333	**19,744,333,906**	**52,528,752,239**	28,482,560,741	142,142,349,178	170,624,909,919

44.2.2 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:

	2025				2024			
	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	**38,431,981**	**-**	**-**	**38,431,981**	36,527,091	-	-	36,527,091

	2025		2024	
	Banking book	**Trading book**	Banking book	Trading book
	Rupees		Rupees	
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	**384,320**	**-**	365,271	-
- Other comprehensive income	**-**	**-**	-	-

44.2.3 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.

	2025		2024	
	Banking book	**Trading book**	Banking book	Trading book
	---------------Rupees-------------		---------------Rupees-------------	
Impact of 5% change in equity prices on				
- Profit and loss account	-	**3,961,400**	-	9,322,825
- Other comprehensive income	-	**35,294,273**	-	27,530,665

44.2.4 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.

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	2025 Banking book	2025 Trading book	2024 Banking book	2024 Trading book
Impact of 1% change in interest rates on	---Rupees---		---Rupees---	
- Profit and loss account	87,862,817	-	36,472,935	-
- Other comprehensive income	-	-	-	-

44.2.5 Mismatch of Interest Rate Sensitive Assets and Liabilities

2025

	Effective Yield/ Interest rate	Total	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	-	257,902,472	-	-	-	-	-	-	-	-	-	257,902,472
Balances with other banks	9.50	665,303,795	665,303,795	-	-	-	-	-	-	-	-	-
Lending to financial institutions	10.50	84,812,758	84,812,758	-	-	-	-	-	-	-	-	-
Investments	12.59	22,736,532,331	38,431,981	518,058,690	575,467,671	133,002,500	253,505,000	1,680,284,500	17,190,800,000	451,755,452	-	1,895,226,537
Advances	11.79	18,562,521,473	6,075,874,972	2,861,469,068	8,999,337,175	466,021,088	8,180,780	-	-	151,638,390	-	0
Other assets	-	1,978,494,354	89,641,601	695,630,241	785,271,842	-	120,417,377	-	-	-	-	287,533,295
		44,285,567,183	6,954,065,107	4,075,157,999	10,360,076,688	599,023,588	382,103,157	1,680,284,500	17,190,800,000	603,393,842	-	2,440,662,304
Liabilities												
Borrowings	11.63	29,113,700,049	7,795,619,958	10,563,776,209	844,854,956	1,449,501,578	3,261,503,156	2,158,711,489	1,632,793,642	1,406,939,061	-	(0)
Deposits and other accounts	12.67	3,238,406,212	500,000,000	1,145,611,001	790,770,211	802,025,000	-	-	-	-	-	-
Other liabilities	-	975,046,123	146,524,889	293,049,778	146,524,889	-	120,417,377	-	-	-	-	268,529,192
		33,327,152,384	8,442,144,847	12,002,436,988	1,782,150,055	2,251,526,578	3,381,920,533	2,158,711,489	1,632,793,642	1,406,939,061	-	268,529,191
On-balance sheet gap		10,958,414,799	(1,488,079,740)	(7,927,278,989)	8,577,926,632	(1,652,502,990)	(2,999,817,376)	(478,426,989)	15,558,006,358	(803,545,219)	-	2,172,133,113
Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-	-
Total Yield/Interest Risk Sensitivity Gap			(1,488,079,740)	(7,927,278,989)	8,577,926,632	(1,652,502,990)	(2,999,817,376)	(478,426,989)	15,558,006,358	(803,545,219)	-	2,172,133,113
Cumulative Yield/Interest Risk Sensitivity Gap			(1,488,079,740)	(9,415,358,729)	(837,432,097)	(2,489,935,087)	(5,489,752,463)	(5,968,179,452)	9,589,826,906	8,786,281,687	8,786,281,687	-

2024

	Effective Yield/ Interest rate	Total	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	#############	20,245,022,346	20,237,676,947	25,520,658,649	-	-	-	37,404,236,296	38,993,410,127	-	2,616,739,233
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	-	(0)
Other assets	-	3,964,995,386	-	-	-	-	-	-	-	-	-	3,964,995,386
		#############	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	#############	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
		#############	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)	############	4,603,506,792	4,603,506,792	-

44.2.6 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.

44.2.7 Assets do not include fixed assets of Rs. 5,484,299,157 (2024: Rs. 5,604,694,196), non-current asset held for sale Rs. 50,000,000 (2024: Rs. nil), Intangible assets of Rs. 7,263,746 (2023: Rs. 5,105,366) 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. 2,701,622,153 (2024: Rs. 2,557,199,751).

44.2.8 Liabilities do not include other liabilities consisting of advance rental income, Payable to defined benefit plan, Provision for compensated absences, lease liabilities and deferred tax liabilities of Rs. 1,237,902,583 (2024: Rs. 268,299,739).

44.3 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.

44.4 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.

44.4.1 Assets and Liabilities - based on contractual maturity

	Total	2025												
		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	257,902,472	257,902,472	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	665,303,795	665,303,795	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	84,812,758	-	84,812,758	-	-	-	-	-	-	-	-	-	-	-
Investments	22,736,532,331	-	-	38,431,981	4,001,250	389,057,440	125,000,000	575,467,671	66,501,250	794,524,716	253,505,000	1,680,284,500	17,190,800,000	1,618,958,523
Advances	18,562,521,473	2,282,846,356	-	143,112,498	1,832,112,742	1,108,228,583	1,006,220,658	2,509,246,235	1,522,980,606	947,349,832	2,983,142,897	1,879,091,351	1,748,495,376	599,694,338
Non-current asset classified as held for sale	50,000,000	-	-	-	50,000,000	-	-	-	-	-	-	-	-	-
Property And Equipment	5,323,883,287	540,748	4,646,952	5,421,444	10,842,888	21,685,776	21,685,776	71,123,137	65,057,327	(102,877,623)	268,410,370	184,112,630	346,718,805	4,426,515,059
Right of Use Asset	160,415,870	-	-	-	6,343,117	-	12,686,234	19,029,351	-	38,058,702	84,298,466	-	-	-
Intangible assets	7,263,746	-	-	-	201,751	-	403,501	605,252	-	1,210,503	2,421,007	2,421,733	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	4,680,116,507	-	89,641,601	-	454,947,169	550,369,814	556,150,859	-	2,908,589,689	-	120,417,376	-	-	-
	52,528,752,239	3,206,593,371	179,101,311	186,965,923	2,358,448,916	2,069,341,613	1,722,147,027	3,175,471,645	4,563,128,871	1,678,266,130	3,712,195,117	3,745,910,213	19,286,014,181	6,645,167,920
Liabilities														
Bills payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	29,113,700,049	-	6,809,603,912	986,016,046	-	3,557,679,158	7,006,097,051	844,854,956	604,646,622	844,854,956	3,261,503,156	2,158,711,489	1,632,793,642	1,406,939,061
Deposits and other accounts	3,238,406,212	-	500,000,000	-	-	544,155,483	601,455,518	790,770,211	602,025,000	200,000,000	-	-	-	-
Liabilities against assets subject to	167,934,950	-	-	-	-	-	-	-	-	167,934,950		-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	816,149,163	-	-	-	6,801,673	20,404,033	20,404,033	40,807,056	81,615,114	81,615,114	163,230,236	204,037,293	197,234,611	-
Other liabilities	1,228,864,593	6,259,567	43,816,966	87,633,931	50,076,532	125,191,330	250,382,660	270,311,208	137,387,551	137,387,472	120,417,377	-	-	-
	34,565,054,967	6,259,567	7,353,420,878	1,073,649,977	56,878,205	4,247,430,004	7,878,339,263	1,946,743,431	1,425,674,287	1,431,792,492	3,545,150,769	2,362,748,782	1,830,028,253	1,406,939,061
Net assets	17,963,697,272	3,200,333,804	(7,174,319,567)	(886,684,054)	2,301,570,711	(2,178,088,391)	(6,156,192,236)	1,228,728,214	3,137,454,585	246,473,638	167,044,348	1,383,161,431	17,455,985,928	5,238,228,859
Share capital/ Head office capital account	6,765,000,000													
Reserves	2,340,367,295													
Surplus/(Deficit) on revaluation of assets	3,267,747,198													
Unappropriated/ Unremitted profit	5,590,582,779													
	17,963,697,272													

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	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	39,978,514,978
Advances	12,724,534,281	9,988,792	414,206,273	1,043,612,528	1,002,224,591	631,405,675	207,957,166	2,770,275,584	998,742,473	792,827,488	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	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	4,587,567,254
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	44,689,230,672
Liabilities														
Bills payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	145,684,365,780	-	61,667,570,999	-	15,000,000,000	47,118,180,921	15,831,481,273	815,359,245	96,313,289	690,359,245	1,639,022,182	1,451,522,182	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	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	121,481,867	
Other liabilities	2,826,178,326	20,882,977	146,180,839	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	895,438,566	600,599,745
Net assets	16,235,064,539	290,732,704	(61,510,893,289)	20,967,499,600	############	(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	37,549,917,438	44,088,630,927
Share capital/ Head office capital account	6,765,000,000													
Reserves	2,075,625,895													
Surplus/(Deficit) on revaluation of assets	2,684,636,575													
Unappropriated/ Unremitted profit	4,709,802,069													
	16,235,064,539													

44.4.2 Assets and liabilities - based on expected maturities

	Total	2025								
		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	257,902,472	257,902,472	-	-	-	-	-	-	-	-
Balances with other banks	665,303,795	665,303,795	-	-	-	-	-	-	-	-
Lending to financial institutions	84,812,758	84,812,758	-	-	-	-	-	-	-	-
Investments	22,736,532,331	42,433,231	514,057,440	575,467,671	861,025,966	253,505,000	1,680,284,500	17,190,800,000	1,118,958,523	500,000,000
Advances	18,562,521,473	4,258,071,596	2,114,449,241	2,509,246,235	2,470,330,438	2,983,142,897	1,879,091,351	1,748,495,376	599,694,338	-
Non-current asset classified as held for sale	50,000,000	50,000,000	-	-	-	-	-	-	-	-
Property And Equipment	5,323,883,287	21,452,031	43,371,551	71,123,137	(37,820,296)	268,410,370	184,112,630	346,718,805	1,511,396,026	2,915,119,033
Right of Use Asset	160,415,870	6,343,117	12,686,234	19,029,351	38,058,702	84,298,466	-	-	-	-
Intangible assets	7,263,746	201,751	403,501	605,252	1,210,503	2,421,007	2,421,733	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	(42,278,117)	42,278,117
Other assets	4,680,116,507	544,588,770	1,106,520,673	-	2,908,589,689	120,417,376	-	-	-	-
	52,528,752,239	5,931,109,521	3,791,488,640	3,175,471,645	6,241,395,001	3,712,195,117	3,745,910,213	19,286,014,181	3,187,770,770	3,457,397,150
Liabilities										
Bills payable	-	-	-	-	-	-	-	-	-	-
Borrowings	29,113,700,049	7,795,619,958	10,563,776,209	844,854,956	1,449,501,578	3,261,503,156	2,158,711,489	1,632,793,642	1,406,939,061	-
Deposits and other accounts	3,238,406,212	500,000,000	1,145,611,001	790,770,211	802,025,000	-	-	-	-	-
Liabilities against assets subject to finance lease	167,934,950	-	-	-	167,934,950	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	816,149,163	6,801,673	40,808,066	40,807,056	163,230,228	163,230,236	204,037,293	197,234,611	-	-
Other liabilities	1,228,864,593	187,786,995	375,573,991	270,311,208	274,775,023	120,417,377	-	-	-	-
	34,565,054,967	8,490,208,627	12,125,769,267	1,946,743,431	2,857,466,779	3,545,150,769	2,362,748,782	1,830,028,253	1,406,939,061	-
Net assets	17,963,697,272	(2,559,099,106)	(8,334,280,627)	1,228,728,214	3,383,928,223	167,044,348	1,383,161,431	17,455,985,928	1,780,831,709	3,457,397,150
Share capital/ Head office capital account	6,765,000,000									
Reserves	2,340,367,295									
Surplus/(Deficit) on revaluation of assets	3,267,747,198									
Unappropriated/ Unremitted profit	5,590,582,779									
	17,963,697,272									

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	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	39,478,514,978	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	41,231,833,522	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	121,481,867	-	-
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	895,438,566	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	37,549,917,438	40,631,233,777	3,457,397,150
Share capital/ Head office capital account	6,765,000,000									
Reserves	2,075,625,895									
Surplus/(Deficit) on revaluation of assets	2,684,636,575									
Unappropriated/ Unremitted profit	4,709,802,069									
	16,235,064,539									

44.5 Derivative Risk

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

45 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 ________________.

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, 2025

(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

Financial Statements

for the year ended December 31,2025

CONSOLIDATED

INDEPENDENT AUDITOR’S REPORT

Grant Thornton Anjum Rahman
302 B, 3rd Floor,
Evacuee Trust Complex,
Aga Khan Road, F-5/1,
Islamabad, Pakistan.

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INDEPENDENT AUDITOR'S REPORT

To the members of
Saudi Pak Industrial and Agricultural Investment Company Limited

Opinion

We have audited the annexed consolidated financial statements of **Saudi Pak Industrial and Agricultural Investment Company Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at December 31, 2025 and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policies information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 22.3.1 to the accompanying consolidated financial statements describing the status of tax contingencies. Our opinion is not modified in respect of this matter.

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Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current year. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Following is the key audit matter:

Key audit matter	How the matter was addressed in our audit
Accuracy of expected credit loss allowance (Note 9, 10, 19 & 31) The Company recognizes expected credit loss (ECL) allowance in accordance with IFRS 9: Financial Instruments as applied under the Application Instructions issued by the State Bank of Pakistan (SBP) through BPRD Circular No. 07 of 2023. Because of the high degree of estimation uncertainty and judgement involved in the calculation of ECL we considered the area of ECL provision as a key audit matter.	With respect to measurement of expected credit loss allowance, we performed, among others, the following audit procedures: a. Read the Company's IFRS 9 based measurement of expected credit loss allowance policy; b. Performed risk assessment procedures over the credit loss allowance on exposure within the DFI's consolidated financial statements. This included identifying portfolios susceptible to material misstatement, particularly those involving significant judgement in estimating expected credit losses (ECL) due to assumptions, methodologies, and input data. c. Assessing the design and implementation of key controls established by the DFI's over measurement of ECL and provision calculated as per PR.; d. Evaluated the reasonableness of the Company's determination of significant increase in credit risk (SICR) and the resultant basis for classification of exposures into various stages. For a sample of exposures, we checked the appropriateness of the Company's staging; e. Checked the key data sources used in ECL model and for a sample of obligors the correctness of historical data input in ECL model has been tested; f. Checked the accuracy of the Exposure at Default (EAD), appropriateness of the Probability of Default (PD) and calculations of the Loss Given Default (LGD) used in the Company's ECL model. Also read the internal risk rating reports to test the correctness of internal credit risk ratings used in the ECL model on sample basis; g. For Stage 3 items, checked that the impairment provisions recognized in the consolidated financial statements are the higher of those determined under IFRS 9 or the applicable Prudential Regulations; h. Checked the completeness of financial assets including off balance sheet items included in ECL calculation; i. Checked the arithmetical accuracy of the ECL model; and j. Evaluated the adequacy of the financial statement disclosures.

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Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of information to be included in the annual report that shall also include the directors' report but does not include the consolidated financial statements and our auditor's report thereon. The other information obtained at the date of audit report is information included in directors' report while the complete set of annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained at the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

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- higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Hassaan Riaz.

Grant Thornton Anjum Rahman

Grant Thornton Anjum Rahman
Chartered Accountants
Place: Islamabad
Date: March 06, 2026
UDIN: AR202510164sZxE39FQ0

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	2025	2024
		---Rupees---	
ASSETS			
Cash and balances with treasury banks	6	**257,907,682**	224,987,485
Balances with other banks	7	**665,944,758**	83,690,525
Lendings to financial institutions	8	**84,812,758**	384,209,641
Investments	9	**22,386,681,915**	144,647,503,061
Advances	10	**18,562,521,473**	12,724,534,281
Non-current asset classified as held for sale	11	**50,000,000**	-
Property and equipment	12.1	**5,933,037,523**	6,087,631,800
Right-of-use asset		**-**	-
Intangible assets	13	**7,263,746**	5,105,366
Development properties	14	**181,781,774**	181,781,774
Other assets	15	**4,715,726,980**	6,611,547,502
Total Assets		**52,845,678,609**	**170,950,991,435**
LIABILITIES			
Bills payable		**-**	-
Borrowings	16	**29,113,700,049**	145,684,365,780
Deposits and other accounts	17	**3,238,406,212**	5,296,755,151
Lease liabilities		**-**	-
Subordinated debt		**-**	-
Deferred tax liabilities	18	**816,149,163**	497,183,905
Other liabilities	19	**1,234,783,702**	2,836,130,221
Total Liabilities		**34,403,039,126**	154,314,435,057
NET ASSETS		**18,442,639,483**	16,636,556,378
REPRESENTED BY			
Share capital	20	**6,765,000,000**	6,765,000,000
Statutory reserve		**1,981,704,355**	1,716,962,955
General reserve		**358,662,940**	358,662,940
Surplus on revaluation of assets - net	21	**3,437,744,086**	2,731,190,794
Unappropriated / unremitted profit		**5,899,528,102**	5,064,739,689
		18,442,639,483	16,636,556,378
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 45 and annexure I form an integral part of these consolidated financial statements.

GM / Chief Executive	Chief Financial Officer	Director	Director	Director

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		------------Rupees------------	
Mark-up / Return / Interest earned	24	**6,425,548,078**	10,963,811,433
Mark-up / Return / Interest expensed	25	**4,879,057,820**	9,863,183,909
Net Mark-up / Interest Income		**1,546,490,258**	1,100,627,524
NON MARK-UP / INTEREST INCOME			
Fee and commission income	26	**116,812,104**	84,888,311
Dividend income		**122,582,345**	214,209,028
Income / (Loss) from derivatives		**(33,356)**	(652,039)
Gain on securities	27	**123,205,526**	221,323,385
Net gains / (losses) on derecognition of financial assets measured at amortised cost		**-**	-
Other income	28	**334,383,018**	315,438,995
Total non-markup / interest income		**696,949,637**	835,207,680
Total income		**2,243,439,895**	1,935,835,203
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	29	**867,304,305**	670,812,717
Other charges	30	**-**	5,126,000
Total Non-markup / Interest Expenses		**867,304,305**	675,938,717
Profit before credit loss allowance		**1,376,135,590**	1,259,896,486
Credit loss allowance and write offs - net	31	**(564,489,444)**	(169,660,890)
Profit before income tax and minimum tax differential		**1,940,625,034**	1,429,557,377
Levy differential	32		
Super tax		**(19,964,787)**	(1,525,997)
Final tax		**(29,429,568)**	(19,062,063)
PROFIT BEFORE INCOME TAX		**1,891,230,679**	1,408,969,318
Taxation	33	**(555,743,314)**	(447,602,509)
PROFIT AFTER TAXATION		**1,335,487,365**	961,366,809
Basic earnings per share	34	**1.974**	1.421
Diluted earnings per share	34	**1.974**	1.421

The annexed notes 1 to 45 and annexure I form an integral part of these consolidated financial statements.

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

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
	------------Rupees------------	
Profit after taxation for the year	**1,335,487,365**	961,366,809
Other comprehensive income		
Items that may be reclassified to profit and loss account in subsequent periods:		
Movement in surplus on revaluation of debt investments through FVOCI - net of tax	**380,918,891**	194,612,779
	380,918,891	194,612,779
Items that will not be reclassified to profit and loss account in subsequent periods:		
Remeasurement loss on defined benefit obligations	**(2,977,519)**	(4,384,320)
Movement in surplus on revaluation of investments in equity investments - net of tax	**228,884,544**	74,353,865
Movement in surplus on revaluation of property and equipment - net of tax	**63,769,822**	989,851,977
Movement in deficit on revaluation of non-banking assets - net of tax	**-**	(7,029,468)
	289,676,847	1,052,792,054
Total comprehensive income	**2,006,083,103**	2,208,771,642

The annexed notes 1 to 45 and annexure I form an integral part of these consolidated financial statements.

GM / Chief Executive	Chief Financial Officer	Director	Director	Director

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

	Share capital	Statutory reserve	General reserve	Surplus/(deficit) on revaluation of		Unappropriated/ Unremitted profit	Total
				Investments	Property & Equipment / Non banking assets		
	----------	----------	----------	-----Rupees-----	----------	----------	
Balance as at January 1, 2024	**6,765,000,000**	**1,532,998,733**	**358,662,940**	**(715,644,809)**	**2,295,023,225**	**4,256,685,806**	**14,492,725,895**
IFRS - 9 adjustment	-	-	-	(25,224,471)	-	(38,473,647)	(63,698,117)
Profit after taxation for the year ended December 31, 2024	-	-	-	-	-	961,366,809	961,366,809
Other comprehensive income - net of tax	-	-	-	268,966,644	982,822,509	(4,384,320)	1,247,404,833
Transfer to statutory reserve	-	183,964,222	-	-	-	(183,964,222)	-
Loss realized on sale of FVOCI	-	-	-	-	-	(1,243,041)	(1,243,041)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(74,752,304)	74,752,304	-
Balance as at December 31, 2024	**6,765,000,000**	**1,716,962,955**	**358,662,940**	**(471,902,635)**	**3,203,093,430**	**5,064,739,689**	**16,636,556,378**
Profit after taxation for the year ended December 31, 2025	-	-	-	-	-	1,335,487,365	1,335,487,365
Other comprehensive income - net of tax	-	-	-	609,803,435	63,769,822	(2,977,519)	670,595,740
Transfer to statutory reserve	-	264,741,400	-	-	-	(264,741,400)	-
Loss realized on sale of FVOCI	-	-	-	71,149,467	-	(71,149,467)	-
Dividend paid to GOP	-	-	-	-	-	(100,000,000)	(100,000,000)
Dividend paid to KSA	-	-	-	-	-	(100,000,000)	(100,000,000)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(38,169,433)	38,169,433	-
Balance as at December 31, 2025	**6,765,000,000**	**1,981,704,355**	**358,662,940**	**209,050,267**	**3,228,693,819**	**5,899,528,102**	**18,442,639,483**

The annexed notes 1 to 45 and annexure I form an integral part of these consolidated financial statements.

GM / Chief Executive

Chief Financial Officer

Director

Director

Director

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

	Note	2025	2024
		----------------Rupees----------------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax and minimum tax differential		**1,940,625,034**	1,429,557,377
Less: dividend income		**(122,582,345)**	(202,731,023)
		1,818,042,689	1,226,826,354
Adjustments:			
Depreciation	28.1 & 29	**242,716,812**	176,553,259
Depreciation on right-of-use asset		**-**	-
Amortization	29	**3,210,731**	3,588,974
Credit loss allowance and write-offs	31	**(247,723,597)**	(169,660,890)
Gain on sale/disposal of property and equipment	28	**(8,861,584)**	(59,090,390)
Charge for defined benefit plan	29.1	**10,976,236**	7,824,754
Charge for compensated absences	29.1	**7,530,448**	6,513,620
Unrealized gain - FVPL investments	27	**(11,458,169)**	(69,366,507)
		(3,609,123)	(103,637,181)
		1,814,433,567	1,123,189,173
Decrease in operating assets			
Lendings to financial institutions	8	**299,547,095**	2,865,447,618
Securities classified as FVPL		**104,001,002**	727,135,750
Advances	10	**(5,610,626,266)**	(5,134,421,319)
Others assets (excluding advance taxation)		**1,949,790,671**	(930,201,651)
		(3,257,287,498)	(2,472,039,602)
(Decrease) / Increase in operating liabilities			
Borrowings from financial institutions	16	**(116,570,665,731)**	109,440,799,098
Deposits	17	**(2,058,348,939)**	1,631,755,151
Other liabilities		**(1,566,679,408)**	1,520,265,078
		(120,195,694,078)	112,592,819,327
Payments against off-balance sheet obligations		**-**	-
Payment to defined benefit plan and compensated absences	37.7	**(17,746,274)**	(6,334,302)
Income tax / levy paid		**(763,743,241)**	(826,509,137)
Net cash flow (used in) / generated from operating activities		**(122,420,037,524)**	110,411,125,458
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in amortized cost securities		**45,778,238**	(115,837,279,177)
Net Investments in securities classified as FVOCI		**123,118,932,527**	5,624,991,175
Dividends received		**199,790,410**	164,077,688
Investments in property and equipment		**(158,717,599)**	(288,260,211)
Disposal of property and equipment		**24,670,778**	8,774,926
Net cash flow generated / (used in) from investing activities		**123,230,454,354**	(110,327,695,600)
CASH FLOW FROM FINANCING ACTIVITIES			
Payments of lease obligations against right-of-use assets		**-**	-
Dividend paid		**(200,000,000)**	-
Net cash flow (used in) / from financing activities		**(200,000,000)**	-
Effects of exchange rate changes on cash and cash equivalents		**-**	-
Increase in cash and cash equivalents		**610,416,830**	83,429,858
Cash and cash equivalents at beginning of the year		**314,873,924**	231,444,064
Cash and cash equivalents at end of the year	35	**925,290,754**	314,873,922

The annexed notes 1 to 45 and annexure I form an integral part of these consolidated financial statements.

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

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. STATUS AND NATURE OF BUSINESS

Saudi Pak Industrial and Agricultural Investment Company Limited (the Holding 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 Holding Company is situated at Saudi Pak Tower, Jinnah Avenue, Islamabad. The Holding Company is also operating offices in Lahore and Karachi.

The Group consists of Saudi Pak Industrial and Agricultural Investment Company Limited, (the Holding Company) and its subsidiary company namely Saudi Pak Real Estate Limited (the subsidiary company) and associate company namely Saudi Pak Consultancy Company Limited (SPCCL).

Saudi Pak Real Estate Limited (the subsidiary company)

The subsidiary company was incorporated in Pakistan as an unlisted public limited company on November 14, 2006 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The subsidiary company is wholly owned subsidiary of the Holding Company. The principal place of business of the subsidiary company is Pakistan. The principal business of the subsidiary company is investment in properties (both for investment and development purposes), property management services, investment in joint ventures and other related services. The registered office of the subsidiary company is situated at Saudi Pak Tower, 61-A, Jinnah Avenue, Islamabad.

Saudi Pak Consultancy Company Limited (SPCCL) (the associate company)

The Group holds a 35.06% (2024: 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. Group has accounted for the investment in the asssociate using the equity accounting of investments as per the requirements of IAS-28.

2. BASIS OF PRESENTATION

The consolidated financial statements incorporate the financial statements of the Holding Company and the financial statements of subsidiary company from the date on which control of the subsidiary by the Holding Company commences until the date control ceases. Subsidiary company are those enterprises in which the Holding Company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has the power to elect and appoint more than 50% of its directors. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in consolidated profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. The financial statements of the subsidiary company are incorporated on a line-by-line basis and the investment held by the Holding Company is eliminated against the corresponding share capital and pre-acquisition reserve of subsidiary company in the consolidated financial statements.

The financial statements of subsidiary company are prepared for the same reporting period as the Holding Company, using accounting policies that are generally consistent with those of the Holding Company. However, Non-banking subsidiary company in Pakistan follows the requirements of IAS 40, Investment Property and IFRS 7, Financial Instruments: Disclosures.

Intra-group balances and transactions are eliminated.

Associate company is an entity in which the Group has significant influence, but not control, over the financial and operating policies. Interests in associate company is accounted for using the equity method. It is initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the consolidated profit or loss and consolidated comprehensive income of equity accounted investee, until the date on which significant influence or control ceases.

These consolidated financial statements have been prepared using the audited financial statements of Saudi Pak Industrial and Agricultural Investment Company Limlted (Holding Company) for the year ended December 31, 2025, the unaudited financial statements of Saudi Pak Real Estate Limited (Subsidiary Company) for the year ended December 31, 2025, and the unaudited financial statements of Saudi Pak Consultancy Company Limited (SPCCL), subject to a limited review by its statutory auditors, for the half year ended December 31, 2025.

Non-controlling interest is that part of the net results of operations and of net assets of the Subsidiary Company attributable to interests which are not owned by the Holding Company.

These consolidated 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 February 09, 2023.

2.1 Functional and presentation currency

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

3. STATEMENT OF COMPLIANCE

3.1 These consolidated 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 consolidated financial statements.

The Group believes that there is no significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

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 Group for the accounting periods beginning on or after January 1, 2025. These are considered either not to be relevant or not to have any significant impact on these consolidated 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 2026 and have not been early adopted by the Group:

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 Group expects that the adoption of the above standards will have no material effect on the Group’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 consolidated 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, investment 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 and compensated absences.

Critical accounting judgments and estimation uncertainty

The preparation of consolidated 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 Group's accounting policies. The Group 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 consolidated financial statements are as follows:

i) Classification and valuation of investments;
ii) ECL against investments, advances, lendings, bank balances, off-balance sheet 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 and compensated absences;
ix) Impairment of subsidiary and associates and
x) Contingent assets and liabilities, provision against off balances sheet obligations.

5 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are stated below. These policies have been consistently applied to all the years presented.

5.1.1 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 Group'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.

5.1.2 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 Group 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 Group's business model.

5.1.3 Business model assessment

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

The Group'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 Group'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 Group's assessment. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group'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 Group's original expectations, the Group 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

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

As a second step of its classification process the Group 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 Group 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.

5.1.5 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 Group 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.

5.1.6 Financial assets – debt instruments

Debt financial assets held by the Group (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 Group'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 Group 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 Group 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.

5.1.7 Financial assets – equity instruments

An equity instrument held by the Group for trading purposes is classified as measured at FVPL. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to the consolidated statement of profit and loss account, including on disposal.This election is made on an investment-by-investment basis. IFRS 9 has eliminated impairment assessment requirements for investments in equity instruments.

5.1.8 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 Group 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 Group recognizes due to customer and financial institution balances when these funds reach the Group.

5.1.8.1 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.

5.1.8.2 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.

5.1.8.3 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.

5.1.9 Derecognition

5.1.9.1 Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its consolidated 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.

5.1.9.2 Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group 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.

5.1.10 Modification

The Group 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 Group 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.

5.1.11 Effective interest rate (EIR) method

The Group 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.

5.1.12 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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 consolidated statement of financial position except when IFRS netting criteria are met.

5.1.13 Overview of the ECL principles

The Group 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 Group 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 Group 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 Group considers an exposure to have significantly increased in credit risk when there is considerable deterioration in the internal rating grade for subject customer. The Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group recognizes the lifetime expected credit losses for these instruments. The Group 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 Group 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 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 Group 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.

5.1.13. The calculation of ECLs

The Group 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 Group in accordance with the contract and the cash flows that the Group 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 Group 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 Group has the legal right to call it earlier.

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 Group considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs.

Definition of default

The Group 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 Group 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 Group considers that the obligor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group 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.

5.1.14 Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts, and other banking facilities.

Loan commitments provided by the Group are measured at the amount of the loss allowance. For financing commitments and financial guarantee contracts, the loss allowance is recognised as a provision. However, for contracts that include both a financing and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the financing component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the financing. To the extent that the combined expected credit losses exceed the gross carrying amount of the financing, the expected credit losses are recognised as a provision.

5.1.15 Measurement of unquoted equity securities

Unquoted equity investments are measured at fair value through other comprehensive income (OCI). While determining the fair value of unquoted equity securities, the Group 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.

5.2 Cash and cash equivalents

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

5.3 Non-current asset classified as held for sale

The Group 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.

5.4 Sale and repurchase agreements

Securities sold under repurchase agreement (repo) are retained in the consolidated 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.

5.5 Investments

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

- **Investments in associate**

Associates are all entities over which the Group has significant influence but not control. These consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounting basis, from the date significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligation.

5.6 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 5.1.
The provision against non-performing advances are charged to the consolidated profit and loss account. Advances are written off when there is no realistic prospect of recovery.

5.7 Finance lease receivables

Leases where the Group 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.

5.8 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 consolidated 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 Group. 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 consolidated 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 consolidated 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 consolidated 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.

5.9 Intangibles

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged to consolidated 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 consolidated financial statements to write off cost of the assets over their estimated useful life.

5.10 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.

5.11 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 direct costs of acquiring title to property is charged to profit and loss account and are not capitalised. These assets are depreciated as per Group's policy.

5.12 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 consolidated profit and loss account on a time proportion basis.

5.13 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the consolidated 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 consolidated 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 consolidated 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 Group 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 consolidated 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.

5.14 Staff retirement benefits

(a) Defined benefit plan

The Group 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 Group 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 Group and the employees, which are transferred to the provident fund.

(c) Compensated absences

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

5.15 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 Group 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 Group 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 Group 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 Group 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 Group'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 consolidated profit and loss account.

5.16 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 consolidated statement of financial position. Exchange gains and losses are included in consolidated profit and loss account of the Group.

5.17 Impairment of non-financial assets

The carrying amount of the Group's assets are reviewed at the date of consolidated 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 consolidated 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.

5.18 Other borrowings

Other borrowings include borrowings from various financial institutions and the SBP. These borrowings are recorded at the proceeds received except for TERF. Mark-up on all these borrowings is charged to the consolidated statement of profit and loss account under the effective interest rate method.
Funds received from the SBP for advances disbursed under the Temporary Economic Refinance Facility (TERF) are recorded at fair/present value on initial recognition using the prevailing market rate. This results in a fair value adjustment on initial recognition, which is charged to the consolidated statement of profit and loss account. Unwinding of expense on the fair value adjustment is recognised in the consolidated statement of profit and loss account.

5.19 Bai Muajjal

The Group enters into Bai Muajjal transactions of sale (borrowing) and purchase (lending). These are recorded as below:

Bai Muajjal transactions representing purchase of Shariah compliant instruments on deferred payment basis are shown in lendings to financial institutions. The credit price is agreed at the time of sale and such proceeds are received at the end of the credit period. The difference between the deferred payment amount receivable and the carrying value at the time of sale is accrued and recorded as income over the life of the transaction using the effective interest rate method in the consolidated statement of profit and loss account.

Bai Muajjal transactions representing sale of Shariah compliant instruments on deferred payment basis are shown in borrowings. The credit price is agreed at the time of purchase and the proceeds are paid at the end of the credit period. The difference between the deferred payment amount payable and the carrying value at the time of purchase is accrued and recorded as borrowing cost over the life of the transaction using the effective interest rate method in the consolidated statement of profit and loss account.

5.20 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 consolidated profit and loss account is stated net off expected recoveries.

5.21 Provision for claims under guarantees and other off balance sheet obligations

Provision for guarantee claims and other off balance sheet obligations is recognised when reasonable certainty exists for the Group to settle the obligation. The charge to the consolidated statement of profit and loss account is stated net of expected recoveries and the obligation is recognised in other liabilities.

5.21 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.

5.22 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 consolidated 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.

5.23 Earnings per share

The Group 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 Group by the weighted average number of ordinary shares outstanding during the year.

5.24 Financial instruments

Financial assets and liabilities
Financial assets and financial liabilities are recognized at the time when the Group 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 consolidated financial statements when there is legally enforceable right to set-off the recognized amount and the Group either intends to settle on net basis or to settle the liabilities and realize the assets simultaneously.

5.25 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.

5.26 Segment Reporting

A segment is a distinguishable component of the Group 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 Group's functional structure and the guidance of State Bank of Pakistan. The Group's primary format of reporting is based on business segments. The Group 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 Group'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 Group conducts all its operations in Pakistan.

5.27 EVENTS AFTER THE REPORTING DATE

Subsequent to the year end, the Board of Directors of the parent proposed a cash dividend of Rs. 0.296 per share (2024: Rs.0.296 per share). These unconsolidated financial statements do not include the effect of this appropriation, which will be accounted for subsequent to the year end.

		Note	2025	2024
			------------Rupees------------	
6	**CASH AND BALANCES WITH TREASURY BANKS**			
	In hand			
	Local currency		**301,807**	305,690
	With State Bank of Pakistan			
	in local currency current account	6.1	**257,605,875**	224,681,795
			257,907,682	224,987,485

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

		2025	2024
		------------Rupees------------	
7	**BALANCES WITH OTHER BANKS**		
	In Pakistan		
	In current accounts	**25,895,913**	7,245,443
	In deposit accounts	**641,492,369**	82,640,996
		667,388,282	89,886,439
	Less: Credit loss allowance held against balances with other banks	**(1,443,524)**	(6,195,914)
		665,944,758	83,690,525

7.1 Deposit accounts include Rs. 640,666,518 (2024: Rs 74,604,286) held in local currency accounts. These accounts carry markup at the rates ranging from 7.59% to 9.50% (2024: 11.50% to 22.50%) per annum.

7.2 Deposit accounts include USD 663.09 (2024: USD 993.90) held in foreign currency accounts. These accounts carry markup at the rate of 0.25% to 0.3% (2024: 0.25%) per annum.

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	Note	2025	2024
		------------Rupees------------	
8 LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	8.1	**-**	384,547,095
Letter based placement		**85,000,000**	-
		85,000,000	384,547,095
Less: Credit loss allowance held against lending to financial institutions		**(187,242)**	(337,454)
Lendings to Financial Institutions - net of provision		**84,812,758**	384,209,641

8.1 Particulars of lending

	2025	2024
In local currency	**84,812,758**	384,209,641
In foreign currencies	**-**	-
	84,812,758	384,209,641

8.2 Securities held as collateral against lending to financial institutions

	2025			2024		
	Held by the Company	**Further given as collateral**	**Total**	Held by the Company	Further given as collateral	Total
		Rupees			Rupees	
Pakistan Investment Bonds	-	-	**-**	-	-	-
Market Treasury Bills	-	-	**-**	384,222,674	-	384,222,674
	-	**-**	**-**	384,222,674	-	384,222,674

8.3 Lending to FIs - Particulars of credit loss allowance

		2025		2024	
		Lending	**Credit loss allowance held**	Lending	Credit loss allowance held
			Rupees		
Domestic					
Performing	Stage 1	**85,000,000**	**187,242**	384,547,095	337,454
Under performing	Stage 2	**-**	**-**	-	-
Non-performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**-**	**-**	-	-
		-	**-**	-	-
Total		**85,000,000**	**187,242**	384,547,095	337,454

	2025			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
		Rupees		
Balance at the start of the year	**337,454**	**-**	**-**	**337,454**
Transfer to stage 1	**-**	**-**	**-**	**-**
Transfer to stage 2	**-**	**-**	**-**	**-**
Transfer to stage 3	**-**	**-**	**-**	**-**
Net remeasurement of credit loss allowance	**337,454**	**-**	**-**	**337,454**
New financial assets originated or purchased	**187,242**	**-**	**-**	**187,242**
Financial assets that have been derecognised	**(337,454)**	**-**	**-**	**(337,454)**
Write offs	**-**	**-**	**-**	**-**
Unwind of discount	**-**	**-**	**-**	**-**
Changes in risk parameters (PDs/LGDs/EADs)	**-**	**-**	**-**	**-**
Balance at the end of the year	**187,242**	**-**	**-**	**187,242**

	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)
Write offs	-	-	-	-
Unwind of discount	-	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	-	-	-	-
Balance at the end of the year	**337,454**	**-**	**-**	**337,454**

9 INVESTMENTS

9.1 Investments by type:

	Note	2025 Fair value / Cost / Amortised cost	2025 Credit loss allowance	2025 Surplus / (deficit)	2025 Carrying value	2024 Fair value / Cost / Amortised cost	2024 Credit loss allowance	2024 Surplus / (deficit)	2024 Carrying value
		Rupees							
Classified / Measured at FVPL									
Debt Instruments									
Un-listed companies		**55,566,507**	**-**	**1,523,493**	**57,090,000**	55,566,507	-	-	55,566,507
Open end Mutual Funds	9.1.1	**149,263,908**	**-**	**885,676**	**150,149,584**	119,547,903	-	10,211,560	129,759,463
		204,830,415	**-**	**2,409,169**	**207,239,584**	175,114,410	-	10,211,560	185,325,970
Equity instruments									
Listed companies		**13,088,998**	**-**	**9,049,000**	**22,137,998**	117,090,000	-	13,800,000	130,890,000
		13,088,998	**-**	**9,049,000**	**22,137,998**	117,090,000	-	13,800,000	130,890,000
Classified / Measured at FVOCI									
Federal Government Securities									
-Pakistan Investment Bonds (PIBs)		**18,188,758,663**	**-**	**(35,676,663)**	**18,153,082,000**	86,639,269,889	-	(757,155,869)	85,882,114,020
-Market Treasury Bills		**804,340,838**	**-**	**1,797,602**	**806,138,440**	55,419,107,492	-	104,057,862	55,523,165,354
		18,993,099,501	**-**	**(33,879,061)**	**18,959,220,440**	142,058,377,381	-	(653,098,007)	141,405,279,374
Non Government Debt Securities									
-Term Finance Certificates (TFCs) / Sukuk		**712,394,505**	**(28,247,336)**	**5,238,252**	**689,385,421**	712,394,505	(27,235,653)	-	685,158,852
		19,705,494,006	**(28,247,336)**	**(28,640,809)**	**19,648,605,861**	142,770,771,886	(27,235,653)	(653,098,007)	142,090,438,226
Equity instruments									
Listed companies		**558,143,851**	**-**	**147,741,617**	**705,885,468**	619,416,735	-	(68,803,438)	550,613,297
Un-listed companies		**510,000,008**	**-**	**151,964,811**	**661,964,819**	510,000,008	-	(24,895,157)	485,104,851
		1,068,143,859	**-**	**299,706,428**	**1,367,850,287**	1,129,416,743	-	(93,698,595)	1,035,718,148
Classified / Measured at Amortised cost									
Non Government Debt Securities									
-Term Finance Certificates (TFCs) / Sukuk		**1,172,225,455**	**(194,449,197)**	**-**	**977,776,258**	1,345,169,634	(176,290,662)	-	1,168,878,972
-Term Deposit		**163,431,981**	**(360,054)**	**-**	**163,071,927**	36,266,040	(14,294)	-	36,251,746
		1,335,657,436	**(194,809,251)**	**-**	**1,140,848,185**	1,381,435,674	(176,304,957)	-	1,205,130,717
Associates									
Saudi Pak Consultancy 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)	-	-
	9.1.2	**576,676,075**	**(576,676,075)**	**-**	**-**	576,676,075	(576,676,075)	-	-
Total Investments		**22,903,890,789**	**(799,732,662)**	**282,523,788**	**22,386,681,915**	146,150,504,788	(780,216,685)	(722,785,042)	144,647,503,061

9.1.1 During the year, the Group invested surplus funds in short-term Treasury Bills with maturities ranging from one to three months. The related markup income has been recognized under other income. All Treasury Bills were fully matured as at the year end.

As at year end, the Group's investments in mutual funds amounting to Rs. 150,149,584 comprised 68,943 units (2024: 168,330 units) of Faysal Islamic Cash Fund, 555,293 units (2024: Nil) of Alfalah Islamic Stable Return Plan-X, 273,034 units (2024: Nil) of Faysal Halal Amdani Fund-II, 39,471 units (2024: Nil) of Faysal Islamic Financial Growth Plan-II, and 1,100,000 units (2024: Nil) of Meezan Paidaar Munafa Plan-XXXII. The fair value of these investments has been determined using the quoted repurchase prices prevailing at the reporting date. During the year, the average rate of return earned on these mutual funds was approximately 10.3% per annum.

9.1.2 The Parent holds 35.06% (December 31, 2024: 35.06%) equity stake in Saudi Pak Consultancy Company Limited ("SPCL"), formerly known as Saudi Pak Leasing Company Limited. The Parent also holds 63.08% (December 31, 2024: 63.08%) non-voting, non-cumulative, convertible unlisted Preference Shares. On the basis of latest available management financial statements (un-audted) of SPCL as at December 31, 2025 total assets are Rs. 649.935 million (December 31, 2024: Rs. 721.167 million) whereas liabilities of SPCL are Rs. 1,042.624 million (December 31, 2024: Rs. 1,148.618 million). Total revenue, profit after taxation and total comprehensive income for the period ended December 31, 2025 are Rs. 42.713 million (December 31, 2024: Rs. 74.617 million), Rs. 10.721 million (December 31, 2024: Rs. 24.299 million) and Rs. 6.963 million (December 31, 2024: Rs. 32.251 million) respectively.

9.2 Investments by segments:

	2025				2024			
	Fair value / Cost / Amortised cost	**Credit loss allowance / Provision**	**Surplus / (Deficit)**	**Carrying Value**	Fair value / Cost / Amortised cost	Credit loss allowance / Provision	Surplus / (Deficit)	Carrying Value
	---Rupees---				---Rupees---			
Federal Government Securities:								
Pakistan Investment Bonds	**18,188,758,663**	**-**	**(35,676,663)**	**18,153,082,000**	86,639,269,889	-	(757,155,869)	85,882,114,020
Market Treasury Bills	**804,340,838**	**-**	**1,797,602**	**806,138,440**	55,419,107,492	-	104,057,862	55,523,165,354
	18,993,099,501	**-**	**(33,879,061)**	**18,959,220,440**	142,058,377,381	-	(653,098,007)	141,405,279,374
Shares:								
Listed Companies	**571,232,849**	**-**	**156,790,617**	**728,023,466**	736,506,735	-	(55,003,438)	681,503,297
Unlisted Companies	**565,566,515**	**-**	**153,488,304**	**719,054,819**	565,566,515	-	(24,895,157)	540,671,358
	1,136,799,364	**-**	**310,278,921**	**1,447,078,285**	1,302,073,250	-	(79,898,595)	1,222,174,655
Non Government Debt Securities								
Listed TFCs / Sukuk	**831,098,389**	**(48,587,624)**	**5,238,252**	**787,749,017**	731,098,389	(45,939,537)	-	685,158,852
Unlisted TFCs / Sukuk	**1,053,521,571**	**(174,108,909)**	**-**	**879,412,662**	1,326,465,750	(157,586,778)	-	1,168,878,972
Term Deposit	**163,431,981**	**(360,054)**	**-**	**163,071,927**	36,266,040	(14,294)	-	36,251,746
	2,048,051,941	**(223,056,587)**	**5,238,252**	**1,830,233,606**	2,093,830,179	(203,540,610)	-	1,890,289,569
Other investments								
Mutual funds	**149,263,908**	**-**	**885,676**	**150,149,584**	119,547,903	-	10,211,560	129,759,463
	149,263,908	**-**	**885,676**	**150,149,584**	119,547,903	-	10,211,560	129,759,463
Associates								
Saudi Pak Consultancy 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)	-	-
Total Investments	**22,903,890,789**	**(799,732,662)**	**282,523,788**	**22,386,681,915**	146,150,504,788	(780,216,685)	(722,785,042)	144,647,503,061

9.3 Investments given as collateral

The market value of investments given as collateral is as follows:

	2025	2024
	----Rupees----	
Pakistan Investment Bonds (PIBs)	**2,731,590,000**	74,663,165,218
Treasury Bills	**-**	51,562,665,332
	2,731,590,000	126,225,830,550

9.4 Particulars of credit loss allowance

9.4.1 Investments - exposure

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----Rupees----			----Rupees----		
Opening balance	**1,395,746,040**	**588,871,162**	**109,212,977**	1,182,015,000	429,145,421	621,514,347
New investments	**274,245,237**	**-**	**89,105,000**	536,266,040	-	-
Investments derecognised or repaid	**(118,489,396)**	**(290,639,079)**	**-**	(322,535,000)	-	(274,453,870)
Transfer to stage 1	**168,846,662**	**(168,846,662)**	**-**	-	-	-
Transfer to stage 2	**-**	**-**	**-**	-	237,847,500	(237,847,500)
Transfer to stage 3	**-**	**-**	**-**	-	-	-
	324,602,503	**(459,485,741)**	**89,105,000**	213,731,040	237,847,500	(512,301,370)
Amounts written off / charged Off	**-**	**-**	**-**	-	-	-
Saudi Pak Consultancy Company Limited	**-**	**-**	**576,676,075**	-	(78,121,759)	576,676,075
Closing balance	**1,720,348,543**	**129,385,421**	**774,994,052**	1,395,746,040	588,871,162	685,889,052

9.4.2 Investments - Credit loss allowance

	2025			2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
	----Rupees----			----Rupees----		
Opening balance	**9,658,977**	**84,668,656**	**109,212,977**	7,897,351	69,908,201	861,597,387
New investments	**1,636,352**	**-**	**89,105,000**	8,851,427	-	-
Investments derecognised or repaid	**(1,092,968)**	**(56,970,626)**	**(9)**	(6,545,941)	-	(258,448,870)
Transfer to stage 1	**13,358,658**	**(13,358,658)**	**-**	-	-	-
Transfer to stage 2	**-**	**-**	**-**	-	237,847,500	(237,847,500)
Transfer to stage 3	**-**	**-**	**-**	-	-	-
	13,902,042	**(70,329,284)**	**89,104,991**	2,305,486	237,847,500	(496,296,370)
Amounts written off / charged off	**-**	**-**	**-**	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	**(4,591,680)**	**(8,570,091)**	**-**	(543,860)	(223,087,045)	(256,088,040)
	18,969,339	**5,769,280**	**198,317,968**	9,658,977	84,668,656	109,212,977
Provision (Note 9.1.1)	**-**	**-**	**576,676,075**	-	-	576,676,075
Closing balance	**18,969,339**	**5,769,280**	**774,994,043**	9,658,977	84,668,656	685,889,052

9.4.3 Particulars of credit loss allowance / provision against debt securities
Category of classification

		2025		2024	
		Outstanding amount	Credit Loss Allowance	Outstanding amount	Credit Loss Allowance
		----Rupees----		----Rupees----	
Other assets especially mentioned				-	-
Domestic					
Performing	Stage 1	**1,720,348,543**	**18,969,339**	1,395,746,040	9,658,977
Underperforming	Stage 2	**129,385,421**	**5,769,280**	666,992,921	84,668,656
Non-Performing	Stage 3				
Substandard		**-**	**-**	-	-
Doubtful		**-**	**-**	-	-
Loss		**198,317,977**	**198,317,968**	109,212,977	109,212,977
		198,317,977	**198,317,968**	109,212,977	109,212,977
Overseas		**-**	**-**	-	-
Total		**2,048,051,941**	**223,056,587**	2,171,951,938	203,540,610

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9.5 Quality of securities

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

	2025	2024
	--------- Cost in Rupees ---------	
Federal Government Securities - Government guaranteed		
Pakistan Investment Bonds	**18,188,758,663**	86,639,269,889
Market Treasury Bills	**804,340,838**	55,419,107,492
	18,993,099,501	142,058,377,381
Shares:		
Listed Companies		
Cement	**-**	48,437,257
Chemical	**278,604,720**	417,127,705
Fertilizer	**117,127,705**	-
Power Generation and Distribution	**162,411,426**	153,851,773
	558,143,851	619,416,735

	2025		2024	
	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	-
Pace Barka Properties Limited	**168,750,008**	**295,028,815**	168,750,008	218,918,507
Pak Kuwait Takaful Company	**40,000,000**	**-**	40,000,000	-
Pakistan Textile City Limited	**50,000,000**	**-**	50,000,000	-
Saudi Pak Kalabagh Livestock Company Limited	**10,000,000**	**-**	10,000,000	-
Taurus Securities Limited	**11,250,000**	**32,630,195**	11,250,000	28,425,778
Trust Investment Bank Limited	**20,000,000**	**-**	20,000,000	-
PGP Consortium*	**330,000,000**	**329,779,063**	330,000,000	379,502,822
	783,833,056	**657,438,073**	783,833,056	626,847,107

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.

*The investment has been made in preference shares; therefore, the investment has been disclosed at fair value in the above note rather than at break-up value.

	2025	2024
	------------Cost in Rupees------------	
Non Government Debt Securities		
Listed		
- AAA	**330,000,000**	-
- AA+, AA, AA-	**330,000,000**	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-	**-**	-
- Unrated	**-**	-
	-	-
	712,394,505	712,394,505

9.6 The Group does not have any investments in foreign securities as at December 31, 2025 (2024: Nil).

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

	Note	2025	2024
		------------Cost in Rupees------------	
Federal Government Securities - Government guaranteed			
Pakistan Investment Bonds		**-**	-
		-	-
Non Government Debt Securities			
Listed			
- AA+, AA, AA-		**199,440,000**	-
- Unrated		**18,703,884**	18,703,884
		218,143,884	18,703,884
Unlisted			
- AA+, AA, AA-		**-**	199,480,000
- A+, A, A-		**200,000,000**	100,000,000
- BBB+, BBB, BBB-		**159,902,051**	-
- B+, B, B-		**-**	299,760,000
- Unrated		**594,179,520**	727,225,750
		954,081,571	1,326,465,750
	9.7.1	**1,172,225,455**	1,345,169,634

9.7.1 The market value of securities classified under HTC other than non performing investments as at December 31, 2025 is Rs 978 million (2024: Rs. 201 million).

10 ADVANCES

	Performing		Non Performing		Total	
	2025	2024	**2025**	2024	**2025**	2024
	---Rupees---					
Loans, leases, running finances- gross	**18,998,704,535**	13,174,766,060	**2,262,709,386**	2,476,021,595	**21,261,413,921**	15,650,787,655
Credit loss allowance against advances						
- Stage 1	**(157,641,229)**	(200,516,662)	**-**	-	**(157,641,229)**	(200,516,662)
- Stage 2	**(116,422,138)**	(112,982,442)	**-**	-	**(116,422,138)**	(112,982,442)
- Stage 3	**-**	-	**(2,227,953,997)**	(2,474,059,583)	**(2,227,953,997)**	(2,474,059,583)
- General	**(196,875,084)**	(138,694,687)	**-**	-	**(196,875,084)**	(138,694,687)
	(470,938,451)	(452,193,791)	**(2,227,953,997)**	(2,474,059,583)	**(2,698,892,448)**	(2,926,253,374)
Advances - net of credit loss allowance	**18,527,766,084**	12,722,572,269	**34,755,389**	1,962,012	**18,562,521,473**	12,724,534,281

10.1 Includes net investment in finance lease as disclosed below:

	2025				2024			
	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	**252,690,355**	**441,437,056**	**-**	**694,127,411**	93,182,383	-	-	93,182,383
Residual value	**-**	**-**	**-**	**-**	-	-	-	-
Minimum lease payments	**252,690,355**	**441,437,056**	**-**	**694,127,411**	93,182,383	-	-	93,182,383
Financial charges for future periods	**(87,519,228)**	**(76,884,962)**	**-**	**(164,404,190)**	(28,746,708)	-	-	(28,746,708)
Present value of minimum lease payments	**165,171,127**	**364,552,094**	**-**	**529,723,221**	64,435,675	-	-	64,435,675

10.2 Particulars of advances (Gross)

	2025	2024
	---Rupees---	
In local currency	**21,261,413,921**	15,650,787,655
In foreign currencies	**-**	-
	21,261,413,921	15,650,787,655

10.3 Advances to Women, Women-owned and Managed Enterprises

Women	**10,866,678**	4,574,787
Women Owned and Managed Enterprises	**-**	-
	10,866,678	4,574,787

10.4 Particulars of credit loss allowance

10.4.1 Advances - exposure

	2025			2024		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
		Rupees			Rupees	
Gross carrying amount - 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
IFRS-9 adjustment	**-**	**-**	**-**	(982,846,856)	(65,746,018)	125,647,813
New advances	**28,574,365,829**	**100,000,000**	**-**	8,068,123,603	304,545,455	-
Advances derecognized or repaid	**(22,752,553,970)**	**(200,998,384)**	**(110,187,209)**	(1,690,992,226)	(376,365,180)	(1,203,753,476)
Transfer to stage 1	**786,568,697**	**(786,568,697)**	**-**	-	-	-
Transfer to stage 2	**(300,000,000)**	**403,125,000**	**(103,125,000)**	(689,820,383)	1,071,837,725	(382,017,341)
Transfer to stage 3	**-**	**-**	**-**	-	(315,472,973)	315,472,973
	6,308,380,556	**(484,442,081)**	**(213,312,209)**	5,687,310,994	684,545,027	(1,270,297,845)
Amounts written off / charged Off	**-**	**-**	**-**	-	-	-
Closing balance - current year	**18,037,573,116**	**961,131,419**	**2,262,709,386**	11,729,192,560	1,445,573,500	2,476,021,595

10.4.2 Advances - Credit loss allowance

	2025			2024		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
		Rupees			Rupees	
Opening balance	**323,796,207**	**128,397,583**	**2,474,059,583**	116,499,781	175,564,694	2,917,889,923
IFRS-9 adjustment	**-**	**-**	**-**	(6,843,800)	(24,800,010)	76,600,534
New advances	**85,046,886**	**1,864,683**	**-**	125,685,258	5,984,582	-
Advances derecognized or repaid	**(130,721,169)**	**(85,721,175)**	**(92,806,925)**	(32,774,913)	(171,611,863)	(692,038,202)
Transfer to stage 1	**74,400,229**	**(74,400,229)**	**-**	-	-	-
Transfer to stage 2	**(8,151,350)**	**111,276,350**	**(103,125,000)**	(16,432,082)	164,022,879	(147,590,798)
Transfer to stage 3	**-**	**-**	**-**	-	(102,527,803)	102,527,803
	20,574,596	**(46,980,371)**	**(195,931,925)**	76,478,264	(104,132,204)	(737,101,196)
Amounts written off / charged off	**-**	**-**	**-**	-	-	-
Changes in risk parameters (PDs/LGDs/EADs)	**(63,450,027)**	**50,420,066**	**(50,173,660)**	14,382,417	66,349,962	216,670,322
General provision	**61,159,525**	**(2,979,127)**	**-**	123,279,546	15,415,141	-
Transfers - net	**-**	**-**	**-**	-	-	-
Closing balance	**342,080,301**	**128,858,150**	**2,227,953,998**	323,796,207	128,397,583	2,474,059,583

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

	2025			2024		
	Stage 1	**Stage 2**	**Stage 3**	Stage 1	Stage 2	Stage 3
	Rupees			Rupees		
Outstanding gross exposure						
Performing - Stage 1	**18,037,573,116**	**-**	**-**	11,729,192,560	-	-
Under Performing - Stage 2	**-**	**961,131,419**	**-**	-	1,445,573,500	-
Non-performing - Stage 3						
Other Assets Especially Mentioned	**-**	**-**	**-**	-	-	-
Substandard	**-**	**-**	**-**	-	-	-
Doubtful	**-**	**-**	**-**	-	-	-
Loss	**-**	**-**	**2,262,709,386**	-	-	2,476,021,595
	-	**-**	**2,262,709,386**	-	-	2,476,021,595
Total	**18,037,573,116**	**961,131,419**	**2,262,709,386**	11,729,192,560	1,445,573,500	2,476,021,595
Corresponding ECL						
Stage 1 and stage 2	**(157,641,229)**	**(116,422,137)**	**-**	(200,516,661)	(112,982,442)	-
Stage 3	**-**	**-**	**(2,227,953,998)**	-	-	(2,474,059,583)
General	**(184,439,072)**	**(12,436,013)**	**-**	(123,279,546)	(15,415,141)	-
	17,695,492,815	**832,273,269**	**34,755,388**	11,405,396,353	1,317,175,918	1,962,011

10.5 Advances include Rs. 2,262,709,386 (2024: Rs. 2,476,021,595) which have been placed under non-performing / stage 3 status as detailed below:-

Category of Classification in Stage 3	2025		2024	
	Non Performing Loans	**Credit Loss Allowance**	Non Performing Loans	Credit Loss Allowance
	Rupees		Rupees	
Domestic				
Other Assets Especially Mentioned	**-**	**-**	-	-
Substandard	**-**	**-**	-	-
Doubtful	**-**	**-**	-	-
Loss	**2,262,709,386**	**(2,227,953,998)**	2,476,021,595	(2,474,059,583)
Total	**2,262,709,386**	**(2,227,953,998)**	2,476,021,595	(2,474,059,583)

10.6 Particulars of credit loss allowance / provision against advances

	Note	2025 Stage 3	2025 Stage 2	2025 Stage 1	2025 Total	2024 Stage 3	2024 Stage 2	2024 Stage 1	2024 Total
		Rupees				Rupees			
Opening balance		**2,474,059,583**	**128,397,583**	**323,796,207**	**2,926,253,373**	2,917,889,923	175,564,694	116,499,781	3,209,954,398
IFRS-9 adjustment		**-**	**-**	**-**	**-**	76,600,534	(24,800,010)	(6,843,800)	44,956,724
Charge for the year		**-**	**67,390,659**	**145,065,205**	**212,455,864**	293,270,856	62,949,675	256,503,421	612,723,953
Reversals		**(246,105,585)**	**(66,930,091)**	**(126,781,112)**	**(439,816,788)**	(813,701,731)	(85,316,777)	(42,363,194)	(941,381,701)
		(246,105,585)	**460,568**	**18,284,093**	**(227,360,924)**	(520,430,874)	(22,367,101)	214,140,227	(328,657,749)
Amounts written off	10.7	**-**	**-**	**-**	**-**	-	-	-	-
Closing balance		**2,227,953,998**	**128,858,150**	**342,080,301**	**2,698,892,449**	2,474,059,583	128,397,583	323,796,207	2,926,253,373

10.6.1 Particulars of Credit loss allowance / provision against advances

	2025 Stage 3	2025 Stage 2	2025 Stage 1	2025 Total	2024 Stage 3	2024 Stage 2	2024 Stage 1	2024 Total
	Rupees				Rupees			
In local currency	**2,227,953,998**	**128,858,150**	**342,080,301**	**2,698,892,449**	2,474,059,583	128,397,583	323,796,207	2,926,253,373
In foreign currencies	**-**	**-**	**-**	**-**	-	-	-	-
	2,227,953,998	**128,858,150**	**342,080,301**	**2,698,892,449**	2,474,059,583	128,397,583	323,796,207	2,926,253,373

10.6.2 The net FSV benefit availed during the year amounted to Rs. 12,545,874 (2024: Rs. 67,578,185), 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. 12,545,874 (2024: Rs. 67,578,185) and Rs. 7,652,983 (2024: Rs. 41,222,693), respectively. As of December 31, 2025, the accumulated availed FSV benefit stands at Rs. 12,545,874 (2024: Rs. 67,578,185). This amount is not available for distribution as cash or stock dividends.

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FOR THE YEAR ENDED DECEMBER 31, 2025

		Note	2025	2024
			--------------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, 2025 is given at Annexure I.

10.9 Particulars of loans and advances to staff included in advances

	2025	2024
	--------------Rupees-------------	
Opening balance	**105,996,640**	131,177,985
IFRS - 9 adjustment	**(13,613,516)**	(46,853,265)
Amount disbursed during the year	**129,170,977**	72,716,397
Amount received during the year	**(58,329,979)**	(51,044,477)
Amount written off	**-**	-
Closing balance	**163,224,122**	105,996,640

11 NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

	2025	2024
Fair value less cost to sell	**65,000,000**	-
Less: Amounts received till 31 December	**(15,000,000)**	-
	50,000,000	**-**

11.1 The Company's ownership interest in Lakson Square Building, Karachi has been classified as a non-current asset held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations." Accordingly, the asset is measured at the lower of its carrying amount at the date of classification and its fair value less costs to sell.

		Note	2025	2024
			--------------Rupees-------------	
12.1	**PROPERTY AND EQUIPMENT**			
	Capital work-in-progress	12.1.1	**6,065,810**	5,336,814
	Property and equipment	12.1.2	**5,926,971,713**	6,082,294,986
			5,933,037,523	6,087,631,800
12.1.1	**Capital work-in-progress**			
	Civil works		**6,065,810**	5,336,814
	Equipment		**-**	-
			6,065,810	5,336,814

12.1.2 Property and equipment

2025

	Leasehold land	Building - Karachi office	Other buildings	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, 2025												
Cost / Revalued amount	3,336,300,000	69,286,000	563,299,744	1,613,572,655	34,176,302	80,744,525	104,793,778	116,849,766	59,650,000	5,181,966	252,572,206	6,236,426,942
Accumulated depreciation	-	-	-	-	16,782,543	59,129,955	58,219,592	-	-	110,021	19,889,845	154,131,956
Net book value	3,336,300,000	69,286,000	563,299,744	1,613,572,655	17,393,759	21,614,570	46,574,186	116,849,766	59,650,000	5,071,945	232,682,361	6,082,294,986
Year ended December 31, 2025												
Opening net book value	3,336,300,000	69,286,000	563,299,744	1,613,572,655	17,393,759	21,614,570	46,574,186	116,849,766	59,650,000	5,071,945	232,682,361	6,082,294,986
Additions	-	-	1,731,845	5,888,951	3,296,358	17,198,533	17,177,311	16,298,938	3,511,260	2,529,810	21,799,905	89,432,911
Movement in surplus on assets revalued during the year	-	-	65,465,675	-	-	-	-	-	-	-	-	65,465,675
Revaluation adjustment	-	-	(22,601,264)	-	-	-	-	-	-	-	-	(22,601,264)
Disposals	-	-	-	-	-	-	-	-	-	-	-	
- Cost / Revalued amount	-	-	-	-	(56,367)	(1,375,058)	(19,733,970)	(237,184)	-	-	-	(21,402,579)
- Accumulated depreciation	-	-	-	-	56,363	1,118,768	19,417,486	768	-	-	-	20,593,385
	-	-	-	-	(4)	(256,290)	(316,484)	(236,416)	-	-	-	(809,194)
Transfer to non current assets available for sale	-	(66,633,762)	-	-	(125)	-	-	-	-	-	(61,965)	(66,695,852)
Depreciation charge	(57,117,456)	(2,652,238)	(22,601,264)	(64,608,245)	(4,260,504)	(13,201,432)	(13,060,259)	(18,575,653)	(9,147,726)	(886,150)	(36,605,885)	(242,716,812)
Revaluation adjustment	-	-	22,601,264	-	-	-	-	-	-	-	-	22,601,264
Closing net book value	3,279,182,544	-	607,896,000	1,554,853,361	16,429,484	25,355,381	50,374,754	114,336,634	54,013,534	6,715,605	217,814,416	5,926,971,713
At December 31, 2025												
Cost / Revalued amount	3,336,300,000	-	607,896,000	1,619,461,606	35,764,318	96,567,701	102,237,119	132,911,519	63,161,260	7,711,776	273,080,909	6,275,092,208
Accumulated depreciation	57,117,456	-	-	64,608,245	19,334,834	71,212,320	51,862,365	18,574,885	9,147,726	996,171	55,266,493	348,120,495
Net book value	3,279,182,544	-	607,896,000	1,554,853,361	16,429,484	25,355,381	50,374,754	114,336,634	54,013,534	6,715,605	217,814,416	5,926,971,713
Rate of depreciation (percentage)	1.71	4.00	4.00	4.00	20.00	33.33	20.00	15.00	15.00	15.00	15.00	

2024

	Leasehold land	Building - Karachi office	Other buildings	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	468,524,612	1,251,267,553	20,149,294	65,830,091	88,869,170	103,095,162	56,854,055	5,557,748	189,776,279	4,880,255,964
Accumulated depreciation	86,175,688	4,185,892	-	99,734,035	15,094,019	53,554,002	52,439,782	30,552,786	15,616,514	1,556,854	63,781,494	422,691,066
Net book value	2,491,874,312	48,096,108	468,524,612	1,151,533,518	5,055,275	12,276,089	36,429,388	72,542,376	41,237,541	4,000,894	125,994,785	4,457,564,898
Year ended December 31, 2024												
Opening net book value	2,491,874,312	48,096,108	468,524,612	1,151,533,518	5,055,275	12,276,089	36,429,388	72,542,376	41,237,541	4,000,894	125,994,785	4,457,564,898
Additions	-	-	59,283,132	7,305,247	14,072,696	17,828,416	27,325,125	12,089,658	1,312,160	2,064,958	80,010,005	221,291,397
Movement in surplus on assets revalued during the year	887,479,132	23,281,168	46,554,220	504,861,337	-	-	-	48,500,462	25,672,810	(37,874)	56,632,729	1,592,943,984
Revaluation adjustment	(129,229,132)	(6,277,168)	(11,062,220)	(149,861,483)	-	-	-	(46,835,516)	(24,189,028)	(2,402,866)	(73,562,358)	(443,419,771)
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)	(11,062,220)	(50,127,447)	(1,734,206)	(8,358,958)	(12,315,453)	(16,282,730)	(8,572,514)	(956,033)	(29,955,154)	(184,509,435)
Revaluation adjustment	129,229,132	6,277,168	11,062,220	149,861,483	-	-	-	46,835,516	24,189,028	2,402,866	73,562,358	443,419,771
Closing net book value	3,336,300,000	69,286,000	563,299,744	1,613,572,655	17,393,759	21,614,570	46,574,186	116,849,765	59,650,000	5,071,945	232,682,361	6,082,294,986
At December 31, 2024												
Cost / Revalued amount	3,336,300,000	69,286,000	563,299,744	1,613,572,655	34,176,302	80,744,525	104,793,778	116,849,766	59,650,000	5,181,966	252,572,206	6,236,426,942
Accumulated depreciation	-	-	-	-	16,782,543	59,129,955	58,219,592	-	-	110,021	19,889,845	154,131,955
Net book value	3,336,300,000	69,286,000	563,299,744	1,613,572,655	17,393,759	21,614,570	46,574,186	116,849,766	59,650,000	5,071,945	232,682,361	6,082,294,986
Rate of depreciation (percentage)	1.67	4.00	4.00	4.00	20.00	33.33	20.00	15.00	15.00	15.00	15.00	

* 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.

12.1.3 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	34,867	34,864	3	4,000	Auction	Abdul Sadiq
Office table	21,500	21,499	1	3,000	Auction	Golden Key Developers
	56,367	56,363	4	7,000		
Heating and air conditioning						
Fan Coil Units	237,184	768	236,416	487,818	Auction	Abdul Sadiq
Office equipment						
XIOMI-III Mobile	67,500	67,499	1	1	As per policy *	Ali Imran
Redmi note 4 Pro	61,875	4,012	57,863	57,863	As per policy *	Mahtab Alam
Samsung A24 mobile	67,500	32,059	35,441	35,441	As per policy *	Shuja Ali
Iphone SE	100,000	99,999	1	1	As per policy *	Fateh Tariq
Laptop HP Probook 450 G9	317,098	154,118	162,980	162,982	As per policy *	Fateh Tariq
Laptop HP Probook 850 G8	343,965	343,964	1	1	As per policy *	Ali Imran
Laptop HP Probook 850 G8	264,000	263,999	1	1	As per policy *	Arif Majeed Butt
Generator	130,890	130,889	1	20,000	Auction	Golden Key Developers
Attendace machine	22,230	22,229	1	-	Out of order	
	1,375,058	1,118,768	256,290	276,290		
Vehicles						
Kia Picanto APY-832	2,057,502	2,057,501	1	1	As per policy *	Umair Hashim
Suzuki Cultus VXL AQB-196	1,886,962	1,886,961	1	1	As per policy *	Arif Majeed Butt
Toyota Corolla GLI 1.3 CC ANH-627	2,523,636	2,523,635	1	3,864,000	Auction	Syed Faisal Zafar
Honda CD 70 AYN-814	72,500	72,499	1	76,700	Auction	Syed Faisal Zafar
Honda CD 70 AUR-193	64,000	63,999	1	77,850	Auction	Suleman Khan
Kia Picanto AQT-843	2,057,502	2,057,501	1	1	As per policy *	Muhammad Azam
Kia Picanto AQT-847	2,058,302	2,058,301	1	1	As per policy *	Muhammad Yousaf Kharal
Kia Picanto AQV-422	2,059,512	2,059,511	1	1	As per policy *	Babar Ejaz
Suzuki Cultus ATT-980	1,932,412	1,615,938	316,474	316,474	As per policy *	Muhammad Faisal Israr
Honda Civic 1.8i Vetech Oriel BNP-	2,964,140	2,964,139	1	4,452,000	Auction	Muhammad Jhangir Khan
KIA PICANTO AQV-842	2,057,502	2,057,501	1	1	As per policy *	Sannaan Aqil
	19,733,970	19,417,486	316,484	8,787,030		
Total	**21,402,579**	**20,593,385**	**809,194**	**9,558,138**		

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

12.1.4 Revaluation of property and equipment

The property and equipment of the parent 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 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.
The property and equipment of the subsidiary were revalued by independent professional valuers on a market value/depreciated replacement cost basis as of December 31, 2025. The revaluation was conducted by Harvester services (Pvt) Ltd. which is a member of the Pakistan Engineering Council and is on the panel of the Pakistan Banking Association. The valuation resulted in an increase in the revaluation surplus by Rs.

	2025	2024
	Rupees	
Leasehold Land	**25,987,456**	26,437,190
Building - Karachi office	**-**	308,081
Building	**497,406,146**	565,136,724
Heating and air-conditioning system	**26,246,743**	24,249,970
Elevators	**9,022,367**	11,830,345
Security system	**5,206,793**	3,634,790
Electrical fittings, fire fighting equipment and others	**105,897,257**	166,785,987
	669,766,762	798,383,087

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

	2025	2024
Furniture and fixture	**11,554,191**	13,099,230
Office equipment	**55,134,140**	46,670,023
Vehicles	**19,718,097**	27,399,875
Electrical fittings, fire fighting equipment and others	**11,920,936**	10,053,567
	98,327,364	97,222,695

13 INTANGIBLE ASSETS

	2025	2024
	Rupees	
(Licences & softwares)		
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
Year ended December 31		
Opening net book value	**5,105,366**	6,457,046
Additions - directly purchased	**5,369,111**	2,237,294
Amortisation charge	**3,210,731**	3,588,974
Other adjustments	**-**	-
Closing net book value	**7,263,746**	5,105,366
At December 31		
Cost	**46,507,270**	41,138,159
Accumulated amortisation and impairment	**39,243,524**	36,032,793
Net book value	**7,263,746**	5,105,366
Rate of amortisation (percentage)	**33.33**	33.33
Useful life (years)	**3.00**	3.00

-

13.1 Cost of fully amortized intangible assets still in use amount to Rs. 31,947,460 (2024: Rs. 30,203,575).

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	Note	2025	2024
			-

14 DEVELOPMENT PROPERTIES

Balance at beginning of the year		**181,781,774**	181,781,774
Additions during the year		**-**	-
Cost of plots / house sold during the year		**-**	-
Balance at end of the year		**181,781,774**	181,781,774

14.1 This represents cost of 32 (2024: 32) - eight Marla Plots situated at Royal Residencia Housing Scheme, Lahore.

15 OTHER ASSETS

	Note	2025	2024
Income/ mark-up accrued in local currency			
On investments		**808,211,588**	2,828,221,500
On advances		**772,044,949**	983,074,556
On lending to financial institutions		**1,098,340**	1,347,985
		1,581,354,877	3,812,644,042
Advances, deposits, advance rent and other prepayments		**41,508,252**	21,180,493
Advance taxation (payments less provisions)		**2,556,819,982**	2,419,995,771
Excise duty		**78,817,895**	78,817,895
Non-banking assets acquired in satisfaction of claims	15.1	**45,634,864**	47,347,144
Dividend receivable		**56,678,542**	133,886,607
Deferred employee benefit		**80,989,804**	65,511,250
Trading transaction in process		**89,641,601**	-
Other receivables		**174,515,316**	18,464,737
		4,705,961,133	6,597,847,938
Less: Credit loss allowance held against other assets	15.2	**(3,685,786)**	(256,792)
Other Assets (Net of credit loss allowance)		**4,702,275,347**	6,597,591,146
Surplus on revaluation of non-banking assets acquired in satisfaction of claims	15.1.1	**13,451,633**	13,956,356
Other assets - total		**4,715,726,980**	6,611,547,502

15.1 The non-banking asset acquired from Irfan Textile represents office area on 8th floor of Famous Mall, Lahore and was initially recorded in the consolidated 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). During the year on November 26, 2025, the Company entered into an agreement with a buyer for the sale of the asset on an “as is where is” basis. Under the terms of the agreement, the buyer has agreed to pay consideration of Rs. 62.5 million, against which an advance of Rs. 20 million has been received. In addition, all operational charges, maintenance dues, utility bills, mall administration charges and any other occupational liabilities payable to Famous Mall Private Limited whether accruing before or after the date of transfer to be borne and discharge by the buyer.

		Note	2025	2024
				-
15.1.1	**Non-banking assets acquired in satisfaction of claims**			
	Opening balance		**61,303,500**	71,439,012
	Revaluation during the year		**-**	(7,029,468)
	Disposals during the year		**-**	-
	Depreciation		**(2,217,003)**	(3,106,044)
	Impairment		**-**	-
	Closing balance		**59,086,497**	61,303,500
15.2	**Credit Loss Allowance held against other assets**			
	Advances, deposits, advance rent & other prepayments	15.2.1	**3,685,786**	256,792
15.2.1	**Movement in credit loss allowance / provision held against other assets**			
	Opening balance		**256,792**	256,792
	Charge for the year		**3,428,994**	-
	Reversals / transfer		**-**	-
	Amount Written off		**-**	-
	Closing balance		**3,685,786**	256,792
16	**BORROWINGS**			
	Secured			
	State Bank of Pakistan (SBP) refinance scheme			
	Long term financing facility	16.1	**721,899,918**	1,182,913,465
	Temporary economic relief facility	16.2	**269,903,963**	383,925,395
			991,803,881	1,566,838,860
	Repurchase agreement borrowings	16.3	**2,700,000,000**	5,919,281,999
	Against Government securities	16.4	**-**	120,306,548,551
	Against book debts / receivables	16.5	**11,020,833,333**	5,512,500,000
	Total secured		**14,712,637,214**	133,305,169,410
	Unsecured			
	Call borrowings	16.6	**14,401,062,835**	12,379,196,370
	Total unsecured		**14,401,062,835**	12,379,196,370
			29,113,700,049	145,684,365,780

16.1 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% (2024: 2.00% to 14.00%) per annum. These facilities will mature during March 2028 to August 2031 (2024: January 2025 to June 2032).

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

16.3 These facilities were secured against government securities (PIBs and T-bills). These carry markup at rates 10.75% (2024: 13.09% to 13.25%) per annum having maturity during January 2026 (2024: January 2025).

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

16.5 These represent facilities obtained from various banks against charge on book debts/receivables valuing Rs. 16,314 million (2024: Rs. 10,267 million). The mark up is charged at varying rates ranging from 10.80% to 11.42% (2024: 12.39% to 23.28%) per annum. These facilities will mature during January 2026 to May 2029 (2024: January 2025 to May 2029).

16.6 These facilities were unsecured and carring markup at rate of 10.85% to 10.90% (2024: 12.1% to 12.6%) per annum having maturity in January 2026 to March 2026 (2024: March 2025).

		Note	**2025**	2024
				-
16.7	**Particulars of borrowings with respect to Currencies**			
	In local currency		**29,113,700,049**	145,684,365,780
	In foreign currencies		**-**	-
			29,113,700,049	145,684,365,780
17	**DEPOSITS AND OTHER ACCOUNTS**			
	Customers			
	- Term deposits (local currency)	17.1	**3,238,406,212**	5,296,755,151
17.1	**Composition of deposits**			
	- Public Sector Entities	17.1.1	**298,681,679**	3,019,800,000
	- Non-Banking Financial Institutions	17.1.2	**887,850,000**	658,850,000
	- Private Sector	17.1.3	**2,051,874,533**	1,618,105,151
			3,238,406,212	5,296,755,151

17.1.1 These Certificate of Investments (COIs) carry mark up at the rates 11.00% to 19.00% (2024: 13.68% to 19.00%) per annum with maturity during February 2026 (2024: January 2025 to June 2025).

17.1.2 These Certificate of Investments (COIs) carry mark up at the rate of 8.60% to 16.00% (2024: 12.25% to 16.00%) per annum with maturity during February 2026 to June 2026 (2024: January 2025 to June 2025).

17.1.3 These Certificate of Investments (COIs) carry mark up at the rates ranging from 11.66% to 19.43% (2024 12.00% to 19.43%) per annum with maturity during January 2026 to September 2026 (2025: January 2025 to December 2025).

18 DEFERRED TAX LIABILITIES

	2025			
	At January 1, 2025	**Recognised in P&L**	**Recognised in OCI**	**At December 31, 2025**
		----------Rupees----------		
Deductible temporary differences on				
Surplus / (deficit) on revaluation of securities - FVOCI	**274,893,968**	**-**	**(274,893,968)**	**-**
Deficit on revaluation of securities - FVTPL	**76,019,122**	**474,813**	**-**	**76,493,934**
Right of Use Assets	**-**	**2,932,441**	**-**	**2,932,441**
Provision / Credit loss allowance against advances, investment, off balance sheet etc	**1,233,266,176**	**(56,800,483)**	**-**	**1,176,465,693**
Unused tax losses				
	1,584,179,265	**(53,393,229)**	**(274,893,968)**	**1,255,892,069**
Taxable temporary differences on				
Accelerated tax depreciation	**(42,536,510)**	**20,585,952**	**-**	**(21,950,558)**
Dividend receivable	**(33,471,652)**	**19,302,016**	**-**	**(14,169,636)**
Net investment in leases	**-**	**(25,798,398)**	**-**	**(25,798,398)**
Surplus on revaluation of securities - FVOCI	**-**	**-**	**(62,015,352)**	**(62,015,352)**
Surplus on revaluation of operating fixed assets	**(2,009,192,309)**	**61,085,020**	**-**	**(1,948,107,289)**
	(2,085,200,470)	**75,174,590**	**(62,015,352)**	**(2,072,041,232)**
Excess deferred tax asset of the subsidiary company not recognized	**-**	**-**	**-**	**-**
	(501,021,205)	**21,781,361**	**(336,909,320)**	**(816,149,163)**

	2024			
	At January 1 2024 (Adjusted)	Recognised in P&L	Recognised in OCI	At December 31 2024
		----------Rupees----------		
DEFERRED TAX LIABILITIES				
Deductible temporary differences on				
Surplus / (deficit) on revaluation of securities - FVOCI	400,741,412	-	(125,847,444)	274,893,968
Deficit on revaluation of securities - FVTPL	(63,030,182)	139,049,304	-	76,019,122
Provision / Credit loss allowance against advances, investment, off balance sheet etc	1,388,920,522	(155,654,346)	-	1,233,266,176
Impairment loss on quoted securities - FVPL	20,859,917	(20,859,917)	-	-
Unused tax losses	15,000,640	(11,163,340)		3,837,300
	1,762,492,309	(48,628,300)	(125,847,444)	1,588,016,565
Taxable temporary differences on				
Accelerated tax depreciation	(53,746,267)	11,209,757	-	(42,536,510)
Dividend receivable	(20,938,817)	(12,532,835)	-	(33,471,652)
Right of use assets - net of lease liabilities				
Surplus on revaluation of operating fixed assets	(1,453,282,886)	47,182,585	(603,092,008)	(2,009,192,309)
	(1,527,967,970)	45,859,508	(603,092,008)	(2,085,200,470)
Excess deferred tax asset of the subsidiary company not recognized	(16,710,082)	16,710,082		-
	234,524,339	13,941,290	(728,939,452)	(497,183,905)

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		Note	**2025**	2024
			---Rupees---	
19	**OTHER LIABILITIES**			
	Mark-up / return / interest payable in local currency		**586,099,555**	2,357,317,023
	Accrued expenses		**149,585,687**	97,575,924
	Advance rental income	19.1	**228,735,843**	222,383,574
	Security deposits against rented properties	19.1	**46,647,027**	42,416,514
	Payable to defined benefit plan	37.4	**13,953,755**	12,190,961
	Provision for compensated absences		**14,318,948**	12,343,813
	Contract liability	19.2	**173,109,354**	31,163,839
	Credit loss allowance against off-balance sheet obligations	19.3	**22,333,533**	60,738,573
			1,234,783,702	2,836,130,221

19.1 This relate to premises let out in the Saudi Pak Tower, Jinnah Avenue, Blue Area, Islamabad.

19.2 This includes advance of Rs. 20 million (2024: Rs. nil) received against the sale of the non-banking asset.

		2025	2024
		---Rupees---	
19.3	**Credit loss allowance against off-balance sheet obligations**		
	Opening balance	**60,738,573**	43,642,361
	Charge for the year	**-**	17,096,212
	Reversals	**(38,405,040)**	-
		(38,405,040)	17,096,212
	Closing balance	**22,333,533**	60,738,573

20 SHARE CAPITAL

20.1 Authorized Capital

2025	2024		**2025**	2024
---Number of shares---			---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

20.2 Issued, subscribed and paid up share capital

2025	2024		**2025**	2024
---Number of shares---			---Number of shares---	
		<u>**Ordinary shares**</u>		
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

20.3 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.

	Note	2025	2024
		--------------Rupees--------------	
21 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS			
(Deficit) / surplus on revaluation of			
- Securities measured at FVOCI	9.1	**271,065,619**	(746,796,602)
- Property and equipment	21.1	**5,165,045,332**	5,198,329,384
- Non-banking assets acquired in satisfaction of claims		**13,451,631**	13,956,356
		5,449,562,582	4,465,489,138
Deferred tax on (deficit) / surplus on revaluation of:			
- Securities measured at FVOCI	18	**(62,015,352)**	274,893,968
- Property and equipment	21.1	**(1,949,803,143)**	(2,009,192,310)
		(2,011,818,495)	(1,734,298,342)
		3,437,744,086	2,731,190,796
21.1 Surplus on revaluation of property & equipment			
Surplus on revaluation of property & equipment as at January 1		**5,198,329,384**	3,726,366,387
Recognised during the year		**65,465,675**	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		**(37,664,707)**	(27,244,184)
Related deferred tax liability on incremental depreciation charged during the year		**-** **(61,085,020)**	(47,182,584)
Surplus on revaluation of property & equipment as at December 31		**5,165,045,332**	5,198,329,384
Less: related deferred tax liability on:			
- revaluation as at January 1		**2,009,192,310**	1,453,282,886
- revaluation recognised during the year		**-**	603,092,008
- surplus realised on disposal during the year		**1,695,853**	-
- incremental depreciation charged during the year		**(61,085,020)**	(47,182,584)
		1,949,803,143	2,009,192,310
		3,215,242,188	3,189,137,074
22 CONTINGENCIES AND COMMITMENTS			
-Guarantees	22.1	**5,288,029,000**	4,505,100,000
-Commitments	22.2	**8,255,037,932**	1,452,289,505
		13,543,066,932	5,957,389,505
22.1 Guarantees:			
Financial guarantees		**5,288,029,000**	4,505,100,000
22.2 Commitments:			
Commitments for acquisition of:			
- Operating fixed assets		**12,517,098**	8,188,848
- Intangible assets		**15,331,834**	5,880,657
		27,848,932	14,069,505
Non disbursed commitment for term and working capital finance		**8,227,189,000**	1,438,220,000
		8,255,037,932	1,452,289,505

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22.3 Other contingent liabilities

22.3.1 Tax contingencies - Holding Company

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 vide order dated December 7, 2015 and 2012 to 2014 vide order dated November 7, 2017. 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 2019, 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. 1,592.976 million by making various add backs and disallowances in terms of orders DCR No. 14/108 dated March 18, 2019 for tax year 2015, DCR No. 15/108 dated March 18, 2019 for tax year 2016, DCR No. 16/108 dated March 18, 2019 for tax year 2017, DCR No. 05/61 dated March 14, 2019 for tax year 2018 and January 18, 2024 for tax year 2019. 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 vide order dated October 30, 2018 all of the tax years under consideration, and cummulative demand of Rs. 276.482 million was created on account of alleged default in withholding of tax in respect of payment of mark-up to Microfinance and Investment banks 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.

iv) For the tax year 2022, the assessing officer passed an order under section 4C of the Income Tax Ordinance 2001 levying super tax on the company and created demand of Rs. 59.230 million. The Company preferred appeal before the CIR(A) who remanded the matter to the assessing officer. The Company preferred further appeal before ATIR which is pending adjudication. Meanwhile, the company has already accounted for an impact of super tax to the extent of Rs 47.752 million out of such demand in the year 2022.

The management, 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 consolidated financial statements.

22.3.2 Tax contingencies - Subsidiary Company

i) The return filed by the Company for tax year 2015 was amended vide assessment order bar code No. 100000099727330 dated June 30, 2021 under section 122(1) of the Income Tax Ordinance, 2001 for the tax year 2015 creating an aggregate demand amounting PKR 9,022,333 charged by disallowing Capital Work in progress of Rs. 28.65 million and Administrative and selling Expenses of Rs. 10.8 million. The Company filed an appeal before the (CIR(A) against the said order on July 27, 2021. The CIRA heard the case on August 7, 2024, and issued its decision via an appellate order dated August 15, 2024, partially in favor of the Company. The case was remanded to the assessing officer for further verification regarding the disallowance of the addition to CWIP, while the disallowance related to Administrative and Selling expense was confirmed . However, this contradicted the fact that the Company provided all relevant records during the hearing. The Company contested the case at two forums. For disallowance of Admistratve and Selling expenses, appeal was filed before Islamabad Highcourt while for disallowance regaring CWIP, appeal was filed before Commisioner inland Revenue(CIRA). Decsion regarding disallowance of CWIP amounting to Rs. 28.65 has come in Company's favour and demand raised by assessing officer has been declared annulled by CIRA vide order dated February 10,2026. Further as per order of Islamabad High Court, the matter on addition of admistrative and selling expenses of Rs. 10.8 million has been referred to Appellate Tribunal Inland Revenue (ATIR). A positive outcome is expected by the Company from ATIR.

ii) For the tax years 2015 to 2019, 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. 1,592.976 million by making various add backs and disallowances in terms of orders DCR No. 14/108 dated March 18, 2019 for tax year 2015, DCR No. 15/108 dated March 18, 2019 for tax year 2016, DCR No. 16/108 dated March 18, 2019 for tax year 2017, DCR No. 05/61 dated March 14, 2019 for tax year 2018 and January 18, 2024 for tax year 2019. 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.

22.3.3 Other contingencies - Holding Company

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. The 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. The Customer filed the instant suit in the Sindh High Court, Karachi 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 will be 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.

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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. The 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 to extent of Rs.388.738 in favor of Saudi Pak and execution 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.400.00 million 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. The 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.

23 Presently, the Group does not deal in derivative products.

		2025	2024
24	**MARK-UP / RETURN / INTEREST EARNED**	---------------Rupees	-------------
	On:		
	Loans and advances	**2,373,649,996**	2,071,635,290
	Investments	**3,943,242,191**	8,790,057,871
	Lendings to financial institutions	**91,820,905**	86,090,168
	Balances with banks	**16,834,986**	16,028,103
		6,425,548,078	10,963,811,433
24.1	**Interest income (calculated using effective interest rate method) recognised on :**		
	Financial assets measured at amortised cost	**2,632,061,762**	2,372,046,254
	Financial assets measured at fair value through OCI	**3,793,486,316**	8,591,765,179
		6,425,548,078	10,963,811,433

		2025	2024
		------------Rupees------------	
25	**MARK-UP / RETURN / INTEREST EXPENSED**		
	On:		
	Deposits	**468,000,377**	1,006,089,582
	Borrowings		
	Securities purchased under repurchase agreements	**1,111,901,786**	3,769,243,420
	Other short term borrowings	**2,139,252,133**	3,963,638,152
	Long term finance for export oriented projects from SBP	**362,206,178**	229,631,330
	Long term borrowings	**793,753,147**	889,855,629
		4,407,113,244	8,852,368,531
	Interest expense on lease liability against ROU assets	**-**	-
	Brokerage fee	**3,944,199**	4,725,796
		4,879,057,820	9,863,183,909
25.1	Interest expense calculated using effective interest rate method	**4,875,113,621**	9,858,458,113
	Brokerage fee	**3,944,199**	4,725,796
		4,879,057,820	9,863,183,909

25.2 The markup expensed amounting to Rs. 584,046 (2024: Rs. 2,069,1482) relates to Saudi Pak Employees Contributory Fund.

		Note	2025	2024
			------------Rupees------------	
26	**FEE & COMMISSION INCOME**			
	Credit related fees		**22,374,000**	28,925,650
	Commission on guarantees		**94,438,104**	55,962,661
			116,812,104	84,888,311
27	**GAIN / (LOSS) ON SECURITIES**			
	Realised	27.1	**111,747,357**	141,745,318
	Unrealised - measured at FVPL	9.1	**11,458,169**	79,578,066
			123,205,526	221,323,385
27.1	**Realised gain / (loss) on:**			
	Federal Government securities		**(78,929,240)**	22,460,769
	Shares		**181,633,446**	118,718,922
	Other debt securities		**380,675**	565,627
			103,084,881	141,745,318

		Note	2025	2024
28	**OTHER INCOME**		------------Rupees------------	
	Rent on property- net	28.1	**324,015,967**	304,333,504
	Gain on sale of property & equipment - net		**8,748,944**	3,779,067
	Other rental		**1,505,467**	1,902,526
	Others		**112,640**	5,423,898
			334,383,018	315,438,995

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		Note	2025	2024
28.1	**Rent on property - net**		------------Rupees------------	
	Rental income		**639,383,317**	551,610,888
	Less: property expense			
	Salaries, allowances and employee benefits		**41,658,781**	38,279,388
	Traveling and conveyance		**162,510**	8,700
	Medical		**909,005**	779,291
	Janitorial services		**21,120,471**	16,217,486
	Security services		**25,537,761**	20,275,043
	Insurance		**4,972,667**	2,384,972
	Postage, telegraph, telegram and telephone		**40,072**	8,657
	Printing and stationery		**179,100**	205,150
	Utilities		**30,964,321**	6,729,106
	Consultancy and professional charges		**166,569**	42,750
	Repairs and maintenance		**24,820,139**	29,916,647
	Rent, rates and taxes		**3,638,645**	2,665,609
	Depreciation		**156,831,689**	127,198,952
	Office general expenses		**4,365,620**	2,565,633
			315,367,350	247,277,384
			324,015,967	304,333,504

		Note	2025	2024
29	**OPERATING EXPENSES**			
	Total compensation expense	29.1	**450,680,177**	362,209,506
	Property expense			
	Rent & taxes		**739,216**	570,798
	Insurance		**622,319**	340,710
	Utilities cost		**29,355,921**	34,867,448
	Security (including guards)		**4,742,684**	4,346,350
	Repair and maintenance (including janitorial charges)		**6,550,025**	6,591,749
	Depreciation		**45,005,791**	29,233,499
			87,015,955	75,950,555
	Information technology expenses			
	Software maintenance		**15,780,647**	15,346,841
	Hardware maintenance		**4,018,847**	2,866,870
	Amortisation		**3,210,731**	3,588,966
	Network charges		**4,558,910**	4,533,337
			27,569,135	26,336,014
	Other operating expenses			
	Directors' fees and allowances		**22,720,000**	23,840,000
	Legal and professional charges		**22,177,168**	6,646,553
	Consultancy, custodial and rating services		**27,641,143**	11,266,689
	Outsourced services costs		**47,647,855**	42,036,574
	Travelling and conveyance		**45,951,452**	27,375,634
	Depreciation		**40,879,332**	36,429,810
	Training and development		**6,150,338**	4,567,170
	Postage and courier charges		**770,695**	1,053,469
	Communication		**7,024,798**	5,155,505
	Stationery and printing		**6,942,600**	5,654,712
	Marketing, advertisement and publicity		**13,720,425**	13,530,705
	Donations	29.2	**2,000,000**	3,000,000
	Auditors' remuneration	29.3	**9,977,225**	4,080,118
	Repair and maintenance		**12,747,781**	9,300,335
	Insurance		**4,441,427**	2,872,758
	Office and general expenses		**30,980,463**	9,382,501
	Bank charges		**266,336**	124,109
			302,039,038	206,316,642
			867,304,305	670,812,717

		Note	2025	2024
29.1	**Total compensation expense**		---------------- Rupees	----------------
	Fees and allowances etc.			
	Managerial remuneration			
	i) Fixed		**140,843,983**	124,977,944
	ii) Variable		**-**	-
	of which;		**-**	-
	a) Cash bonus / awards etc.		**71,027,453**	43,800,000
	b) Bonus & awards in shares etc.		**-**	-
	Charge for defined benefit plan	37.7	**10,976,236**	7,824,754
	Contribution to defined contribution plan		**13,286,044**	11,113,613
	Compensated absences		**7,530,448**	7,189,263
	Leave fare assistance		**6,880,889**	4,927,655
	Exgratia		**10,701,811**	8,950,921
	Rent & house maintenance		**75,866,449**	62,658,645
	Utilities		**14,041,382**	11,931,109
	Medical		**29,322,704**	23,454,010
	Conveyance		**49,364,778**	37,799,541
	Grant to employee		**-**	-
	Deferred employee benefit - amortization		**17,719,826**	13,688,623
	Others	29.1.1	**3,118,174**	3,893,428
	Sub-total		**450,680,177**	362,209,506
	Sign-on bonus		**-**	**-**
	Severance allowance		**-**	**-**
	Grand total		**450,680,177**	362,209,506

29.1.1 This includes mainly group life insurance for permanent employees.

			2025	2024
29.2	**Donations**			
	Noon Educational Services (Pvt) Ltd		**2,000,000**	2,000,000
	Hrd Network		**-**	1,000,000
			2,000,000	3,000,000
29.3	**Auditors' remuneration**			
	Audit fee		**2,850,725**	2,633,276
	Half yearly review		**1,526,500**	1,446,842
	Fee for other statutory certifications		**-**	-
	Out of pocket expenses		**-**	-
			4,377,225	4,080,118
	Fee for other certifications		**-**	-
	Special review - IFRS 9		**5,600,000**	-
			9,977,225	**4,080,118**
30	**OTHER CHARGES**			
	Penalties imposed by State Bank of Pakistan		-	5,126,000
31	**CREDIT LOSS ALLOWANCE & WRITE OFFS - NET**			
	Credit loss allowance against lending to financial institutions	8.3	**(150,212)**	176,467
	Credit loss allowance for diminution in value of investments - net	9.4.2	**(69,589,023)**	(203,580,419)
	Credit loss allowance against loans and advances - net	10.6	**(227,360,924)**	(238,732,856)
	Other credit loss allowance / write offs		**(267,389,285)**	184,955,387
			(564,489,444)	**(169,660,890)**

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		Note	2025	2024
			---------------- Rupees ----------------	
32	**Levy differential**			
	Minimum Tax	33.1	**(19,964,787)**	(1,525,997)
	Final tax	33.2	**(29,429,568)**	(19,062,063)
			(49,394,355)	(20,588,060)

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

33.2 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.

		2025	2024
		---------------- Rupees ----------------	
33	**TAXATION**		
	Current tax		
	Current year	**(562,900,383)**	(466,235,848)
	Prior year	**(14,624,292)**	5,166,707
		(577,524,675)	(461,069,141)
	Deferred tax		
	Current year	**21,781,361**	13,466,632
	Prior year	**-**	-
		21,781,361	13,466,632
		(555,743,314)	(447,602,509)

33.1 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:

	2025	2024
	--------------Rupees--------------	
Current tax liability for the year as per applicable tax laws	612,294,738	468,190,569
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(562,900,383)	(447,602,509)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21 / IAS 37	(49,394,355)	(20,588,060)
Difference	-	-

33.2 The aggregate of minimum / final tax and income tax, amounting to Rs. 612.294 million (2024: 468.190 million) represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

		2025	2024
33.3	**Relationship between tax expense and accounting profit**	--------------Rupees--------------	
	Accounting profit for the year	**1,940,625,034**	**1,429,557,377**
	Tax Rate	29%	-
	Tax on accounting profit	562,781,260	-
	Tax effect on income subject to lower rate of taxation	(57,920,221)	-
	Tax effect of prior years	14,624,292	-
	Impact of super tax for current year	162,478,700	-
	Impact of permanent differences - disallowance of penalties imposed by the SBP	-	-
	Others	(76,826,363)	-
		605,137,669	-

34 BASIC EARNINGS PER SHARE

	2025	2024
Profit for the period - Rupees	**1,335,487,365**	961,366,809
Weighted average number of ordinary shares	**676,500,000**	676,500,000
Basic earnings per share - Rupee	**1.974**	1.421

35 CASH AND CASH EQUIVALENTS

	2025	2024
Cash and Balance with Treasury Banks	**257,902,472**	224,987,485
Balance with other banks	**667,388,282**	89,886,439
	925,290,754	314,873,924

36 STAFF STRENGTH

	2025	2024
	------------ (Number) ------------	
Permanent	**78**	78
On Company's contract	**1**	1
Company's own staff strength at the end of the year	**79**	79

36.1 In addition to the above, 68 (2024: 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.

37 DEFINED BENEFIT PLAN

37.1 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, 2025 using the projected unit credit method. Detail of the defined benefit plan are:

37.2 Number of employees under the scheme

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

	2025	2024
	------------ (Number) ------------	
Gratuity fund	**79**	79

37.3 Principal actuarial assumptions

The latest actuarial valuations was carried out as at December 31, 2025 using the following significant assumptions:

	2025	2024
Discount rate	**11.00% per annum**	12.25% per annum
Expected rate of return on plan assets	**12.02% per annum**	20.82% per annum
Expected rate of salary increase	**10.00% per annum**	11.25% per annum
Expected rate of increase in pension		
Expected rate of increase in medical benefit		
Mortality rates	**SLIC (2001-05)-1**	SLIC (2001-05)-1
Rate of employee turnover	**Moderate**	Moderate

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		Note	2025	2024
			------------- Rupees	-------------
37.4	**Reconciliation of payable to defined benefit plans**			
	Present value of obligations		**79,338,958**	71,164,058
	Fair value of plan assets		**(65,385,203)**	(58,973,097)
	Net liability		**13,953,755**	12,190,961
37.5	**Movement in defined benefit obligations**			
	Obligations at the beginning of the year		**71,164,058**	59,153,148
	Current service cost		**9,599,864**	7,514,595
	Interest cost		**8,576,139**	9,113,764
	Benefits paid by the Company		**(12,567,072)**	(10,700,794)
	Re-measurement loss		**2,565,969**	6,083,345
	Obligations at the end of the year		**79,338,958**	71,164,058
37.6	**Movement in fair value of plan assets**			
	Fair value at the beginning of the year		**58,973,097**	56,807,049
	Interest income on plan assets		**7,199,767**	8,803,605
	Contributions by Company		**12,190,961**	2,364,212
	Benefits paid by the Fund to the Company		**(12,567,072)**	(10,700,794)
	Re-measurements: Actuarial gain / (loss) on plan assets	37.8.2	**(411,550)**	1,699,025
	Fair value at the end of the year		**65,385,203**	58,973,097
37.7	**Movement in payable under defined benefit schemes**			
	Opening balance		**12,190,961**	2,346,099
	Charge for the year		**10,976,236**	7,402,018
	Benefits paid to outgoing members		**(12,567,072)**	(10,700,794)
	Contribution by the Company		**(12,190,961)**	(1,941,476)
	Re-measurement loss recognised in OCI during the year	37.8.2	**2,977,519**	4,384,320
	Amount paid by the fund to the Company		**12,567,072**	10,700,794
	Closing balance		**13,953,755**	12,190,961
37.8	**Charge for defined benefit plans**			
37.8.1	**Cost recognised in profit and loss**			
	Current service cost		**9,599,864**	7,514,595
	Net interest on defined benefit liability		**1,376,372**	310,159
			10,976,236	7,824,754

37.8.2 Re-measurements recognised in OCI during the year

	2025	2024
	------------ Rupees ------------	
Loss / (gain) on obligation		
- Demographic assumptions	**-**	-
- Financial assumptions	**(433,833)**	4,025,132
- Experience adjustments	**2,999,802**	2,058,213
Total actuarial loss on obligation	**2,565,969**	6,083,345
Net return on plan assets over interest income / (loss)	**411,550**	(1,699,025)
Total re-measurements recognised in OCI	**2,977,519**	4,384,320

37.9 Components of plan assets

	2025	2024
Cash and cash equivalents	**8,289,141**	31,300,298
Term deposit receipts (TDR) / Certificate of Investment - unquoted	**57,094,150**	24,381,953
Payable to the company by the fund	**1,912**	(2,662,969)
	65,385,203	53,019,282

37.9.1 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.

37.10 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:

	2025	2024
	------------ Rupees ------------	
Discount rate +0.5%	**75,863,696**	68,225,993
Discount rate -0.5%	**83,062,773**	74,321,460
Long term salary increase +0.5%	**83,268,334**	74,501,559
Long term salary increase -0.5%	**75,618,942**	68,029,423

	2026
	---- Rupees ----
37.11 Expected contributions to be paid to the fund in the next financial year	**12,365,241**

37.12 Expected charge for next financial year

Current service cost	**10,887,059**
Net interest on defined benefit asset / liability	**1,478,182**
	12,365,241

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37.13 Maturity profile

	2025	2024
	------------ Rupees ------------	
Distribution of timing of benefit payments (years)		
- 1	**3,634,208**	11,965,573
- 2	**6,105,221**	3,649,699
- 3	**4,554,224**	6,080,990
- 4	**9,450,941**	3,814,835
- 5	**5,411,763**	8,897,198
- 6-10	**117,256,659**	167,540,800
Weighted average duration of the PBO (years)	**8.16**	7.57

37.14 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.

37.15 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.

38 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, 2025 were Rs. 175,553,831 (2024: Rs. 158,128,715).

39 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

39.1 Total compensation expense

	2025				
	Directors				
Items	Chairman	Executives (other than CEO)	Non-Executives	GM / CEO	Key Management Personnel
	Rupees				
Fees and allowances etc.	3,750,000	-	18,970,000	-	-
Managerial remuneration					
i) Fixed	-	-	-	17,803,661	38,243,260
ii) Total variable					
of which					
a) Cash bonus / awards	-	-	-	15,500,000	18,829,604
b) Bonus & awards in shares	-	-	-	362,000	-
Charge for defined benefit plan	-	-	-	3,378,280	2,143,441
Contribution to defined contribution plan	-	-	-	1,202,507	4,084,976
Compensated absences	-	-	-	1,670,150	3,853,940
Leave fare assistance	-	-	-	1,002,089	3,635,300
Exgratia	-	-	-	1,312,765	3,179,160
Rent & house maintenance	-	-	-	7,575,041	22,489,956
Utilities	-	-	-	1,202,507	3,748,326
Medical	-	-	-	1,029,348	6,240,796
Conveyance	-	-	-	-	-
Deferred employee benefit - amortization	-	-	-	6,434,982	23,273,555
Others	-	-	-	3,033,402	19,994,974
Total	3,750,000	-	18,970,000	61,506,732	149,717,288
Number of persons	1	-	5	2	11

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.

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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	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	-	-	-	14,921,648	42,204,654
ii) Total Variable					
of which					
a) Cash Bonus / Awards	-	-	-	13,838,613	12,776,505
b) Bonus & Awards in Shares	-	-	-	630,000	724,000
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	-	-	-	1,243,428	3,274,740
Rent & house maintenance	-	-	-	7,575,047	21,250,531
Utilities	-	-	-	1,202,509	3,541,765
Medical	-	-	-	408,000	6,512,269
Conveyance	-	-	-	-	-
Deferred employee benefit - amortization				1,007,665	6,036,422
Others	-	840,000	-	2,248,486	18,135,220
Total	4,050,000	840,000	19,790,000	48,387,092	124,704,567
Number of Persons	1	-	5	2	13

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

		2025					
		Meeting Fees and Allowances Paid					
				For Board Committees			
Sr. No.	Name of Directors	For Board Meetings	For Annual General Meeting	Audit Committee	Risk Management Committee	Human Resource Committee	Total Amount Paid
		Rupees					
1	Sultan Mohammed Hasan Abdulrauf	3,000,000	150,000	-	-	600,000	3,750,000
2	Majid Misfer J. Alghamdi	1,400,000	80,000	950,000	450,000	-	2,880,000
3	Ghanem Alghanem	2,500,000	80,000	950,000	450,000	450,000	4,430,000
4	Awais Manzur Sumra	2,500,000	-	1,000,000	-	500,000	4,000,000
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	500,000	3,580,000
	Total Amount Paid	14,400,000	470,000	3,900,000	1,900,000	2,050,000	22,720,000

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

		2024					
		Meeting Fees and Allowances Paid					
				For Board Committees			
Sr. No.	Name of Directors	For Board Meetings	For Annual General Meeting	Audit Committee	Risk Management Committee	Human Resource Committee	Total Amount Paid
		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 Group and are included in traveling expenses under other operating expenses.

40 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 Group 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 Group'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.

40.1 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 Mutual Fund Association of Pakistan (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 measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2025				
	Carrying value	Level 1	Level 2	Level 3	Total
			---- Rupees ----		
On balance sheet financial instruments					
Financial assets - measured at fair value					
Investments					
- Federal Government Securities	18,959,220,440	-	18,959,220,440	-	18,959,220,440
- Shares					
Listed companies	728,023,466	728,023,466	-	-	728,023,466
Unlisted companies	719,054,819	-	-	719,054,819	719,054,819
- Open end Mutual Fund	150,149,584	150,149,584	-	-	150,149,584
- Non-Government Debt Securities	689,385,421	-	-	689,385,421	689,385,421
	21,245,833,730	878,173,050	18,959,220,440	1,408,440,240	21,245,833,730
Financial assets disclosed but not- measured at fair value					
Investments					
- Federal Government Securities	-	-	-	-	-
- Non-Government Debt Securities	1,140,848,185	-	-	-	1,140,848,185
	1,140,848,185	-	-	-	1,140,848,185
Off-balance sheet financial instruments - measured at fair value	-	-	-	-	-

	2024				
	Carrying value	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------				
On balance sheet financial instruments Financial assets - measured at fair value					
Investments					
- Federal Government Securities	141,405,279,374	-	141,405,279,374	-	141,405,279,374
- Shares	-				
Listed companies	681,503,297	681,503,297	-	-	681,503,297
Unlisted companies	540,671,358	-	-	540,671,358	540,671,358
- Open end Mutual Fund	129,759,463	129,759,463			129,759,463
- Non-Government Debt Securities	685,158,852	-	-	685,158,852	685,158,852
	143,442,372,344	811,262,760	141,405,279,374	1,225,830,210	143,442,372,344
Financial assets - disclosed but not measured at fair value					
Investments					
Federal Government Securities	-	-	-	-	-
Non-Government Debt Securities	1,205,130,717	-	-	-	1,205,130,717
	1,205,130,717	-	-	-	1,205,130,717
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, 2025, 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.

40.2 The Group'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.

40.3 Fair value of non-financial assets

	2025				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Total**
	---------- Rupees ----------				
Non-financial assets					
Property and equipment (lease hold land, building and others)	**5,926,971,713**	**-**	**-**	**5,926,971,713**	**5,926,971,713**
Non banking assets acquired in satisfaction of claims	**59,086,497**	**-**	**-**	**59,086,497**	**59,086,497**

	2024				
	Carrying value	Level 1	Level 2	Level 3	Total
	---------- Rupees ----------				
Non-financial assets					
Property and equipment (lease hold land, building and others)	6,082,294,986	-	-	6,082,294,986	6,082,294,986
Non banking assets acquired in satisfaction of claims	61,303,500	-	-	61,303,500	61,303,500

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

Items	Valuation approach and input used
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 consolidated financial statements.

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41 Segment Details with respect to Business Activities

41.1 Segment details with respect to business activities

	2025			
	Corporate Finance	**Trading and sales**	**Building rental services**	**Total**
	--------Rupees--------			
Profit & Loss				
Net mark-up/return/profit	884,796,624	656,246,284	5,447,350	1,546,490,258
Non mark-up / return / interest income	125,538,051	236,063,824	335,347,762	696,949,637
Total income	1,010,334,675	892,310,108	340,795,112	2,243,439,895
Segment direct expenses	450,504,728	405,665,289	11,134,288	867,304,305
Total expenses	450,504,728	405,665,289	11,134,288	867,304,305
Credit loss allowance	(407,989,594)	(156,499,850)	-	(564,489,444)
Profit before tax	967,819,541	643,144,669	329,660,825	1,940,625,034
Balance Sheet				
Cash and bank balances	-	923,206,267	646,173	923,852,440
Lendings to financial institutions	-	84,812,758	-	84,812,758
Investments	977,416,204	21,259,116,127	150,149,584	22,386,681,915
Advances - performing	18,527,766,084	-	-	18,527,766,084
- non-performing net	34,755,389	-	-	34,755,389
Others	1,770,977,078	2,782,817,625	6,334,015,320	10,887,810,023
Total assets	21,310,914,755	25,049,952,777	6,484,811,077	52,845,678,609
Borrowings	12,012,637,215	17,101,062,834	-	29,113,700,049
Deposits & other accounts	3,238,406,212	-	-	3,238,406,212
Others	845,026,625	1,198,473,106	7,433,134	2,050,932,865
Total liabilities	16,096,070,052	18,299,535,940	7,433,134	34,403,039,126
Equity	-	-	-	18,442,639,483
Total equity & liabilities	16,096,070,052	18,299,535,940	7,433,134	52,845,678,609
Contingencies and commitments	13,515,218,000	-	27,848,932	13,543,066,932

	2024			
	Corporate Finance	Trading and sales	Building rental services	Total
	--------Rupees--------			
Profit & Loss				
Net mark-up/return/profit	253,388,085	833,947,569	13,291,869	1,100,627,524
Non mark-up / return / interest income	82,438,611	418,853,949	333,915,120	835,207,680
Total Income	335,826,696	1,252,801,519	347,206,989	1,935,835,204
Segment direct expenses	142,807,152	533,131,565	-	675,938,717
Total expenses	142,807,152	533,131,565	-	675,938,717
Credit loss allowance	(169,660,890)	-	-	(169,660,890)
Profit before tax	362,680,435	719,669,954	347,206,989	1,429,557,378
Balance Sheet				
Cash and bank balances	-	308,678,010	-	308,678,010
Lendings to financial institutions	-	384,209,641	-	384,209,641
Investments	1,665,239,324	142,852,504,273	129,759,463	144,647,503,061
Advances - performing	12,722,572,269	-	-	12,722,572,269
- non-performing net	1,962,012	-	-	1,962,012
Others	1,635,198,928	4,864,159,878	6,386,707,636	12,886,066,442
Total assets	16,024,972,534	148,409,551,803	6,516,467,099	170,950,991,436
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	2,305,968,148	3,333,314,126
Total liabilities	14,788,948,155	137,219,518,754	2,305,968,148	154,314,435,057
Equity	-	-	-	16,636,556,378
Total equity & liabilities	14,788,948,155	137,219,518,754	2,305,968,148	170,950,991,435
Contingencies and commitments	4,640,180,439	1,255,070,787	62,138,279	5,957,389,505

41.2 Segment details with respect to geographical locations

GEOGRAPHICAL SEGMENT ANALYSIS

	2025		
	In Pakistan	**Outside Pakistan**	**Total**
Profit & loss	---------------------- **Rupees**	--------------------	
Net mark-up/return/profit	**1,546,490,258**	**-**	**1,546,490,258**
Inter segment revenue - net	**-**	**-**	**-**
Non mark-up / return / interest income	**696,949,637**	**-**	**696,949,637**
Total income	**2,243,439,895**	**-**	**2,243,439,895**
Segment direct expenses	**867,304,305**	**-**	**867,304,305**
Inter segment expense allocation	**-**	**-**	**-**
Total expenses	**867,304,305**	**-**	**867,304,305**
Provisions	**(564,489,444)**	**-**	**(564,489,444)**
Profit before income tax and minimum tax differential	**1,940,625,034**	**-**	**1,940,625,034**
Balance sheet			
Cash & bank balances	**923,852,440**	**-**	**923,852,440**
Investments	**22,386,681,915**	**-**	**22,386,681,915**
Net inter segment lendings	**-**	**-**	**-**
Lendings to financial institutions	**84,812,758**	**-**	**84,812,758**
Advances - performing	**18,527,766,084**	**-**	**18,527,766,084**
- non-performing net of provision	**34,755,389**	**-**	**34,755,389**
Others	**10,887,810,023**	**-**	**10,887,810,023**
Total assets	**52,845,678,609**	**-**	**52,845,678,609**
Borrowings	**29,113,700,049**	**-**	**29,113,700,049**
Deposits & other accounts	**3,238,406,212**	**-**	**3,238,406,212**
Net inter segment borrowing	**-**	**-**	**-**
Others	**2,050,932,865**	**-**	**2,050,932,865**
Total liabilities	**34,403,039,126**	**-**	**34,403,039,126**
Equity	**18,442,639,483**	**-**	**18,442,639,483**
Total equity & liabilities	**52,845,678,609**	**-**	**52,845,678,609**
Contingencies & commitments	**13,543,066,932**	**-**	**13,543,066,932**

	2024		
	In Pakistan	Outside Pakistan	Total
	---------------------- Rupees	--------------------	
Profit & loss			
Net mark-up/return/profit	1,100,627,524	-	1,100,627,524
Inter segment revenue - net	-	-	-
Non mark-up / return / interest income	835,207,680	-	835,207,680
Total Income	1,935,835,204	-	1,935,835,204
Segment direct expenses	675,938,717	-	675,938,717
Inter segment expense allocation	-	-	-
Total expenses	675,938,717	-	675,938,717
Provisions	(169,660,890)	-	(169,660,890)
Profit before income tax and minimum tax differential	1,429,557,377	-	1,429,557,377
Balance sheet			
Cash & bank balances	308,678,010	-	308,678,010
Investments	144,647,503,061	-	144,647,503,061
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	12,886,066,442	-	12,886,066,442
Total assets	170,950,991,436	-	170,950,991,436
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	3,333,314,126	-	3,333,314,126
Total liabilities	154,314,435,057	-	154,314,435,057
Equity	16,636,556,378	-	16,636,556,378
Total equity & liabilities	170,950,991,435	-	170,950,991,435
Contingencies & commitments	5,957,389,505	-	5,957,389,505

42 RELATED PARTY TRANSACTIONS

The Government of Kingdom of Saudi Arabia and the Islamic Republic of Pakistan each own 50% shares of the Holding Company. Therefore, all entities owned by and controlled by these Governments are related parties of the Group. Other related parties comprise of entities over which the Group directors are able to exercise significant influence (associated undertakings), entities with common directors, major shareholders, directors, key management personnel and employees' funds. The Group 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 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 Group have been provided with Group maintained car.

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

	2025					2024				
	Shareholders	**Directors**	**Key management personnel**	**Associate**	**Other related parties**	Shareholders	Directors	Key management personnel	Associate	Other related parties
	-----Rupees-----					-----Rupees-----				
Lendings to financial institutions										
Opening balance	-	-	-	-	-	-	-	-	-	3,250,155,700
Addition during the year	-	-	-	-	54,325,251,284	-	-	-	-	35,380,627,193
Repaid during the year	-	-	-	-	(54,240,251,284)	-	-	-	-	(38,630,782,893)
Closing balance	-	-	-	-	85,000,000	-	-	-	-	-
ECL held against Lendings to financial institutions	-	-	-	-		-	-	-	-	-
Investments										
Opening balance	-	-	-	576,676,075	-	-	-	-	576,676,075	-
Investment made during the year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	576,676,075	-	-	-	-	576,676,075	-
ECL for diminution in value of investments	-	-	-	(576,676,075)	-	-	-	-	(576,676,075)	-
Advances										
Opening balance	-	-	74,284,300	-	-	-	-	63,642,786	-	-
Addition during the year	-	-	47,208,903	-	-	-	-	45,450,984	-	-
Repaid during the year	-	-	(28,588,410)	-	-	-	-	(34,809,470)	-	-
Closing balance	-	-	92,904,793	-	-	-	-	74,284,300	-	-
ECL held against advances	-	-	-	-	-	-	-	-	-	-
Other Assets										
Interest / mark-up accrued	-	-	-	-	-	-	-	-	-	73,956
Security deposit	-	-	-	-	-	-	-	-	-	-
Borrowings										
Opening balance	-	-	-	-	1,976,082,000	-	-	-	-	-
Borrowings during the year	-	-	-	-	34,945,405,158	-	-	-	-	66,130,396,033
Settled during the year	-	-	-	-	(36,921,487,158)	-	-	-	-	(64,154,314,033)
Closing balance	-	-	-	-	-	-	-	-	-	1,976,082,000
Deposits and other accounts										
Opening balance	-	-	-	-	3,029,800,000	-	-	-	-	3,065,000,000
Received during the year	-	-	-	-	-	-	-	-	-	1,907,800,000
Withdrawn during the year	-	-	-	-	(3,029,800,000)	-	-	-	-	(1,943,000,000)
Closing balance	-	-	-	-	-	-	-	-	-	3,029,800,000
Other Liabilities										
Interest / mark-up payable	-	-	-	-	-	-	-	-	-	16,242,057
Payable to staff retirement fund	-	-	-	-	13,521,083	-	-	-	-	11,208,944
Dividend payable to foreign shareholder	-	-	-	-	-	-	-	-	-	-
Security deposit	-	-	-	-	2,988,372	-	-	-	-	2,988,372
Rent received in advance	-	-	-	-	39,773,574	-	-	-	-	36,712,597

	2025					2024				
	Shareholders	**Directors**	**Key manage-ment personnel**	**Associate**	**Other related parties**	Shareholders	Directors	Key manage-ment personnel	Associate	Other related parties
	-----Rupees-----					-----Rupees-----				
Income										
Mark-up / return / interest earned	-	-	8,730,042	-	24,384,945	-	-	2,871,660	-	29,716,150
Rental income	-	-	-	-	42,539,299	-	-	-	-	39,265,087
Expense										
Mark-up / return / interest expensed	-	-	-	-	156,003,592	-	-	-	-	868,862,262
Contribution to employees' funds	-	-	-	-	24,262,280	-	-	-	-	6,898,649
Directors' fees and allowances	-	22,720,000	-	-	-	-	23,840,000	-	-	-
Shareholders' fee	-	-	-	-	-	-	-	-	-	-
Operating expenses	-	-	211,224,020	-	-	-	-	173,091,659	416,380	-

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	2025	2024
	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	**14,688,686**	13,545,327
Eligible Additional Tier 1 (ADT 1) Capital	**-**	-
Total Eligible Tier 1 Capital	**14,688,686**	13,545,327
Eligible Tier 2 Capital	**3,671,214**	3,027,175
Total Eligible Capital (Tier 1 + Tier 2)	**18,359,900**	16,572,502
Risk Weighted Assets (RWAs):		
Credit Risk	**36,947,401**	30,649,209
Market Risk	**1,956,493**	7,766,946
Operational Risk	**4,195,707**	2,999,559
Total	**43,099,601**	41,415,714
Common Equity Tier 1 Capital Adequacy ratio	**34.08%**	32.71%
Tier 1 Capital Adequacy Ratio	**34.08%**	32.71%
Total Capital Adequacy Ratio	**42.60%**	40.02%

As of Decmber 31, 2025, the Company must 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.

	2025	2024
	Rs '000'	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	**14,688,686**	13,545,327
Total Exposures	**66,071,819**	176,582,299
Leverage Ratio	**22.23%**	7.67%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	**17,598,000**	15,930,000
Total Net Cash Outflow	**12,984,000**	14,642,000
Liquidity Coverage Ratio	**135.54%**	108.80%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	**35,189,000**	93,831,000
Total Required Stable Funding	**25,222,000**	48,968,000
Net Stable Funding Ratio	**139.52%**	191.62%

44 RISK MANAGEMENT

Saudi Pak Industrial & Agricultural Investment Co. Ltd. (the Group) 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 Group is exposed to various risks, including, but not limited to, credit, market, liquidity, and operational risks. The Group recognizes that management of these risks is essential for maintaining financial viability and achieving objectives. In this regard, the Group'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 Group with regard to risk.

The Group'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 Group. The Group'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 Group's overall risk management culture and awareness.

The Group 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 Group 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 Group'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.

44.1 Credit Risk

Credit risk is the risk of loss to the Group'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 Group'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 Group, 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 Group'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 Group’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 Group's intranet; and
- 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 Group 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.

The Group employs the Basel Standardized Approach to determine capital requirements for credit risk. As per SBP Guidelines, the Group 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 Group 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 Group 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 Group is presently not involved in securitization activities.

The Group's maximum credit risk exposure as at December 31, 2025 amounted to:

	2025 Without benefit of collateral	2025 With benefit of collateral
	------------Rupees----------	
Lending to financial institutions	-	**85,000,000**
Debt investments		
(excluding Government of Pakistan local currency denominated	-	**1,830,233,606**
Advances	-	**18,562,521,473**
	-	**20,477,755,079**

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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:

44.1.1 Lendings to financial institutions

Credit risk by public / private sector	2025	2024	2025	2024	2025			2024		
	Gross lendings		Non-performing lendings		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
			----------Rupees----------							
Public / Government	**85,000,000**	384,547,095	-	-	**187,242**	-	-	337,454	-	-
Private	-	-	-	-	-	-	-	-	-	-
	85,000,000	384,547,095	-	-	**187,242**	-	-	337,454	-	-

44.1.2 Investment in debt securities

Credit risk by industry sector	2025	2024	2025	2024	2025			2024		
	Gross investments		Non-performing investments		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
			----------Rupees----------							
Textile	**665,016,571**	805,347,500	**67,500,000**	67,500,000	**11,467,564**	-	**67,500,000**	8,837,133	13,358,658	67,500,000
Chemical and Pharmaceuticals	**89,105,000**	9	**89,105,000**	9	-	-	**89,105,000**	-	-	9
Construction	-	-	-	-	-	-	-	-	-	-
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	**1,255,965,902**	1,250,518,202	**3,748,500**	3,748,500	**7,501,776**	**5,769,280**	**3,748,500**	821,844	71,309,998	3,748,500
	2,048,051,941	2,093,830,179	**198,317,968**	109,212,977	**18,969,339**	**5,769,280**	**198,317,968**	9,658,977	84,668,656	109,212,977

Credit risk by public / private sector										
Public / Government	**199,480,000**	199,480,000	-	-	-	-	-	-	-	-
Private	**1,848,571,941**	1,972,471,938	**198,317,968**	109,212,977	**18,969,339**	**5,769,280**	**198,317,968**	9,658,977	84,668,656	109,212,977
	2,048,051,941	2,171,951,938	**198,317,968**	109,212,977	**18,969,339**	**5,769,280**	**198,317,968**	9,658,977	84,668,656	109,212,977

44.1.3 *Advances*

Credit risk by industry sector	2025	2024	2025	2024	2025			2024		
	Gross advances		Non-performing advances		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
			----------Rupees----------							
Textile	**4,721,312,793**	3,319,484,508	**1,023,421,800**	1,144,571,299	**74,903,755**	**2,488,696**	**988,666,411**	72,351,461	4,546,547	1,054,783,600
Chemical and Pharmaceuticals	**1,985,819,354**	940,038,708	-	-	**32,630,860**	-	-	29,960,826	-	-
Cement	**116,206,923**	766,079,362	**116,206,923**	116,206,923	-	-	**116,206,923**	13,897,434	-	116,206,923
Sugar	**1,309,541,641**	614,025,423	**221,557,236**	243,114,473	**24,576,705**	-	**221,557,236**	13,999,855	-	243,114,473
Automobile and transportation equipment	**1,304,023,579**	708,247,973	**395,500,000**	357,847,973	**18,900,586**	-	**395,500,000**	8,535,114	-	445,673,660
Electronics and electrical appliances	**1,421,090,713**	456,115,950	-	-	**31,262,951**	-	-	14,639,771	-	-
Construction	**357,080,094**	357,080,094	**57,080,094**	57,080,094	-	**55,592,289**	**57,080,094**	8,151,350	-	57,080,094
Power (electricity), Gas, Water, Sanitary	**3,274,774,199**	4,626,474,776	**165,028,752**	268,153,752	**53,447,688**	**701,670**	**165,028,752**	87,818,530	34,286,892	268,153,752
Transport, Storage and Communication	**4,395,974,739**	1,748,913,043	-	-	**77,172,157**	**1,864,683**	-	47,893,744	-	-
Financial	**73,500,000**	73,500,000	**73,500,000**	73,500,000	-	-	**73,500,000**	-	-	73,500,000
Services	**1,325,546,104**	1,139,820,383	**15,000,000**	-	**15,811,728**	**68,210,813**	**15,000,000**	16,578,227	50,125,774	-
Paper board and products	**253,413,261**	4,203,851	**4,203,851**	4,203,851	**3,852,219**	-	**4,203,852**	-	-	4,203,851
Rubber and plastic products	-	577,523,579	-	-	-	-	-	8,148,097	39,438,369	-
Basic metals	**63,960,730**	69,093,230	**63,960,730**	69,093,230	-	-	**63,960,730**	-	-	69,093,230
Dairy & Poultry	-	-	-	-	-	-	-	-	-	-
Others	**659,169,791**	250,186,775	**127,250,000**	142,250,000	**9,521,652**	-	**127,250,000**	1,821,797	-	142,250,000
	21,261,413,921	15,650,787,655	**2,262,709,386**	2,476,021,595	**342,080,301**	**128,858,150**	**2,227,953,998**	323,796,208	128,397,583	2,474,059,583

Credit risk by public / private sector	2025	2024	2025	2024	2025			2024		
	Gross advances		Non-performing advances		Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
			----------Rupees----------							
Public / Government	-	-	-	-	-	-	-	-	-	-
Private	21,261,413,921	15,650,787,655	2,262,709,386	2,476,021,595	342,080,301	128,858,150	2,227,953,998	323,796,208	128,397,583	2,474,059,583
	21,261,413,921	15,650,787,655	2,262,709,386	2,476,021,595	342,080,301	128,858,150	2,227,953,998	323,796,208	128,397,583	2,474,059,583

44.1.4 Contingencies and Commitments

	2025	2024
	------------Rupees------------	
Commitments: credit risk by industry sector		
Textile	**-**	500,000,000
Chemical and Pharmaceuticals	**700,000,000**	75,000,000
Cement	**-**	-
Sugar	**322,000,000**	-
Automobile and transportation equipment	**400,000,000**	-
Electronics and electrical appliances	**500,000,000**	350,000,000
Power (electricity), Gas, Water, Sanitary	**4,923,189,000**	2,145,146,686
Transport, Storage and Communication	**1,252,025,000**	76,086,957
Financial	**3,663,100,000**	2,735,100,000
Services	**-**	72,798,000
Others	**1,782,752,932**	3,257,862
	13,543,066,932	5,957,389,505
Credit risk by public / private sector		
Public / Government	**1,000,000,000**	5,015,100,000
Private	**12,543,066,932**	942,289,505
	13,543,066,932	5,957,389,505

44.1.5 Concentration of Advances

Top 10 exposures of the Company on the basis of total (funded and non-funded exposures) aggregated to Rs. 13,519 million (2024: Rs. 9,454 million) as follows:

	2025	2024
	------------Rupees------------	
Funded	**7,796,128,236**	5,754,031,530
Non Funded	**5,723,188,711**	3,700,000,000
Total Exposure	**13,519,316,947**	9,454,031,530

The sanctioned limits against these top 10 exposures aggregated to Rs. 14,265,000,000 (2024: Rs. 7,730,000,000).

	2025		2024	
	Amount	**Credit loss allowance held**	Amount	Provision held
	------------------------------Rupees------------------------------			
Total funded classified therein				
Substandard	**-**	**-**	-	-
Doubtful	**-**	**-**	-	-
Loss	**-**	**-**	-	-
Total	**-**	**-**	-	-

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44.1.6 Advances - Province/Region-wise Disbursement & Utilization

	2025						
	Disbursements	**Utilization**					
Province/Region		**Punjab**	**Sindh**	**KPK including FATA**	**Balochistan**	**Islamabad**	**AJK including Gilgit-Baltistan**
		---Rupees---					
Punjab	-	-	-	-	-	-	-
Sindh	**28,674,365,829**	**12,856,515,767**	**14,227,558,307**	**700,000,000**	-	**890,291,755**	-
KPK including FATA	-	-	-	-	-	-	-
Baluchistan	-	-	-	-	-	-	-
Islamabad	-	-	-	-	-	-	-
AJK including Gilgit-Baltistan	-	-	-	-	-	-	-
Total	**28,674,365,829**	**12,856,515,767**	**14,227,558,307**	**700,000,000**	-	**890,291,755**	-

	2024						
	Disbursements	Utilization					
Province/Region		Punjab	Sindh	KPK including FATA	Balochistan	Islamabad	AJK including Gilgit-Baltistan
		---Rupees---					
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	-

44.2 Market Risk

Market risk is the risk of loss to the Group's earnings or capital arising from potential movements in market risk factors, such as interest rates, equity prices and foreign exchange rates. The Group 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 Group 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 43.

The market risk strategy of the Group 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 Group'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 Group 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 Group’s interest rate risk management framework & methodology, and prepare risk reports for ALCO and RMCB, including review of performance of the investment portfolio.

The Group 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 Group 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 Group 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.

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44.2.1 Balance sheet split by trading and banking books

	2025			2024		
	Banking book	**Trading book**	**Total**	Banking book	Trading book	Total
		Rupees			Rupees	
Cash and balances with treasury banks	**257,907,682**	**-**	**257,907,682**	224,987,485		224,987,485
Balances with other banks	**665,944,758**	**-**	**665,944,758**	83,690,525	-	83,690,525
Lendings to financial institutions	**84,812,758**	**-**	**84,812,758**	384,209,641	-	384,209,641
Investments	**2,642,348,009**	**19,744,333,906**	**22,386,681,915**	2,505,153,883	142,142,349,178	144,647,503,061
Advances	**18,562,521,473**	**-**	**18,562,521,473**	12,724,534,281	-	12,724,534,281
Non-current asset classified as held for sale	**50,000,000**	**-**	**50,000,000**	-	-	-
Fixed assets	**5,933,037,523**	**-**	**5,933,037,523**	6,087,631,800	-	6,087,631,800
Right-of-use asset	**-**	**-**	**-**	-	-	-
Intangible assets	**7,263,746**	**-**	**7,263,746**	5,105,366	-	5,105,366
Deferred tax assets	**-**	**-**	**-**	-	-	-
Other assets	**4,715,726,980**	**-**	**4,715,726,980**	6,611,547,502	-	6,611,547,502
Development properties	**181,781,774**	**-**	**181,781,774**	181,781,774	-	181,781,774
	33,101,344,703	**19,744,333,906**	**52,845,678,609**	28,808,642,257	142,142,349,178	170,950,991,436

44.2.2 Foreign Exchange Risk

The Group 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 Group'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 Group is given as follows:

	2025				2024			
	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	**38,431,981**	**-**	**-**	**38,431,981**	36,527,091	-	-	36,527,091

	2025		2024	
	Banking book	**Trading book**	Banking book	Trading book
	Rupees		Rupees	
Impact of 1% change in foreign exchange rates on				
- Profit and loss account	**384,320**	**-**	365,271	-
- Other comprehensive income	**-**	**-**	-	-

44.2.3 Equity position Risk

The Group'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 Group'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 Group'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.

	2025		2024	
	Banking book	**Trading book**	Banking book	Trading book
	--------------Rupees------------		--------------Rupees------------	
Impact of 5% change in equity prices on				
- Profit and loss account	-	**3,961,400**	-	9,322,825
- Other comprehensive income	-	**35,294,273**	-	27,530,665

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

The Group'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 Group'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 Group 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 Group 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 Group 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.

	2025 Banking book	2025 Trading book	2024 Trading book
Impact of 1% change in interest rates on	----Rupees----		----Rupees----
- Profit and loss account	87,862,817	-	-
- Other comprehensive income	-	-	-

44.2.5 Mismatch of Interest Rate Sensitive Assets and Liabilities

	Effective Yield/ Interest rate	Total	2025 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	Non-interest bearing financial instruments
			----Rupees----								
On-balance sheet financial instruments											
Assets											
Cash and balances with treasury banks	-	257,907,682	-	-	-	-	-	-	-	-	257,907,682
Balances with other banks	9.50	665,944,758	641,492,369	-	-	-	-	-	-	-	24,452,389
Lending to financial institutions	10.50	84,812,758	84,812,758	-	-	-	-	-	-	-	-
Investments	12.59	22,386,681,915	38,431,981	518,058,690	575,467,671	133,002,500	253,505,000	1,680,284,500	17,190,800,000	451,755,452	1,545,376,121
Advances	11.79	18,562,521,473	6,075,874,972	2,861,469,068	8,999,337,175	466,021,088	8,180,780	-	-	151,638,390	0
Other assets	-	2,014,104,827	89,641,601	790,677,439	791,086,099	-	-	-	-	-	342,699,689
		43,971,973,413	6,930,253,681	4,170,205,197	10,365,890,945	599,023,588	261,685,780	1,680,284,500	17,190,800,000	603,393,842	2,170,435,881
Liabilities											
Borrowings	11.63	29,113,700,049	7,795,619,958	10,563,776,209	844,854,956	1,449,501,578	3,261,503,156	2,158,711,489	1,632,793,642	1,406,939,061	-
Deposits and other accounts	12.67	3,238,406,212	500,000,000	1,145,611,001	790,770,211	802,025,000	-	-	-	-	-
Other liabilities	-	980,965,232	146,524,889	293,049,778	146,524,889	-	-	-	-	-	394,865,677
		33,333,071,493	8,442,144,847	12,002,436,988	1,782,150,055	2,251,526,578	3,261,503,156	2,158,711,489	1,632,793,642	1,406,939,061	394,865,677
On-balance sheet gap		10,638,901,920	(1,511,891,166)	(7,832,231,791)	8,583,740,889	(1,652,502,990)	(2,999,817,376)	(478,426,989)	15,558,006,358	(803,545,219)	1,775,570,204
Off-balance sheet financial instruments		-	-	-	-	-	-	-	-	-	-
Off-balance sheet gap		-	-	-	-	-	-	-	-	-	-
Total Yield/Interest Risk Sensitivity Gap			(1,511,891,166)	(7,832,231,791)	8,583,740,889	(1,652,502,990)	(2,999,817,376)	(478,426,989)	15,558,006,358	(803,545,219)	1,775,570,204
Cumulative Yield/Interest Risk Sensitivity Gap			(1,511,891,166)	(9,344,122,957)	(760,382,068)	(2,412,885,058)	(5,412,702,434)	(5,891,129,423)	9,666,876,935	8,863,331,716	-

	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	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	83,690,525	74,879,436	-	-	-	-	-	-	-	8,811,089
Lending to financial institutions	17.94	384,209,641	384,209,641	-	-	-	-	-	-	-	-
Investments	18.18	############	20,245,022,346	20,237,676,947	25,520,658,649	-	-	-	37,404,236,296	38,993,410,127	2,246,498,696
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	(0)
Other assets	-	3,964,995,386	-	-	-	-	-	-	-	-	3,964,995,386
		############	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	6,445,292,656
Liabilities											
Borrowings	18.17	############	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	-	2,497,309,461	-	-	-	-	-	-	-	-	2,497,140,014
		############	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		8,551,489,988	(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	3,948,152,643
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	3,948,152,643
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)	############	4,603,506,792	-

44.2.6 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.

44.2.7 Assets do not include fixed assets of Rs. 5,933,037,523 (2024: Rs. 6,087,631,800), non-current asset held for sale Rs. 50,000,000 (2024: Rs. nil), Intangible assets of Rs. 7,263,746 (2024: Rs. 5,105,366), development properties Rs.181,871,774 (2024: Rs. 181,871,774) 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. 2,701,622,153 (2024: Rs. 2,557,199,751).

44.2.8 Liabilities do not include other liabilities consisting of advance rental income, Payable to defined benefit plan, Provision for compensated absences and deferred tax liabilities of Rs. 1,069,967,633 (2024: Rs. 836,004,666).

44.3 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 Group'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 Group. 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 Group has a robust Business Continuity Plan / Disaster Recovery Plan in place, with off-site backup and regular testing carried out. The Group 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.

44.4 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 Group 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 Group'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 Group'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 Group 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.

44.4.1 Assets and Liabilities - based on contractual maturity

	Total	2025												
		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	257,907,682	257,907,682	-	-	-	-	-	-	-	-	-	-	-	-
Balances with other banks	665,944,758	665,944,758	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	84,812,758	-	84,812,758	-	-	-	-	-	-	-	-	-	-	-
Investments	22,386,681,915	-	-	38,431,981	4,001,250	539,207,024	125,000,000	575,467,671	66,501,250	794,524,716	253,505,000	1,680,284,500	17,190,800,000	1,118,958,523
Advances	18,562,521,473	2,282,846,356	-	143,112,498	1,832,112,742	1,108,228,583	1,006,220,658	2,509,246,235	1,522,980,606	947,349,832	2,983,142,897	1,879,091,351	1,748,495,376	599,694,338
Non-current asset classified as held for sale	50,000,000	-	-	-	50,000,000	-	-	-	-	-	-	-	-	-
Property And Equipment	5,933,037,523	540,748	4,646,952	5,421,444	10,842,888	21,685,776	21,685,776	71,123,137	65,057,327	506,276,612	268,410,370	184,112,630	346,718,805	4,426,515,059
Intangible assets	7,263,746	-	-	-	201,751	-	403,501	605,252	-	1,210,503	2,421,007	2,421,733	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development properties	181,781,774	-	-	-	-	-	-	181,781,774	-	-	-	-	-	-
Other assets	4,715,726,980	-	-	-	544,588,770	550,778,474	556,150,859	-	2,908,589,689	-	155,619,189	-	-	-
	52,845,678,609	3,207,239,544	89,459,710	186,965,923	2,441,747,400	2,219,899,857	1,709,460,793	3,338,224,068	4,563,128,871	2,249,361,664	3,663,098,463	3,745,910,213	19,286,014,181	6,145,167,920
Liabilities														
Bills payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	29,113,700,049	-	6,809,603,912	986,016,046	-	3,557,679,158	7,006,097,051	844,854,956	604,646,622	844,854,956	3,261,503,156	2,158,711,489	1,632,793,642	1,406,939,061
Deposits and other accounts	3,238,406,212	-	500,000,000	-	-	544,155,483	601,455,518	790,770,211	602,025,000	200,000,000	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	816,149,163	-	-	-	6,801,673	20,404,033	20,404,033	40,807,056	81,615,114	81,615,114	163,230,236	204,037,293	197,234,611	-
Other liabilities	1,234,783,702	6,259,567	43,816,966	87,633,931	50,076,532	123,677,306	250,382,660	270,311,208	137,387,551	137,387,472	127,850,510	-	-	-
	34,403,039,126	6,259,567	7,353,420,878	1,073,649,977	56,878,205	4,245,915,980	7,878,339,263	1,946,743,431	1,425,674,287	1,263,857,542	3,552,583,902	2,362,748,782	1,830,028,253	1,406,939,061
Net assets	18,442,639,483	3,200,979,977	(7,263,961,168)	(886,684,054)	2,384,869,195	(2,026,016,123)	(6,168,878,470)	1,391,480,637	3,137,454,585	985,504,122	110,514,561	1,383,161,431	17,455,985,928	4,738,228,859

Share capital/ Head office capital account	6,765,000,000
Reserves	2,340,367,295
Surplus/(Deficit) on revaluation of assets	3,437,744,086
Unappropriated/ Unremitted profit	5,899,528,102
	18,442,639,483

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
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	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	83,690,525	83,690,525	-	-	-	-	-	-	-	-	-	-	-	-
Lending to financial institutions	384,209,641	-	384,209,641	-	-	-	-	-	-	-	-	-	-	-
Investments	#############	-	180,000	20,211,275,675	(336,853,866)	20,223,425,037	36,251,746	############	216,291,250	685,544,547	266,085,000	658,185,000	37,404,236,296	39,978,514,978
Advances	12,724,534,281	9,988,792	414,206,273	1,043,612,528	1,002,224,591	631,405,675	207,957,166	2,770,275,584	998,742,473	792,827,488	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	6,087,631,800	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	5,151,779,754
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Development properties	181,781,774	-	-	-	-	-	-	181,781,774	-	-	-	-	-	-
Other assets	6,611,547,502	-	-	-	1,611,909,210	1,335,641,449	1,060,721,674	-	2,603,275,170	-	-	-	-	-
	#############	319,377,241	802,858,549	21,259,861,277	2,287,226,083	22,210,364,457	1,324,822,881	############	3,877,985,779	1,538,048,921	2,770,042,500	2,626,777,824	38,445,356,005	45,253,443,172
Liabilities														
Bills payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	#############	-	61,667,570,999	-	15,000,000,000	47,118,180,921	15,831,481,273	815,359,245	96,313,289	690,359,245	1,639,022,182	1,451,522,182	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	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	497,183,905				4,189,298	12,567,283	12,567,283	25,133,945	50,268,506	44,767,744	100,537,017	125,670,962	121,481,867	
Other liabilities	2,836,130,221	20,882,977	146,180,839	292,361,677	167,063,815	417,659,539	845,270,972	700,809,413	162,881,223	83,019,767	-	-	-	-
	#############	20,882,977	62,313,751,838	292,361,677	16,883,253,264	47,550,407,743	16,705,424,528	4,007,952,603	709,463,018	1,098,008,212	1,739,559,199	1,577,193,144	895,438,566	600,599,745
Net assets	16,636,556,379	298,494,264	(61,510,893,289)	20,967,499,600	############	(25,340,043,286)	(15,380,601,647)	############	3,168,522,761	440,040,709	1,030,483,301	1,049,584,680	37,549,917,438	44,652,843,427
Share capital/ Head office capital account	6,765,000,000													
Reserves	2,075,625,895													
Surplus/(Deficit) on revaluation of assets	2,731,190,794													
Unappropriated/ Unremitted profit	5,064,739,689													
	16,636,556,378													

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44.4.2 Assets and liabilities - based on expected maturities

	Total	2025								
		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	257,907,682	257,907,682	-	-	-	-	-	-	-	-
Balances with other banks	665,944,758	665,944,758	-	-	-	-	-	-	-	-
Lending to financial institutions	84,812,758	84,812,758	-	-	-	-	-	-	-	-
Investments	22,386,681,915	42,433,231	664,207,024	575,467,671	861,025,966	253,505,000	1,680,284,500	17,190,800,000	618,958,523	500,000,000
Advances	18,562,521,473	4,258,071,596	2,114,449,241	2,509,246,235	2,470,330,438	2,983,142,897	1,879,091,351	1,748,495,376	599,694,338	-
Non-current asset classified as held for sale	50,000,000	50,000,000	-	-	-	-	-	-	-	-
Property And Equipment	5,933,037,523	21,452,031	43,371,551	71,123,137	571,333,939	268,410,370	184,112,630	346,718,805	1,511,396,026	2,915,119,033
Intangible assets	7,263,746	201,751	403,501	605,252	1,210,503	2,421,007	2,421,733	-	-	-
Deferred tax assets	-	-	-	-	-	-	-	-	(42,278,117)	42,278,117
Development properties	181,781,774	-	-	181,781,774	-	-	-	-	-	-
Other assets	4,715,726,980	544,588,770	1,106,929,333	-	2,908,589,689	155,619,189	-	-	-	-
	52,845,678,609	5,925,412,577	3,929,360,650	3,338,224,068	6,812,490,535	3,663,098,463	3,745,910,213	19,286,014,181	2,687,770,770	3,457,397,150
Liabilities										
Bills payable	-	-	-	-	-	-	-	-	-	-
Borrowings	29,113,700,049	7,795,619,958	10,563,776,209	844,854,956	1,449,501,578	3,261,503,156	2,158,711,489	1,632,793,642	1,406,939,061	-
Deposits and other accounts	3,238,406,212	500,000,000	1,145,611,001	790,770,211	802,025,000	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	816,149,163	6,801,673	40,808,066	40,807,056	163,230,228	163,230,236	204,037,293	197,234,611	-	-
Other liabilities	1,234,783,702	187,786,995	374,059,967	270,311,208	274,775,023	127,850,510	-	-	-	-
	34,403,039,126	8,490,208,627	12,124,255,243	1,946,743,431	2,689,531,829	3,552,583,902	2,362,748,782	1,830,028,253	1,406,939,061	-
Net assets	18,442,639,483	(2,564,796,050)	(8,194,894,593)	1,391,480,637	4,122,958,707	110,514,561	1,383,161,431	17,455,985,928	1,280,831,709	3,457,397,150
Share capital/ Head office capital account	6,765,000,000									
Reserves	2,340,367,295									
Surplus/(Deficit) on revaluation of assets	3,437,744,086									
Unappropriated/ Unremitted profit	5,899,528,102									
	18,442,639,483									

	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	83,690,525	83,690,525	-	-	-	-	-	-	-	-
Lending to financial institutions	384,209,641	384,209,641	-	-	-	-	-	-	-	-
Investments	144,647,503,061	19,874,601,809	20,259,676,782	25,304,367,399	901,835,797	266,085,000	658,185,000	37,404,236,296	39,478,514,978	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	6,087,631,800	15,604,789	31,209,582	46,814,372	93,628,747	187,257,564	187,256,981	374,080,011	2,236,660,721	2,915,119,033
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
Development properties	181,781,774	-	-	181,781,774	-	-	-	-	-	-
Other assets	6,611,547,502	1,611,909,210	2,396,363,123	-	2,603,275,170	-	-	-	-	-
	170,950,991,436	24,669,323,150	23,535,187,338	28,316,101,643	5,416,034,701	2,770,042,500	2,626,777,824	38,445,356,005	41,796,046,022	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	-	-	-	-	-
Subordinated debt	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	497,183,905	4,189,298	25,134,566	25,133,945	95,036,250	100,537,017	125,670,962	121,481,867	-	-
Other liabilities	2,836,130,221	626,489,308	1,262,930,511	700,809,413	245,900,990	-	-	-	-	-
	154,314,435,056	79,510,249,756	64,255,832,271	4,007,952,603	1,807,471,230	1,739,559,199	1,577,193,144	895,438,566	600,599,745	-
Net assets	16,636,556,379	(54,840,926,606)	(40,720,644,933)	24,308,149,041	3,608,563,471	1,030,483,301	1,049,584,680	37,549,917,438	41,195,446,277	3,457,397,150
Share capital/ Head office capital account	6,765,000,000									
Reserves	2,075,625,895									
Surplus/(Deficit) on revaluation of assets	2,731,190,794									
Unappropriated/ Unremitted profit	5,064,739,689									
	16,636,556,378									

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44.5 Derivative Risk

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

45 DATE OF AUTHORIZATION

These Consolidated financial statements were authorized for issue by the Board of Directors of the Saudi Pak Industrial and Agricultural Investment Company Limited on _________________.

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, 2025

(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

SAUDI PAK

INDUSTRIAL AND AGRICULTURAL
INVESTMENT COMPANY LIMITED

الشركة السعودية الباكستانية للاستثمار الصناعي والزراعي المحدودة

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