



ANNUAL REPORT 2025

Board of Directors

| | |
|---------------------------------|------------------------------|
| Ms. Dk Noorul Hayati Pg Julaihi | Chairperson |
| Mr. Nasir Mahmood Khosa | Director |
| Ms. Norakerteni Muhammad | Director |
| Mr. S. M. Aamir Shamim | Director / Managing Director |

Audit Committee

| | |
|---------------------------------|----------|
| Mr. Nasir Mahmood Khosa | Chairman |
| Ms. Dk Noorul Hayati Pg Julaihi | Member |
| Ms. Norakerteni Muhammad | Member |

Human Resource Committee

| | |
|---------------------------------|-------------|
| Ms. Dk Noorul Hayati Pg Julaihi | Chairperson |
| Mr. Nasir Mahmood Khosa | Member |
| Ms. Norakerteni Muhammad | Member |

Credit and Risk**Management Committee**

| | |
|---------------------------------|----------|
| Mr. Nasir Mahmood Khosa | Chairman |
| Ms. Dk Noorul Hayati Pg Julaihi | Member |
| Mr. S. M. Aamir Shamim | Member |

Company Secretary

Ms. Misbah Asjad

Statutory Auditors

Yousuf Adil Chartered Accountants

Tax Consultant

Yousuf Adil Chartered Accountants

Legal Advisor

Liaquat Merchant & Associates Advocate and Corporate
Legal Consultants

Registered Head Office

Horizon Vista, Commercial 10,
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Website

www.pakbrunei.com.pk



Chairperson's Review

CHAIRPERSON'S REVIEW

For the Year ended December 31, 2025

On behalf of the Board of Directors, it is my privilege to present the Annual Report of Pak Brunei Investment Company Limited ("the Company") for the year ended December 31, 2025, on overall performance of the Company and effectiveness of the role played by the Board of Directors in achieving Company's objectives.

Effectiveness of the role played by the Board

The Board has set the strategic direction of the Company, ensuring the execution of its vision, mission, and core values while upholding the highest standards of business ethics and professional conduct in supervising and managing the Company's affairs. The Board actively monitors the Company's internal control framework to ensure robust risk management and regulatory compliance. The Company adheres to a well-defined Code of Conduct for employees and directors, fostering ethical business practices and regulatory compliance.

During the year, the Pakistan Institute of Corporate Governance (PICG) conducted a detailed, impartial evaluation of the Board and its Committees' performance collectively as well as individually for each member, ensuring a comprehensive review, in line with the requirement for an external review every three years

The Board remains committed to protecting the best interests of the Company's shareholders. To this end, the Board's Committees operate with well-defined objectives and clear Terms of Reference, ensuring effective and efficient governance.

Financial and Economic Performance

Pak Brunei delivered another year of outstanding financial performance, recording a Profit Before Levies and Taxation of Rs 2.31 billion and a Profit After Tax of Rs 1.93 billion, with earnings per share of Rs. 3.22. Our total assets reached at 143.69 billion, while gross advances increased by Rs 5.49 billion, i.e. 24.78%.

This stellar performance proves the strength of our management team, the effectiveness of our strategies, and the impact of our sound governance practices. I am immensely proud of the resilience and dedication exhibited by our Company in navigating through the challenges. The year 2025 marked a period of gradual macroeconomic stabilization in Pakistan following the volatility experienced in preceding years. Fiscal consolidation efforts, improved external account management, and a relatively stable exchange rate contributed to restoring market confidence. Inflationary pressures moderated compared to prior peaks, and monetary policy gradually transitioned toward a more balanced stance as price stability improved.

However, the global economic environment remained complex. Persistent geopolitical tensions, evolving commodity price dynamics, and tight international financial conditions continued to pose challenges for emerging markets. Energy price fluctuations, in particular, underscored the structural vulnerabilities of energy-importing economies, including Pakistan.

Despite these headwinds, Pakistan's financial sector remained resilient, supported by strong regulatory oversight, improved liquidity management, and strengthened capital buffers across institutions.

Strategic Focus

The Board remained committed to enhancing the Company's role as a development finance institution by supporting sustainable economic growth. The Board remained focused on strengthening institutional capacity and enhancing shareholder value. Key priorities included:

- Expanding advisory and capital market services;
- Strengthening digital capabilities and operational efficiency;
- Promoting sustainable and climate-aligned financing initiatives.
- Expanding project financing initiatives;
- Deepening relationships with corporate and institutional clients;
- Enhancing risk management frameworks to address evolving market risks;

Acknowledgment

The Board has made best possible effort in discharging its primary responsibility of setting the overall strategy of the Company and enhancing its long-term strategic value. The Board ensures that the business of the Company is conducted in an efficient and effective manner within an established framework of effective system of internal controls, robust risk management processes and compliance with regulatory requirements. In course of discharging its responsibilities, the Board acts in good faith, with due diligence and care, and in the best interests of the Company and its Shareholders.

Going forward, our management team is fully geared to navigate the challenges and capitalize opportunities and is poised to continue the journey of delivering excellence in financial services, fostering innovation and generating sustainable long-term value for the shareholders, customers and communities.



Dk Noorul Hayati Pg Julaihi
Chairperson of Board of Directors

March 12, 2026



**Directors' Report on Unconsolidated
Financial Statements for the Year
Ended December 31, 2025**

DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Audited Financial Statements of Pak Brunei Investment Company Limited ("the Company") for the year ended December 31, 2025.

ECONOMIC REVIEW

The year under review is marked by gradual macroeconomic stabilization in Pakistan, tempered by heightened regional geopolitical tensions, particularly arising from the escalation of conflict between the United States and Iran. While domestic reform efforts and improved fiscal discipline supported economic recovery, external vulnerabilities — especially related to energy imports and global commodity markets — continued to pose challenges.

Pakistan's economy demonstrated modest recovery during FY2026. Real GDP growth is estimated to have remained in the range of approximately 3 to 4 percent, reflecting improved agricultural output, stabilization in industrial activity, and relative resilience in the services sector. This growth trajectory represents continued recovery from the macroeconomic stress experienced in prior years. However, the external environment remained fragile. Escalation in Middle East tensions created uncertainty in global energy markets, contributing to volatility in oil prices and exerting pressure on Pakistan's import bill and inflation dynamics.

On external front, Pakistan recorded a current account deficit of USD 244mn in December 2025, compared with a surplus of USD 454mn in December 2024, as imports rose sharply while exports grew modestly. During 1HFY26, the current account deficit stood at USD 1,174mn, versus a surplus of USD 957mn in the same period last year.

Inflation remained broadly contained relative to earlier periods of volatility, supported by prudent monetary policy and easing supply pressures. The Consumer Price Index (CPI) inflation recorded at 5.6 percent on YoY basis in December 2025 as compared to 6.1 percent in the previous month and 4.1 percent in December 2024. However, core inflation has persisted at around 7.4 percent in the later part of 2025. Inflation is projected to stabilize within the target range of 5 – 7 percent in FY26 and FY27. In response, the State Bank of Pakistan reduced the policy rate to 10.5% by the end of December 2025 as compared to 13% in December 2024, backed by lower inflation, stable exchange rate, and improved foreign exchange reserves. Going forward, inflation is expected to remain within the SBP's target, allowing monetary policy to further support economic recovery and investment

The global economy is adjusting to heightened protectionism, policy uncertainty, and fragmentation, as shifting trade measures and fiscal stances reshape growth prospects. After a resilient start driven by front-loading of trade and inventory management, growth is moderating as these temporary factors unwind. Global growth is projected to slow to 3.2% in 2025 and 3.1% in 2026, with subdued trade expansion and declining but uneven inflation. Downside risks remain dominant, underscoring the need for credible, predictable, and sustainable policy actions to restore confidence and support medium-term growth. (Source: IMF World Economic Outlook, October 2025). Global headline inflation is expected to decline from an estimated 4.1 percent in 2025 to 3.8 percent in 2026 and further to 3.4 percent in 2027.

Ongoing geo-political tensions, including US-Iran issues and Pakistan's involvement in the Gaza Board of Peace, continue to contribute to market volatility. The economic outlook remains cautiously positive, supported by stable growth and fiscal revenue measures, though external sector pressures and a widening current account deficit pose risks. Elevated global commodity prices and supply chain instability — particularly oil price shocks due to geopolitical tensions — could adversely impact the trade balance and inflation. Fragile external financing conditions and potential vulnerabilities in foreign exchange reserves may pose another risk. Sustainable growth will depend on effective policies, fiscal discipline, and managing geo-political and macroeconomic challenges.

COMPANY'S PERFORMANCE OVERVIEW

In 2025, Pak Brunei has achieved its all-time highest profit before levies and taxation of Rs 2.31 billion, 1.2 times higher than in 2024; this has been driven by a multi-faceted strategy and concerted efforts of the management team. Profit after tax and levies recorded at Rs. 1.93 billion, in comparison of Rs. 610.50 million for the last year. Earnings per share (EPS) reached to Rs. 3.22 in comparison of Rs. 1.02 last year. Net interest income increased by 1.33 billion i.e. 1.2 times, year-on-year, to report at Rs. 2.41 billion. Non-markup income closed at 906.11 million, which increased by 34.35% as compared to last year, with notable contributions from fee commission income (Rs. 156.49 million, +22.50%) and gain of disposal of securities (Rs. 348.37 million, +4 times) in comparison to last year. Maintaining cost discipline, the Company managed operating expenses prudently, reporting as increase of 17.18% over the year, with key expenditure outlays relating to staff costs and IT-related upgrades. The Company's cost-to-net income ratio was maintained at an efficient 22.13%, ensuring strong financial discipline while continuing to invest in innovation and human capital.

Navigating a challenging operating and macroeconomic environment, the Company has been addressing asset quality by maintaining discipline in management of its risk return decisions. Diversification of the loan book across customer segments and a robust credit assessment model, effective pre-disbursement evaluation tools and an array of post disbursement monitoring systems has enabled Pak Brunei to effectively manage its credit risk; the non-performing loan (NPLs) base of the Company was reported at Rs. 1.085 billion as at December 31, 2025. The coverage and gross infection ratios of the Company were reported at 94.84% and 3.93% respectively. On the financial position side, total assets' base of the Company was reported at Rs. 144 billion; representing a decrease of 28.86% from last year end i.e. December 31, 2024. An analysis of the assets' mix highlights that net investments portfolio decreased by Rs. 61.16 billion (-36.24%) and gross advances increased by Rs. 5.25 billion (+24.81%) respectively, over last year. Return on Assets and Return on Equity reported at 1.12% and 13.76% respectively, whereas the book value per share was reported at Rs. 25.72. While complying with the regulatory capital requirements, the Company's total Capital Adequacy Ratio (CAR) improved to 29.65% against the requirement of 11.5%. Quality of capital is evident from Company's Common Equity Tier-1 (CET1) to total risk weighted assets ratio which comes to 26.00% against the requirement of 6.0%. Company's capitalization also resulted in a Leverage Ratio of 7.66% which is well above the regulatory limit of 3.0%. The Company reported Liquidity Coverage Ratio (LCR) of 120% and Net Stable Funding Ratio (NSFR) of 117.96% against requirements of 100%.



ENTITY RATING

VIS Credit Company Limited has reaffirmed the entity ratings of Pak Brunei Investment Company Limited at 'AA+/A-1+' (Double A Plus/A-One Plus). The long-term rating of 'AA+' signifies high credit quality; protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions. The short-term rating of 'A-1+' signifies highest certainty of timely payment; short-term liquidity, including internal operating factors and/ or access to alternative sources of funds, is outstanding and safety is just below risk-free Government of Pakistan's short-term obligations Outlook on the assigned ratings is 'Stable'.

CORPORATE GOVERNANCE

SBP vide BPRD Circular No. 5 dated November 22, 2021 formulated a comprehensive Corporate Governance Regulatory Framework ("CGRF") for Banks/DFIs, to further strengthen the corporate governance regime and to align the same with international standards/principles. Pak Brunei continues to follow the best practices on corporate governance and the board of directors is committed to adopt and adhere to the best practices of good corporate governance.

SBP vide BPRD Circular No. 14 dated October 20, 2016 advised that the requirement in terms of Prudential Regulation G-1 with regards to the applicability of Code of Corporate Governance (CCG) issued by the Securities and Exchange Commission of Pakistan shall not be applicable on DFIs. Pak Brunei has adopted certain provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019, as applicable. Accordingly, the Statement of Compliance prescribed by SECP has been adjusted to the extent the same has been adopted by the Company.

SUSTAINABILITY REPORTING

In line with our commitment to sustainability, Pak Brunei continuously assesses sustainability-related risks that may impact its operations, stakeholders, and the broader financial ecosystem. To address these risks, we have implemented a comprehensive sustainability risk management framework, which includes the integration of Environmental, Social, and Governance (ESG) criteria into credit risk assessments to ensure the financing of environmentally responsible projects, the adoption of green banking principles promoting sustainable financing solutions such as renewable energy and climate-resilient infrastructure, and internal initiatives to reduce our carbon footprint through energy-efficient office operations and paperless workflows.

Pak Brunei also strives to promote diversity, equity, and inclusion (DE&I) within its workforce. We are dedicated to maintaining gender balance in recruitment and encouraging a work environment where all employees feel welcomed, valued, and empowered to reach their full potential. Our recruitment efforts institute inclusive selection procedures and we prioritize diversified talent pools, with a focus on accommodating persons with disabilities (PWDs) and ensuring that employees and job applicants with disabilities are treated fairly in recruitment practices. Furthermore, we are committed to creating a discrimination- and harassment-free workplace. To support this, we have established a dedicated policy for addressing harassment and discrimination complaints, ensuring that all employees are treated with dignity and respect.



CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The directors are pleased to declare that:

- The financial statements, prepared by management, present its state of affairs fairly, the results of its operations, cash flows and statement of changes in equity;
- Proper books of accounts have been maintained;
- Appropriate accounting policies are consistently applied in preparing financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;
- The internal control system is sound in design and has been effectively implemented and monitored;
- There are no doubts about the Company's ability to continue as a going concern;
- There are no statutory payments on account of taxes, duties, levies and charges which are overdue outstanding as of 31 December 2025, except as disclosed in the annexed financial statements;
- Details of the aggregate remuneration of executives and non-executives Directors are included in note 37 of the financial statements;
- Following is the fair value of investments and bank balances as at 31 December 2025:
 - Provident Fund: PKR 101.912 million, based on unaudited financial statements.
 - Gratuity Fund: PKR 68.56 million, based on unaudited financial statements.
- Key operating and financial data for the last six years, in a summarized form, is given hereunder;

(Figures in PKR million unless stated otherwise)

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------------------|--------|--------|--------|--------|---------|---------|---------|
| Total Assets | 57,773 | 40,253 | 51,450 | 79,938 | 188,070 | 201,999 | 143,694 |
| Net Assets | 10,549 | 10,733 | 10,232 | 10,003 | 10,839 | 12,658 | 15,431 |
| Net Advances | 18,771 | 19,134 | 20,300 | 24,208 | 19,610 | 21,141 | 26,387 |
| Net Investments | 31,817 | 17,483 | 26,247 | 44,805 | 158,671 | 168,748 | 107,589 |
| Net Mark-up Income | 734 | 768 | 866 | 789 | 1,370 | 1,087 | 2,416 |
| Non-Mark-up Income | 43 | 688 | 340 | 353 | 683 | 674 | 906 |
| Profit before Tax | 458 | 1033 | 704 | 744 | 1,210 | 1,226 | 2,309 |
| Profit after Tax | 366 | 718 | 481 | 503 | 847 | 610 | 1,932 |
| Earnings per Share (PKR) | 0.61 | 1.20 | 0.80 | 0.84 | 1.41 | 1.02 | 3.22 |
| Dividend Pay-out (%) | 5.00% | 5.00% | 5.00% | - | 5.00% | 5.00% | 5.00% |
| Gross Infection Ratio (%) | 3.10% | 5.03% | 4.89% | 3.56% | 5.44% | 4.83% | 3.93% |
| NPL Coverage Ratio (%) | 66.22% | 42.99% | 53.69% | 56.78% | 86.35% | 90.77% | 94.84% |



COMPOSITION OF THE BOARD OF DIRECTORS

As per the joint venture arrangement between the Government of Pakistan (GoP) and the Government of Brunei, the Company's board of directors comprises of four directors who are nominated by both Governments. At present, the composition of the Board is as follows:

| Category | Name | Description |
|--------------------------------|---|--|
| Independent Director | None | The Company has obtained relaxation from the State Bank of Pakistan in respect of the appointment of one independent director on the Board as required under BPRD Circular No. 04 of 2007. |
| Non-Executive Directors | Ms. Dk Noorul Hayati Pg Julaihi (Chairperson) | Nominated by the Government of Brunei |
| | Mr. Nasir Mahmood Khosa | Nominated by the Government of Pakistan |
| | Ms. Norakerteni Muhammad | Nominated by the Government of Brunei |
| Executive Director | Mr. S. M. Aamir Shamim | Nominated by the Government of Pakistan |

MEETINGS OF THE BOARD

The Board of Directors of the Company held five meetings during the year ended December 31, 2025. The following directors attended the meetings:

| Name | Meetings Attended |
|--|-------------------|
| Ms. Dk Noorul Hayati Pg Julaihi | 5 |
| Mr. Nasir Mahmood Khosa | 5 |
| Ms. Norakerteni Muhammad | 5 |
| Mr. S. M. Aamir Shamim | 5 |

During the year, there has been no change in the board of directors of the Company.

BOARD COMMITTEES

The Board has the following committees for providing support in strategic direction and enhanced oversight. The board committees function as per their respective Terms of Reference (TORs) approved by the Board. A brief description of the functions of each sub-committee, is as follows:

Board Audit Committee (BAC):

The Board Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment, including financial and operational controls, accounting systems, and

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reporting structure. The Committee provides oversight of the Company's Internal Audit function; approves and monitors the progress of the annual audit plan; and ensures that the Internal Audit Function has adequate resources and is appropriately placed within the organization structure to maintain its independence. The BAC also reviews the financial statements and associated matters before recommending them to the Board for approval; as part of this process, the Committee also interacts with the External Auditors of the Company and recommends the appointment of the auditors to the Board. The BAC is also responsible for monitoring the implementation of new accounting standards.

Board Risk Management Committee (BRMC):

The Committee is responsible for oversight and advice to the Board on risk-related matters, including governance, with respect to the Company's risk appetite and profile. The BRMC also ensures the structure and completeness of the Company's internal risk framework in relation to the risk profile, and the development and maintenance of an independent, supportive and proactive risk management culture. The Committee also takes a forward-looking approach to ensure that evolving risks are identified and mitigated.

Board Human Resource and Remuneration Committee (BHRRC):

The Committee recommends key Human Resources and Remuneration policies including major terms of employment and benefits, Performance Management and Compensation Plans for all key executives and other staff members. It also reviews and recommends policies for staff training, career development and succession planning in line with relevant regulatory requirements and best practices.

Additionally, the committee is responsible to monitor and review sustainability related risks and opportunities of the company, ensure DE&I practices are in effect at various board committees, oversee compliance of relevant laws pertaining to relevant sustainability related considerations and its appropriate disclosures.

MEETINGS OF THE BOARD COMMITTEES

| Name | Audit Committee | | HR&R Committee | | CRM Committee | |
|---------------------------------|-----------------|------------|----------------|------------|---------------|------------|
| | Meetings held | Attendance | Meetings held | Attendance | Meetings held | Attendance |
| Ms. Dk Noorul Hayati Pg Julaihi | 4 | 4 | 4 | 4 | 2 | 2 |
| Mr. Nasir Mahmood Khosa | 4 | 4 | 4 | 4 | 2 | 2 |
| Ms. Norakerteni Muhammad | 4 | 4 | 4 | 4 | N/A | N/A |
| Mr. S. M. Aamir Shamim | N/A | N/A | N/A | N/A | 2 | 2 |

DIRECTORS' REMUNERATION

The Company has a policy for Directors' Remuneration. The policy is in line with the Regulation G-14 of Corporate Governance Regulatory Framework (CGRF) and / or BPRD Circular Letter No. 24 of 2025 issued by the SBP.



BOARDS' PERFORMANCE EVALUATION

The Board has approved a formal process for the performance evaluation to be carried out on an annual basis. In this regard, an in-house approach has been adopted and quantitative techniques are implemented wherein scored questionnaires are used for Board evaluation. A scoring scale has been established in accordance with SBP guidelines. Furthermore, performance evaluations of the Board, its committees and individual directors are also conducted, facilitated by an external independent evaluator, at least every three years.

The scope covers evaluation of the full Board, individual Directors, Board Committees, the Chairman and the Managing Director. Final results of the annual evaluation are compiled and presented to the Board of Directors which it reviews to identify issues, weaknesses and challenges along with discussing an action plan as to how these can be adequately addressed. Recommendations from the evaluation exercise form the basis of the action plan which is agreed by the Board for implementation. Any areas of improvement identified during the evaluation are noted for appropriate action.

INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

The Board of Directors hereby endorses the management's evaluation related to ICFR and overall Internal Controls.

RISK MANAGEMENT FRAMEWORK

During the course of the year, the Company continued to further strengthen its risk management framework which has been developed over the years and continues to be refined and improved. Credit risk is managed through the policies approved by the Board. These encompass a well-defined credit approval mechanism, use of internal risk ratings, prescribed documentation requirements, post-disbursement administration, monitoring of credit facilities as well as continuing assessment of credit worthiness of borrowers through periodic reviews. Credit Risk Management also established a mechanism for back testing of the credit scoring model which will be refined going forward. Decisions regarding the credit portfolio are taken by the Credit Committee. Credit Risk Management Committee of the Board provides overall guidance in managing the Company's credit risk. Significant risk issues are regularly reviewed to determine their impact on the Company's strategy as well as its subsidiaries given that Credit Risk Management is a shared function.

Market risk and Operational risks are managed through respective policies approved by the Board. In addition, the liquidity risk policy provides guidance in managing the liquidity position of the Company, which is monitored on a daily basis. Credit Risk Management Committee of the Board provides overall guidance in managing the Company's market and liquidity risks, capital adequacy, and integrated risk management all of which are covered under the Enterprise Risk Management function. Assessment of enterprise-wide integrated risk profile of the Company is carried out using the Basel Framework, Internal Capital Adequacy Assessment Process, and Stress Testing.



CORPORATE SOCIAL RESPONSIBILITY

Pak Brunei remains committed towards proactive contributions to society. Throughout the year, it has undertaken a series of Corporate Social Responsibility (CSR) initiatives. Emphasizing an agile and professional work environment, the Company aims to augment gender diversity and uphold principles of equal opportunity. Another key focus is fostering environmental sustainability through green practices and tree plantations. These activities demonstrate the Company's dedication to promoting socially responsible citizenship.

APPOINTMENT OF AUDITORS

The Auditors, M/s Yousuf Adil, Chartered Accountants, as the statutory auditor of the Company, have completed their assignment for the year ended December 31, 2025 and being eligible have offered themselves for reappointment. Therefore, the Board on the recommendation of the Audit Committee recommends the appointment of M/s Yousuf Adil, Chartered Accountants as statutory auditors of the Company for the year ending December 31, 2026.

PATTERN OF SHAREHOLDING

| Shareholder | Shareholding (%) |
|--|------------------|
| Ministry of Finance – Govt. of Pakistan | 49.99933% |
| Brunei Investment Agency | 50.00000% |
| Secretary, Economic Affairs Division-Govt. of Pakistan | 0.00067% |

DIVIDEND AND APPROPRIATION

Keeping in view the financial results of the Company, the Board of Directors of the Company has declared a final cash dividend @ 5% i.e., Re. 0.5 per share for the shareholders of the Company, in its meeting held on March 12, 2026. This is to be approved by shareholders in upcoming Annual General Meeting of the Company.

SUBSEQUENT EVENT

There have not been any material events that occurred subsequent to the date of the Statement of Financial Position that require adjustments to the attached financial statements.

EARNING PER SHARE

Basic and Diluted (loss) /earnings per share have been disclosed in note 32 of the financial statements.

FUTURE OUTLOOK

In 2026, Pakistan's economic outlook focuses on maintaining macroeconomic stability and advancing structural reforms for sustainable growth. Real GDP is projected to grow by 3.2–3.6 percent, supported by a primary surplus target of 1.6–2.5 percent of GDP and a mediumterm



inflation target range of 5-7 percent, as per SBP monetary policy statement published in Dec 2025. The recovery faces challenges from public debt, energy sector circular debt, and climate vulnerability, requiring resolute on implementation of governance, tax, and energy reforms, including electricity tariff adjustments.

The ongoing Iran–U.S. war threatens major disruptions and could slow down growth further because it drives up global commodity prices and triggers risk aversion in investment. Pakistan's economy is already sensitive to external headwinds. Primary economic risk is from oil price shocks and commodity market volatility. Pakistan's trade and external balance are particularly vulnerable given heavy energy import dependence.

For Pak Brunei Investment Company Limited, the evolving economic environment offers opportunities in infrastructure finance, project development, and capital market instruments. Strategic allocation toward sectors with sustainable growth potential, accompanied by robust risk assessment, will be vital to delivering shareholder value amid the broader stabilization of Pakistan's economy.

ACKNOWLEDGEMENT AND APPRECIATION

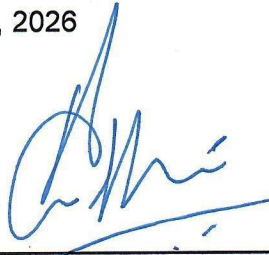
We appreciate our shareholders' trust and support – Government of Pakistan and Brunei Investment Agency – for their continued guidance and support. We appreciate the role State Bank of Pakistan and Securities & Exchange Commission of Pakistan continue to play in regulating the financial markets of Pakistan while providing us with an accommodating operating environment supportive of our unique business strategy.

We also acknowledge and appreciate the cooperation and valuable support of our employees, stakeholders, financial institutions and members of the Board of Directors. We at Pak Brunei Investment Company Limited, are proud of our commitment to excellence in quality of our services and providing value added solutions to our customers at all times.

For and on behalf of the Board of Directors

Karachi

Date: March 12, 2026



S. M. Aamir Shamim
Managing Director



Dk Noorul Hayati Pg Julaihi
Chairperson

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے پاک برونائی انویسٹمنٹ کمپنی لمیٹڈ ("دی کمپنی") کے آڈٹ شدہ مالیاتی گوشواروں کو پیش کرتے ہوئے خوشی ہو رہی ہے۔

اقتصادی جائزہ

زیر نظر سال پاکستان میں بتدریج میکرو اکنامک استحکام کی طرف سے نشان زد ہے، جس میں علاقائی جغرافیائی سیاسی کشیدگی میں اضافہ ہوا ہے، خاص طور پر امریکہ اور ایران کے درمیان تنازعات میں اضافے سے پیدا ہونے والے۔ جب کہ گھریلو اصلاحات کی کوششوں اور بہتر مالیاتی نظم و ضبط نے اقتصادی بحالی میں مدد کی، بیرونی کمزوریاں - خاص طور پر توانائی کی درآمدات اور عالمی اجناس کی منڈیوں سے متعلق - چیلنجوں کا سامنا کرتی رہیں۔

پاکستان کی معیشت نے مالی سال 2026 کے دوران معمولی بحالی کا مظاہرہ کیا۔ حقیقی جی ڈی پی نمو تقریباً 3 سے 4 فیصد کی حد میں رہنے کا تخمینہ ہے، جو زرعی پیداوار میں بہتری، صنعتی سرگرمیوں میں استحکام اور خدمات کے شعبے میں نسبتاً لچک کو ظاہر کرتا ہے۔ ترقی کی یہ رفتار پچھلے سالوں میں تجربہ کیے گئے میکرو اکنامک تناؤ سے مسلسل بحالی کی نمائندگی کرتی ہے۔ تاہم، بیرونی ماحول نازک رہا۔ مشرق وسطیٰ میں کشیدگی میں اضافے نے توانائی کی عالمی منڈیوں میں غیر یقینی صورتحال پیدا کی، تیل کی قیمتوں میں اتار چڑھاؤ اور پاکستان کے درآمدی بل اور افراط زر کی حرکیات پر دباؤ ڈالا۔

بیرونی محاذ پر پاکستان نے دسمبر 2025 میں یو ایس ڈی 244 ام این کا کرنٹ اکاؤنٹ خسارہ ریکارڈ کیا جو دسمبر 2024 میں یو ایس ڈی 454 ام این کے سرپلس کے مقابلے میں ہوا کیونکہ درآمدات میں تیزی سے اضافہ ہوا جبکہ برآمدات میں معمولی اضافہ ہوا۔ 26 اکتوبر 2025 کے دوران کرنٹ اکاؤنٹ خسارہ 174 ام این یو ایس ڈی 1 جو پچھلے سال کی اسی مدت میں یو ایس ڈی 957 ام این کا سرپلس تھا۔

مہنگائی پہلے کے اتار چڑھاؤ کے مقابلے میں وسیع پیمانے پر موجود رہی، جس کی مدد پروکار مالیاتی پالیسی اور رسد کے دباؤ افراط زر کی شرح 5.6 فیصد ریکارڈ (CPI) میں نرمی کی گئی۔ دسمبر 2025 میں سالانہ بنیادوں پر کنزیومر پرائس انڈیکس کی گئی جو پچھلے مہینے میں 6.1 فیصد اور دسمبر 2024 میں 4.1 فیصد تھی۔ تاہم، بنیادی افراط زر 2025 کے آخر میں تقریباً 7.4 فیصد پر برقرار ہے۔ مالی سال 2027 اس کے جواب میں، اسٹیٹ بینک آف پاکستان نے دسمبر 2025 کے آخر تک پالیسی ریٹ کو کم کر کے 10.5 فیصد کر دیا جو کہ دسمبر 2024 میں 13 فیصد تھا، جس کی حمایت کم افراط زر، مستحکم شرح مبادلہ، اور زرمبادلہ کے بہتر ذخائر کی وجہ سے ہوئی۔ آگے بڑھتے ہوئے، توقع ہے کہ افراط زر اسٹیٹ بینک کے ہدف کے اندر رہے گا، جس سے مانیٹری پالیسی کو معاشی بحالی اور سرمایہ کاری میں مزید مدد ملے گی۔

عالمی معیشت بڑھتی ہوئی تحفظ پسندی پالیسی میں غیر یقینی صورتحال اور تقسیم کے رجحانات کے مطابق خود کو ڈھال رہی ہے، کیونکہ بدلتے ہوئے تجارتی اقدامات اور مالیاتی پالیسیاں ترقی کے امکانات کو نئی شکل دے رہی ہیں۔ تجارت کی پیشگی تیاری اور ذخیرہ اندوزی کے بہتر انتظام کے باعث مضبوط آغاز کے بعد اب ترقی کی رفتار سست ہو رہی ہے کیونکہ یہ عارضی عوامل ختم ہو رہے ہیں۔ عالمی شرح نمو 2025 میں 3.2 فیصد اور 2026 میں 3.1 فیصد تک کم ہونے کی پیش گوئی ہے، جبکہ تجارت کی توسیع محدود رہے گی اور افراط زر کم تو ہوگا مگر یکساں نہیں ہوگا۔

منفی خطرات اب بھی غالب ہیں جو اس بات کو اجاگر کرتے ہیں کہ اعتماد کی بحالی اور درمیانی مدت کی ترقی کے فروغ کے لیے قابل اعتماد، پیش گوئی کے قابل، اور پائیدار پالیسی اقدامات کی ضرورت ہے۔ (ماخذ: آئی ایم ایف ورلڈ اکنامک آؤٹ لک) اکتوبر 2025 عالمی سطح پر مجموعی افراط زر کے 2025 میں اندازاً 4.1 فیصد سے کم ہو کر 2026 میں 3.8 فیصد اور مزید کم ہو کر 2027 میں 3.4 فیصد تک گرنے کی توقع ہے۔

جاری جغرافیائی و سیاسی کشیدگیاں، جن میں امریکہ اور ایران کے درمیان مسائل اور غزہ میں امن کے لیے پاکستان کی شمولیت شامل ہیں، مارکیٹ میں اتار چڑھاؤ کا سبب بن رہی ہیں۔ معاشی منظر نامہ محتاط انداز میں مثبت ہے، جسے مستحکم ترقی اور مالیاتی محصولات میں اضافے کے اقدامات سہارا دے رہے ہیں، تاہم بیرونی شعبے پر دباؤ اور بڑھتا ہوا کرنٹ اکاؤنٹ خسارہ خطرات پیدا کر رہا ہے۔

عالمی سطح پر بلند اجناس کی قیمتیں اور سپلائی چین میں عدم استحکام — خاص طور پر جغرافیائی کشیدگیوں کے باعث تیل کی قیمتوں میں جھٹکے — تجارتی توازن اور افراط زر پر منفی اثر ڈال سکتے ہیں۔ کمزور بیرونی مالیاتی حالات اور زرمبادلہ کے ذخائر میں ممکنہ کمزوریاں بھی ایک اور خطرہ بن سکتی ہیں۔

پائیدار معاشی ترقی کا انحصار مؤثر پالیسیوں، مالیاتی نظم و ضبط، اور جغرافیائی و سیاسی اور معاشی چیلنجز کے مؤثر انتظام پر ہوگا۔

کمپنی کی کارکردگی کا جائزہ

2025 میں پاک برونائی نے 2.31 بلین روپے لیویز اور ٹیکس لگانے سے پہلے اپنا اب تک کا سب سے زیادہ منافع حاصل کیا ہے، جو 2024 کے مقابلے میں 1.2 گنا زیادہ ہے۔ یہ ایک کثیر جہتی حکمت عملی اور انتظامی ٹیم کی ٹھوس کوششوں سے کارفرما ہے۔ ٹیکس اور لیویز کے بعد منافع روپے ریکارڈ کیا گیا۔ 1.93 ارب روپے کے مقابلے میں گزشتہ سال کے لیے روپے تک پہنچ گئی۔ 3.22 روپے کے مقابلے میں پچھلے سال 1.02۔ خالص سود کی آمدنی (EPS) 610.50M فی شیئر آمدنی 1.33 بلین یعنی 1.2 گنا بڑھ کر سال بہ سال، روپے تک پہنچ گئی۔ 2.41 بلین۔ غیر مارک اپ آمدنی 906.11 ملین پر بند ہوئی، جس میں گزشتہ سال کے مقابلے میں 34.35 فیصد اضافہ ہوا، جس میں فیس کمیشن کی آمدنی (156.49 ملین روپے، +22.50%) اور سیکیورٹیز کے تصرف میں نمایاں شراکت (348.37 ملین روپے، +4 گنا) گزشتہ سال کے مقابلے میں نمایاں سے متعلق اب گریڈ سے متعلق IT رہی۔ لاگت کے نظم و ضبط کو برقرار رکھتے ہوئے، کمپنی نے عملے کے اخراجات اور کلیدی اخراجات کے ساتھ، سال بھر میں 17.18 فیصد اضافے کی اطلاع دیتے ہوئے، آپریٹنگ اخراجات کو سمجھداری سے سنبھالا۔ کمپنی کی لاگت سے خالص آمدنی کا تناسب مؤثر 22.13 فیصد پر برقرار رکھا گیا، جدت اور انسانی سرمائے میں سرمایہ کاری جاری رکھتے ہوئے مضبوط مالیاتی نظم و ضبط کو یقینی بنایا گیا۔

ایک چیلنجنگ آپریٹنگ اور میکرو اکنامک ماحول میں تشریف لاتے ہوئے، کمپنی اپنے رسک ریٹرن فیصلوں کے نظم و ضبط کو برقرار رکھتے ہوئے اثاثہ جات کے معیار پر توجہ دے رہی ہے۔ صارفین کے تمام حصوں میں قرض کی کتاب میں تنوع اور ایک مضبوط کریڈٹ اسسمنٹ ماڈل، مؤثر پری ڈسبرسمنٹ ایوبلیویشن ٹولز اور پوسٹ ڈسبرسمنٹ مانیٹرنگ سسٹم کی ایک صف نے (NPLs) پاک برونائی کو اپنے کریڈٹ رسک کو مؤثر طریقے سے منظم کرنے کے قابل بنایا ہے۔ کمپنی کا نان پرفارمنگ لون رپورٹ کیا گیا۔ 31 دسمبر 2025 تک 1.085 بلین روپے۔ کمپنی کی کوریج اور مجموعی انفیکشن کا تناسب بالترتیب 94.84% ارب؛ پچھلے سال کے آخر یعنی 31 دسمبر 2024 اور 3.93% بتایا گیا۔ مالیاتی پوزیشن کے لحاظ سے، کمپنی کے کل اثاثوں کی بنیاد دسمبر 2024 کے مقابلے میں 28.86 فیصد کی کمی کی نمائندگی کرتا ہے۔ اثاثوں کے مرکب کا تجزیہ اس بات پر روشنی ڈالتا ہے کہ خالص سرمایہ کاری کے پورٹ فولیو میں روپے کی کمی واقع ہوئی ہے۔ 61.16 بلین (-36.24%) اور مجموعی ایڈوانس میں روپے کا اضافہ ہوا۔ پچھلے سال کے مقابلے میں بالترتیب 5.25 بلین (+24.81%)۔ اثاثوں پر منافع اور ایکویٹی پر واپسی بالترتیب 1.12% اور 13.76% رپورٹ کی گئی، جبکہ بک ویلیو 25.72 فی شیئر روپے بتائی گئی۔ ریگولیٹری سرمائے کی ضرورت کے مقابلے میں 29.65% (CAR) 11.5% ضروریات کی تعمیل کرتے ہوئے، کمپنی کا کل کیپٹل ایڈیکسی ریشو سے کل رسک ویڈیو اثاثوں کے تناسب سے ظاہر ہوتا (CET1) تک بہتر ہو گیا۔ سرمائے کا معیار کمپنی کے کامن ایکویٹی ٹائر-1 ہے جو کہ 6.0% کی ضرورت کے مقابلے میں 26.00% پر آتا ہے۔ کمپنی کی کیپٹلائزیشن کا نتیجہ بھی 7.66% کا لیوریج ریشو ہے جو کہ 3.0% کی ریگولیٹری حد سے کافی زیادہ ہے۔ کمپنی نے 100% کی ضروریات کے مقابلے میں 120% کا لیکویڈیٹی کوریج ریشو (ایل سی آر) اور 117.96% کا (این ایس ایف آر) رپورٹ کیا۔

بستی کی درجہ بندی

وائی ای ایس کریڈٹ کمپنی لمیٹڈ نے اے / اے-1 پر پاک برونائی انویسٹمنٹ کمپنی لمیٹڈ کی ریٹنگ کی توثیق کی ہے۔ اے اے اے پلس کی طویل مدتی درجہ بندی اعلیٰ کریڈٹ کوالٹی کی نشاندہی کرتی ہے۔ تحفظ کے عوامل مضبوط ہیں خطرہ معمولی ہے لیکن معاشی حالات کی وجہ سے وقتاً فوقتاً تھوڑا سا مختلف ہوسکتا ہے۔ اے 1 پلس کی قلیل مدتی درجہ بندی بروقت ادائیگی کے اعلیٰ ترین یقین کی نشاندہی کرتی ہے۔ قلیل مدتی لیکویڈیٹی، بشمول اندرونی آپریٹنگ عوامل اور / یا فنڈز کے متبادل ذرائع تک رسائی، بقایا ہے اور حفاظت خطرے سے پاک حکومت پاکستان کی قلیل مدتی ذمہ داریوں سے بالکل نیچے ہے تفویض کردہ ریٹنگز پر آؤٹ لک 'مستحکم' ہے۔

کارپوریٹ گورننس

ایس بی پی نے بی پی آر ڈی سرکلر نمبر 5 کے ذریعے مورخہ 22 نومبر 2021 کو بینکوں / ڈی ایف ائی ایس کے لئے ایک جامع کارپوریٹ گورننس ریگولیٹری فریم ورک (سی جی آر ایف) تیار کیا تاکہ کارپوریٹ گورننس کے نظام کو مزید مضبوط کیا جاسکے۔ اور اسے بین الاقوامی معیارات/اصولوں کے ساتھ ہم آہنگ کیا جاسکے۔ پاک برونائی کارپوریٹ گورننس کے بہترین طریقوں پر عمل پیرا ہے اور بورڈ آف ڈائریکٹرز اچھی کارپوریٹ گورننس کے بہترین طریقوں کو اپنانے اور ان پر عمل کرنے کے لیے پرعزم ہے۔

ایس بی پی نے بی پی آر ڈی سرکلر نمبر 14 مورخہ 20 اکتوبر 2016 کے ذریعے منشورہ دیا کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ کوڈ آف کارپوریٹ گورننس (سی سی جی) کے اطلاق کے حوالے سے پرنٹیشنل ریگولیشن جی 1 کی ضرورت دی ایف ائی ایس پر لوگو نہیں ہوگی۔ پاک برونائی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی کچھ شقوں کو اپنایا ہے۔ جیسا کہ قابل اطلاع ہے۔ اس کے مطابق ایس ای سی پی کی طرف سے تجویز کردہ تعمیل کے بیان کو اس حد تک ایڈجسٹ کیا گیا ہے جس کو کمپنی نے اپنایا ہے۔

پائیداری کی رپورٹنگ

پائیداری سے متعلق ہماری وابستگی کے مطابق، پاک برونائی پائیداری سے متعلق خطرات کا مسلسل جائزہ لے رہا ہے جو اس کے آپریشنز، اسٹیک ہولڈرز اور وسیع تر مالیاتی ماحولیاتی نظام کو متاثر کر سکتے ہیں۔ ان خطرات سے نمٹنے کے لیے، ہم نے ایک جامع پائیداری کے رسک مینجمنٹ فریم ورک کو نافذ کیا ہے، جس میں ماحولیاتی، سماجی، اور گورننس (ای ایس جی) کے معیار کو کریڈٹ رسک اسیسمنٹ میں شامل کرنا شامل ہے تاکہ ماحولیاتی ذمہ دار منصوبوں کی فنائینسنگ کو یقینی بنایا جا سکے، پائیدار فنائینسنگ کو فروغ دینے والے گرین بینکنگ کے اصولوں کو اپنانا، اور اندرونی توانائی کے شعبے میں توانائی کے حل کے لیے قابل عمل حل۔ توانائی کے موثر دفتری آپریشنز اور پیپر لیس ورک فلو کے ذریعے ہمارے کاربن فوٹ پرنٹ کو کم کو فروغ دینے کی کوشش کرتا ہے۔ ہم کرنے کے اقدامات کو پاک برونائی بھی اپنی افرادی قوت میں تنوع، مساوات اور شمولیت بھرتی میں صنفی توازن کو برقرار رکھنے اور کام کے ماحول کی حوصلہ افزائی کے لیے وقف ہیں جہاں تمام ملازمین اپنی پوری صلاحیت تک پہنچنے کے لیے خوش آئند، قابل قدر، اور باختیار محسوس کرتے ہیں۔ ہماری بھرتی کی کوشش انتخابی طریقہ کار کو شامل کرتی ہیں اور ہم متنوع ٹیلنٹ پولز کو ترجیح دیتے ہیں۔ جس میں معذور افراد (پی ڈبلیو ڈی ایس) کو جگہ س بات کو یقینی بنانا کہ ملازمین اور ملازمت کے درخواست دہندگان کے ساتھ بھرتی کے طریقوں میں منصفانہ برتاؤ کیا جاتا ہے۔ مزید برآں، ہم امتیازی سلوک اور ہراسانی سے پاک کام کی جگہ بنانے کے لیے پرعزم ہیں۔ اس کی حمایت کرنے کے لیے، ہم نے ہراساں کرنے اور امتیازی سلوک کی شکایات کو دور کرنے کے لیے ایک مخصوص پالیسی قائم کی ہے، اس بات کو یقینی بناتے ہوئے کہ تمام ملازمین کے ساتھ عزت اور احترام کے ساتھ برتاؤ کیا جائے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک

ڈائریکٹرز یہ اعلان کرتے ہوئے خوش ہیں کہ

- انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات، اس کی حالت، اس کے کاموں کے نتائج، نقد بہاؤ اور ایکویٹی میں ہونے والی تبدیلیوں کے بیانات کو منصفانہ طور پر پیش کرتے ہیں۔

- کھاتوں کی مناسب کتابیں برقرار رکھی گئی ہیں۔

- مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا اطلاق مستقل طور پر کیا جاتا ہے اور اکاؤنٹنگ تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں۔

- بین الاقوامی مالیاتی رپورٹنگ کے معیارات (ای ایف آر ایس) جیسا کہ پاکستان میں لوگو ہوتا ہے۔ مالیاتی بیانات کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی روانگی کے بارے میں مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

اندرونی کنٹرول سسٹم ڈیزائن میں درست ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔

- ایک جاری تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت کے بارے میں کوئی شک نہیں ہے۔

- ٹیکسز، ڈیوٹی، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں جو 31 دسمبر 2025 تک واجب الادا ہیں، سوائے اس کے کہ منسلک مالی بیانات میں ظاہر کیا گیا ہو۔

- ایگزیکٹوز اور نان ایگزیکٹو ڈائریکٹرز کے مجموعی معاوضے کی تفصیلات مالی بیانات کے نوٹ 37 میں شامل ہیں۔

31 دسمبر 2025 تک سرمایہ کاری اور بینک بیلنس کی مناسب قیمت درج ذیل ہے:

پراویڈنٹ فنڈ : 101-912 پی کے ارمین غیر آڈیٹ مالیاتی بیانات پر مبنی

گریجویٹی فنڈ: 68-56 پی کے ارمین غیر آڈیٹ مالیاتی بیانات پر مبنی

- گزشتہ چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ مندرجہ ذیل شکل میں دیا گیا ہے۔

(پی کے ارمین میں اعداد و شمار جب تک کہ دوسری صورت میں بیان نہ کیا جائے)

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-----------------------------|--------|--------|--------|--------|---------|---------|---------|
| کل اثاثے | 57,773 | 40,253 | 51,450 | 79,938 | 188,070 | 201,999 | 143,694 |
| خالص اثاثے | 10,549 | 10,733 | 10,232 | 10,003 | 10,839 | 12,658 | 15,431 |
| نیٹ ایڈوانسز | 18,771 | 19,134 | 20,300 | 24,208 | 19,610 | 21,141 | 26,387 |
| خالص سرمایہ کاری | 31,817 | 17,483 | 26,247 | 44,805 | 158,671 | 168,748 | 107,589 |
| نیٹ مارک اپ آمدنی | 734 | 768 | 866 | 789 | 1,370 | 1,087 | 2,416 |
| غیر مارک اپ آمدنی | 43 | 688 | 340 | 353 | 683 | 674 | 906 |
| ٹیکس سے پہلے منافع | 458 | 1033 | 704 | 744 | 1,210 | 1,226 | 2,309 |
| ٹیکس کے بعد منافع | 366 | 718 | 481 | 503 | 847 | 610 | 1,932 |
| (PKR) فی شیئر آمدنی | 0.61 | 1.20 | 0.80 | 0.84 | 1.41 | 1.02 | 3.22 |
| (%) ڈیویڈنڈ پے اوٹ | 5.00% | 5.00% | 5.00% | - | 5.00% | 5.00% | 5.00% |
| (%) مجموعی انفیکشن کا تناسب | 3.10% | 5.03% | 4.89% | 3.56% | 5.44% | 4.83% | 3.93% |
| (%) کوریج کا تناسب NPL | 66.22% | 42.99% | 53.69% | 56.78% | 86.35% | 90.77% | 94.84% |

بورڈ آف ڈائریکٹرز کی تشکیل

حکومت پاکستان اور حکومت برونائی (جی او پی) کے درمیان مشترکہ منصوبہ بندی کے مطابق، کمپنی کا بورڈ آف ڈائریکٹرز چار ڈائریکٹرز پر مشتمل ہے جو دونوں حکومتوں کی جانب سے نامزد کیے گئے ہیں۔ اس وقت بورڈ کی تشکیل حسب ذیل ہے۔

| کیٹگری | نام | تفصیل |
|--------------------|--|---|
| انڈیپنڈنٹ ڈائریکٹر | None | کمپنی نے 2007 کے بی پی آر ڈی سرکلر نمبر 4 کے تحت بورڈ پر ایک آزاد ڈائریکٹر کی تقرری کے سلسلے میں اسٹیٹ بینک آف پاکستان سے نرمی حاصل کی ہے |
| ایگزیکٹو ڈائریکٹر | نان | برونائی کی حکومت کی طرف سے نامزد |
| | محترمہ ڈی کے نور الہیتی پی جی جی جولابی (چینر پرسن) | حکومت پاکستان کی طرف سے نامزد |
| | جناب ناصر محمود کھوسہ | برونائی کی حکومت کی طرف سے نامزد |
| | محترمہ نور کرتینی محمد | حکومت پاکستان کی طرف سے نامزد |
| ایگزیکٹو ڈائریکٹر | جناب ایس ایم عامر شمیم | حکومت پاکستان کی طرف سے نامزد |

بورڈ کی میٹنگز

کمپنی کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2025 کو ختم ہونے والے سال کے دوران پانچ میٹنگیں کیں۔ مندرجہ ذیل ڈائریکٹرز نے اجلاسوں میں شرکت کی:

| Name | Meetings Attended |
|--------------------------------------|-------------------|
| محترمہ ڈی کے نور الہیتی پی جی جولابی | 5 |
| جناب ناصر محمود کھوسہ | 5 |
| محترمہ نور کرتینی محمد | 5 |
| جناب ایس ایم عامر شمیم | 5 |

سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں ہوئی۔

بورڈ کمیٹیاں

بورڈ کے پاس اسٹریٹجک سمت اور بہتر نگرانی میں مدد فراہم کرنے کے لیے درج ذیل کمیٹیاں ہیں۔ بورڈ کمیٹیاں بورڈ کی طرف سے منظور شدہ اپنے متعلقہ ٹرمز آف ریفرنس (ٹی او آر) کے مطابق کام کرتی ہیں۔ ہر ذیلی کمیٹی کے کاموں کی مختصر تفصیل حسب ذیل ہے

بورڈ آڈٹ کمیٹی

بورڈ آڈٹ کمیٹی مالیاتی اور آپریشنل کنٹرولز، اکاؤنٹنگ سسٹمز، اور رپورٹنگ کے ڈھانچے سمیت کمپنی کے اندرونی کنٹرول کے ماحول کی مناسبت اور تاثیر کا جائزہ لیتی ہے۔ کمیٹی کمپنی کے اندرونی آڈٹ فنکشن کی نگرانی فراہم کرتی ہے۔ سالانہ آڈٹ پلان کی پیشرفت کی منظوری اور نگرانی کرتا ہے؛ اور اس بات کو یقینی بناتا ہے کہ اندرونی آڈٹ فنکشن کے پاس مناسب وسائل ہیں اور اسے تنظیم کے ڈھانچے کے اندر اپنی آزادی کو برقرار رکھنے کے لیے مناسب طریقے سے رکھا گیا ہے۔ بورڈ کو

منظوری کے لیے سفارش کرنے سے پہلے ہی اے سی مالی بیانات اور متعلقہ معاملات کا بھی جائزہ لیتا ہے۔ اس عمل کے حصے کے طور پر، کمیٹی کمپنی کے بیرونی آڈیٹرز کے ساتھ بھی بات چیت کرتی ہے اور بورڈ کو آڈیٹرز کی تقرری کی سفارش کرتی ہے۔ اے سی نئے اکاؤنٹنگ معیارات کے نفاذ کی نگرانی کے لیے بھی ذمہ دار ہے۔

بورڈ رسک مینجمنٹ کمیٹی (بی ار ام سی):

کمیٹی کمپنی کی خطرے کی خواہش اور پروفائل کے حوالے سے بورڈ کو خطرے سے متعلقہ معاملات بشمول گورننس کی نگرانی اور مشورے کی ذمہ دار ہے۔ بی ار ام سی خطرے کے پروفائل کے سلسلے میں کمپنی کے اندرونی رسک فریم ورک کی ساخت اور مکمل ہونے کو بھی یقینی بناتا ہے، اور ایک آزاد، معاون اور فعال رسک مینجمنٹ کلچر کی ترقی اور دیکھ بھال کو بھی یقینی بناتا ہے۔ کمیٹی اس بات کو یقینی بنانے کے لیے مستقبل کے حوالے سے ایک نقطہ نظر بھی اپناتی ہے کہ ابھرتے ہوئے خطرات کی نشاندہی اور ان میں تخفیف کی جائے۔

بورڈ انسانی وسائل اور معاوضہ کمیٹی (بی ایچ ار سی):

کمیٹی اہم انسانی وسائل اور معاوضے کی پالیسیوں کی سفارش کرتی ہے جس میں ملازمت اور فوائد کی اہم شرائط، تمام اہم ایگزیکٹوز اور عملے کے دیگر ارکان کے لیے کارکردگی کا انتظام اور معاوضے کے منصوبے شامل ہیں۔ یہ متعلقہ ریگولیٹری تقاضوں اور بہترین طریقوں کے مطابق عملے کی تربیت، کیریئر کی ترقی اور جانشینی کی منصوبہ بندی کے لیے پالیسیوں کا بھی جائزہ اور سفارش کرتا ہے۔

مزید برآں، کمیٹی کمپنی کے پائیداری سے متعلق خطرات اور مواقع کی نگرانی اور جائزہ لینے کی ذمہ دار ہے، اس بات کو یقینی بنانا کہ بورڈ کی مختلف کمیٹیوں میں ڈی ای اینڈ ائی طریقوں کا اثر ہو، پائیداری سے متعلق متعلقہ تحفظات اور اس کے مناسب انکشافات سے متعلق متعلقہ قوانین کی تعمیل کی نگرانی کرے۔

بورڈ کمیٹی کی اجلاس:

| Name | Audit Committee | | HR&R Committee | | CRM Committee | |
|---------------------------------|-----------------|------------|----------------|------------|---------------|------------|
| | Meetings held | Attendance | Meetings held | Attendance | Meetings held | Attendance |
| Ms. Dk Noorul Hayati Pg Julaihi | 4 | 4 | 4 | 4 | 2 | 2 |
| Mr. Nasir Mahmood Khosa | 4 | 4 | 4 | 4 | 2 | 2 |
| Ms. Norakerteni Muhammad | 4 | 4 | 4 | 4 | N/A | N/A |
| Mr. S. M. Aamir Shamim | N/A | N/A | N/A | N/A | 2 | 2 |

ڈائریکٹرز کا معاوضہ:

کمپنی کے پاس ڈائریکٹرز کے معاوضے کے لئے ایک پالیسی ہے یہ پالیسی کارپوریٹ گورننس ریگولیٹری فریم ورک (سی جی آر ایف) کے ریگولیشن 31G اور یا ایس بی پی کے جاری کردہ 2025 کے بی پی آر دی سرکلر 24 کے مطابق ہے۔

بورڈ کی کارکردگی کا جائزہ

بورڈ نے سالانہ بنیادوں پر کارکردگی کی جانچ کے لیے ایک رسمی عمل کی منظوری دے دی ہے۔ اس سلسلے میں، اندرون خانہ طریقہ اپنایا گیا ہے اور مقداری تکنیکوں کو لاگو کیا گیا ہے جس میں بورڈ کی تشخیص کے لیے اسکور کیے گئے سوالنامے استعمال کیے جاتے ہیں۔ ایس بی پی کے رہنما خطوط کے مطابق اسکورنگ اسکیل قائم کیا گیا ہے۔ مزید برآں، بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی کارکردگی کا جائزہ بھی کم از کم ہر تین سال بعد ایک بیرونی خود مختار تشخیص کار کے ذریعے کیا جاتا ہے۔

بورڈ کی کارکردگی کا جائزہ

بورڈ نے سالانہ بنیادوں پر کارکردگی کی جانچ کے لیے ایک رسمی عمل کی منظوری دے دی ہے۔ اس سلسلے میں، اندرون خانہ طریقہ اپنایا گیا ہے اور مقداری تکنیکوں کو لاگو کیا گیا ہے جس میں بورڈ کی تشخیص کے لیے اسکور کیے گئے سوالنامے استعمال کیے جاتے ہیں۔ ایس بی پی کے رہنما خطوط کے مطابق اسکورنگ اسکیل قائم کیا گیا ہے۔ مزید برآں، بورڈ، اس کی کمیٹیوں اور انفرادی ڈائریکٹرز کی کارکردگی کا جائزہ بھی کم از کم ہر تین سال بعد ایک بیرونی خود مختار تشخیص کار کے ذریعے کیا جاتا ہے۔

دائرہ کار مکمل بورڈ، انفرادی ڈائریکٹرز، بورڈ کمیٹیوں، چیئرمین اور منیجنگ ڈائریکٹر کی تشخیص کا احاطہ کرتا ہے۔ سالانہ تشخیص کے حتمی نتائج مرتب کیے جاتے ہیں اور بورڈ آف ڈائریکٹرز کو پیش کیے جاتے ہیں جس کا جائزہ لیا جاتا ہے تاکہ مسائل، کمزوریوں اور چیلنجوں کی نشاندہی کے ساتھ ساتھ ایک ایکشن پلان پر بات چیت کی جا سکے کہ ان کو مناسب طریقے سے کیسے حل کیا جا سکتا ہے۔ تشخیصی مشق کی سفارشات ایکشن پلان کی بنیاد بنتی ہیں جس پر عمل درآمد کے لیے بورڈ نے اتفاق کیا ہے۔ تشخیص کے دوران بہتری کے کسی بھی شعبے کی نشاندہی مناسب کارروائی کے لیے کی جاتی ہے۔

مالیاتی رپورٹنگ پر اندرونی کنٹرول

بورڈ آف ڈائریکٹرز اس کے ذریعے ائی سی ایف آر اور مجموعی اندرونی کنٹرول سے متعلق انتظامیہ کی تشخیص کی توثیق کرتا ہے۔

رسک مینجمنٹ فریم ورک

سال کے دوران، کمپنی نے اپنے رسک مینجمنٹ فریم ورک کو مزید مضبوط کرنا جاری رکھا جو کہ سالوں کے دوران تیار کیا گیا ہے اور اسے مزید بہتر اور بہتر بنایا جا رہا ہے۔

کریڈٹ رسک کا انتظام بورڈ کی منظور شدہ پالیسیوں کے ذریعے کیا جاتا ہے۔ ان میں کریڈٹ کی منظوری کا ایک اچھی طرح سے طے شدہ طریقہ کار، اندرونی خطرے کی درجہ بندیوں کا استعمال، دستاویزات کی تجویز کردہ ضروریات، تقسیم کے بعد کی انتظامیہ، کریڈٹ کی سہولیات کی نگرانی کے ساتھ ساتھ وقتاً فوقتاً جائزوں کے ذریعے قرض لینے والوں کی کریڈٹ کی اہلیت کا مسلسل جائزہ شامل ہے۔ کریڈٹ رسک مینجمنٹ نے کریڈٹ سکورنگ ماڈل کی بیک ٹیسٹنگ کے لیے ایک طریقہ کار بھی قائم کیا جسے آگے بڑھ کر بہتر کیا جائے گا۔ کریڈٹ پورٹ فولیو سے متعلق فیصلے کریڈٹ کمیٹی لیتی ہے۔ بورڈ کی کریڈٹ رسک مینجمنٹ کمیٹی کمپنی کے کریڈٹ رسک کے انتظام میں مجموعی رہنمائی فراہم کرتی ہے۔ کمپنی کی حکمت عملی کے ساتھ ساتھ اس کے ذیلی اداروں پر ان کے اثرات کا تعین کرنے کے لیے اہم رسک ایشوز کا باقاعدگی سے جائزہ لیا جاتا ہے کیونکہ کریڈٹ رسک مینجمنٹ ایک مشترکہ کام ہے۔

مارکیٹ کے خطرے اور آپریشنل خطرات کا انتظام بورڈ کی طرف سے منظور شدہ متعلقہ پالیسیوں کے ذریعے کیا جاتا ہے۔ اس کے علاوہ، لیکویڈیٹی رسک پالیسی کمپنی کی لیکویڈیٹی پوزیشن کے انتظام میں رہنمائی فراہم کرتی ہے، جس کی روزانہ کی بنیاد پر نگرانی کی جاتی ہے۔ بورڈ کی کریڈٹ رسک مینجمنٹ کمیٹی کمپنی کی مارکیٹ اور لیکویڈیٹی کے خطرات، سرمائے کی مناسبت، اور مربوط رسک مینجمنٹ کے انتظام میں مجموعی رہنمائی فراہم کرتی ہے یہ سبھی انٹرپرائز رسک مینجمنٹ فنکشن کے تحت آتے ہیں۔ کمپنی کے انٹرپرائز وائیڈ انٹیگریٹڈ رسک پروفائل کی تشخیص باسل فریم ورک، اندرونی سرمائے کی مناسبت کی تشخیص کے عمل، اور تناؤ کی جانچ کے ذریعے کی جاتی ہے۔

کارپوریٹ سماجی ذمہ داری

پاک بروہائی معاشرے میں فعال کردار ادا کرنے کے لیے پرعزم ہے۔ پورے سال کے دوران، اس نے کارپوریٹ سماجی ذمہ داری (سی ایس آر) اقدامات کا ایک سلسلہ شروع کیا ہے۔ چست اور پیشہ ورانہ کام کے ماحول پر زور دیتے ہوئے، کمپنی کا مقصد صنفی تنوع کو بڑھانا اور مساوی مواقع کے اصولوں کو برقرار رکھنا ہے۔ ایک اور اہم توجہ سبز طریقوں اور درخت لگانے کے ذریعے ماحولیاتی پائیداری کو فروغ دینا ہے۔ یہ سرگرمیاں سماجی طور پر ذمہ دار شہریت کو فروغ دینے کے لیے کمپنی کی لگن کو ظاہر کرتی ہیں۔

آڈیٹر کی تقرری

آڈیٹرز، میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس، کمپنی کے قانونی آڈیٹر کے طور پر، 31 دسمبر 2025 کو ختم ہونے والے سال کے لیے اپنی اسائنمنٹ مکمل کر چکے ہیں اور اہل ہونے کی وجہ سے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ لہذا، بورڈ آڈٹ کمیٹی کی سفارش پر میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو 31 دسمبر 2026 کو ختم ہونے والے سال کے لیے کمپنی کے قانونی آڈیٹرز کے طور پر تقرری کی سفارش کرتا ہے۔

شینرہولڈنگ کا پیٹرن

| شینرہولڈر | (%) شینرہولڈنگ |
|--|----------------|
| وزارت خزانہ - حکومت پاکستان | 49.99933% |
| برونائی انویسٹمنٹ ایجنسی | 50.00000% |
| سیکرٹری اقتصادی امور ڈویژن حکومت پاکستان | 0.00067% |

ڈیویڈنڈ اور اختصاص

کمپنی کے مالیاتی نتائج کو مدنظر رکھتے ہوئے کمپنی کے بورڈ آف ڈائریکٹرز نے حتمی نقد منافع کا اعلان کیا ہے۔ 5 مارچ 2026 کو ہونے والی میٹنگ میں کمپنی کے شینر ہولڈرز کے لئے 0-5 فی حصص ہے۔ اس کی منظوری کمپنی کے آئندہ سالانہ جنرل میٹنگ میں شینر ہولڈرز کو دی جائے گی۔

بعد کا معاملہ

اسٹیٹمنٹ آف فنانشل پوزیشن کی تاریخ کے بعد کوئی ایسا مادی واقعہ نہیں ہوا ہے جس کے لیے منسلک مالی بیانات میں ایڈجسٹمنٹ کی ضرورت ہو۔

فی شینر کمائی

بنیادی اور گھٹا ہوا (نقصان) فی حصص کی آمدنی مالی بیانات کے نوٹ 32 میں ظاہر کی گئی ہے۔

مستقبل کا آؤٹ لک

2026 میں پاکستان کا معاشی نقطہ نظر میکرو اکنامک استحکام کو برقرار رکھنے اور پائیدار ترقی کے لیے ساختی اصلاحات کو آگے بڑھانے پر مرکوز ہے۔ دسمبر 2025 میں شائع ہونے والے ایس بی پی کی مانیٹری پالیسی کے بیان کے مطابق، حقیقی جی ڈی پی میں 3.2-3.6 فیصد اضافے کا تخمینہ لگایا گیا ہے، جس کی حمایت جی ڈی پی کے 1.6-2.5 فیصد کے بنیادی اضافی ہدف دی پی ڈی اور 5-7 فیصد کی درمیانی مدت کے افراط زر کے ہدف کی حد سے ہو گی۔ بحالی کو عوامی قرضوں، توانائی کے شعبے میں گردشی قرضوں پر عمل درآمد کے چیلنجوں کا سامنا ہے۔ گورننس، ٹیکس، اور توانائی کی اصلاحات بشمول بجلی کے ٹیرف ایڈجسٹمنٹ شامل ہیں۔

حالیہ جاری ایران امریکہ جنگ بڑی رکاوٹوں کا خطرہ لاحق ہے اور ترقی کو مزید سست کر سکتی ہے کیونکہ اس سے عالمی اجناس کی قیمتوں میں اضافہ ہوتا ہے اور سرمایہ کاری میں خطرے سے گریز ہوتا ہے۔ پاکستان کی معیشت پہلے ہی بیرونی سرگرمیوں کے لیے حساس ہے۔ بنیادی اقتصادی خطرہ تیل کی قیمتوں کے جھٹکے اور اجناس کی منڈی میں اتار چڑھاؤ سے ہے۔ توانائی کی درآمد پر بھاری انحصار کے باعث پاکستان کا تجارتی اور بیرونی توازن خاصا کمزور ہے۔

پاک برونائی انویسٹمنٹ کمپنی لمیٹڈ کے لیے ابھرتا ہوا معاشی ماحول انفراسٹرکچر فنانس، پروجیکٹ ڈیولپمنٹ اور کیپٹل مارکیٹ کے آلات میں مواقع فراہم کرتا ہے۔ پاکستان کی معیشت کے وسیع تر استحکام کے درمیان حصص یافتگان کی قدر کی فراہمی کے لیے مضبوط خطرے کی تشخیص کے ساتھ ساتھ پائیدار ترقی کی صلاحیت کے حامل شعبوں کے لیے اسٹریٹجک مختص کرنا بہت ضروری ہوگا۔

اعتراف اور تعریف

ہم اپنے شیئر ہولڈرز کے اعتماد اور تعاون کی تعریف کرتے ہیں - حکومت پاکستان اور برونائی انویسٹمنٹ ایجنسی - کی مسلسل رہنمائی اور تعاون پر۔ ہم اسٹیٹ بینک آف پاکستان اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کردار کو سراہتے ہیں جو پاکستان کی مالیاتی منڈیوں کو ریگولیٹ کرنے میں ادا کر رہے ہیں اور ہمیں اپنی منفرد کاروباری حکمت عملی کے لیے موزوں آپریٹنگ ماحول فراہم کرتے ہیں۔

ہم اپنے ملازمین، اسٹیک ہولڈرز، مالیاتی اداروں اور بورڈ آف ڈائریکٹرز کے ممبران کے تعاون اور قابل قدر تعاون کو بھی تسلیم کرتے ہیں اور ان کی تعریف کرتے ہیں۔ ہمیں پاک برونائی انویسٹمنٹ کمپنی لمیٹڈ میں اپنی خدمات کے معیار میں بہترین کارکردگی اور اپنے صارفین کو ہر وقت ویلیو ایڈڈ سلوشنز فراہم کرنے کے عزم پر فخر ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے اور ان کی طرف سے

کراچی

تاریخ: 12 مارچ 2026

ایس ام عامر شمیم
مینجنگ ڈائریکٹر

ڈی کے نور الہیتی پی جی جولابی
چینرپرسن



15 years performance of Pak Brunei Investment Company at a glance

PKR in Million

| | Dec-25 | Dec-24 | Dec-23 | Dec-22 | Dec-21 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|------------------------------------|---------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Balance Sheet | | | | | | | | | | | | | | | |
| Investments | 107,589 | 168,748 | 158,671 | 44,805 | 26,247 | 17,483 | 31,817 | 26,117 | 7,679 | 16,658 | 16,850 | 24,247 | 27,431 | 7,121 | 25,741 |
| Advances | 26,387 | 21,141 | 19,610 | 24,208 | 20,300 | 19,134 | 18,771 | 20,330 | 18,768 | 13,996 | 10,237 | 7,386 | 6,800 | 5,776 | 4,647 |
| Borrowings | 121,273 | 184,383 | 174,594 | 68,320 | 40,285 | 27,763 | 45,152 | 36,890 | 13,976 | 20,493 | 14,544 | 18,090 | 26,392 | 2,417 | 23,360 |
| Deposits and other accounts | - | 1,166 | - | 55 | 50 | 830 | 620 | 725 | 4,751 | 2,913 | 4,218 | 5,164 | 567 | 2,825 | 979 |
| Total Assets | 143,694 | 201,999 | 188,070 | 79,938 | 51,450 | 40,253 | 57,773 | 48,793 | 29,869 | 34,391 | 29,115 | 32,901 | 35,508 | 14,046 | 32,544 |
| Net Assets | 15,431 | 12,658 | 10,839 | 10,003 | 10,232 | 10,733 | 10,549 | 9,960 | 10,456 | 10,429 | 9,684 | 9,139 | 8,246 | 8,581 | 7,928 |
| Paid up Capital | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| Profit & Loss | | | | | | | | | | | | | | | |
| Mark up income | 16,405 | 37,850 | 22,150 | 6,899 | 3,335 | 3,681 | 5,042 | 2,507 | 1,462 | 1,591 | 1,832 | 2,503 | 1,407 | 2,912 | 2,395 |
| Mark up expense | 13,989 | 36,764 | 20,780 | 6,110 | 2,469 | 2,913 | 4,307 | 1,788 | 908 | 1,084 | 1,279 | 2,036 | 969 | 2,045 | 1,469 |
| Non mark up income | 906 | 674 | 683 | 353 | 340 | 688 | 43 | 222 | 588 | 1,237 | 1,230 | 907 | 706 | 406 | 284 |
| Non mark up expense | 735 | 612 | 606 | 434 | 432 | 388 | 332 | 341 | 293 | 314 | 304 | 272 | 219 | 201 | 203 |
| Gross income | 17,311 | 38,525 | 22,833 | 7,252 | 3,675 | 4,369 | 5,085 | 2,729 | 2,050 | 2,828 | 3,062 | 3,410 | 2,113 | 3,318 | 2,679 |
| Profit before provision and tax | 2,587 | 1,149 | 1,447 | 708 | 774 | 1,067 | 445 | 599 | 849 | 1,430 | 1,479 | 1,102 | 925 | 1,072 | 1,007 |
| Provisions | (278) | 77 | 238 | (35) | 71 | 34 | (13) | 96 | 178 | 97 | 179 | (4) | 8 | (4) | 87 |
| Profit before tax | 2,309 | 1,226 | 1,210 | 744 | 704 | 1,033 | 458 | 503 | 671 | 1,333 | 1,300 | 1,106 | 917 | 1,076 | 920 |
| Profit after tax | 1,932 | 610 | 847 | 503 | 481 | 718 | 366 | 276 | 470 | 962 | 937 | 905 | 706 | 784 | 604 |
| Taxation | 378 | 615 | 362 | 241 | 222 | 315 | 93 | 228 | 200 | 371 | 363 | 201 | 211 | 292 | 315 |
| Dividend paid | 300 | 300 | 300 | - | 300 | 300 | 300 | 300 | 300 | 300 | 200 | 200 | 200 | 1,000 | 200 |
| Investors information | | | | | | | | | | | | | | | |
| Profit before tax ratio | 13.34% | 3.18% | 5.30% | 10.25% | 19.15% | 23.64% | 9.01% | 18.43% | 32.73% | 47.14% | 42.46% | 32.43% | 43.40% | 32.43% | 34.34% |
| Gross spread ratio | 14.73% | 2.87% | 6.19% | 11.44% | 25.97% | 20.86% | 14.56% | 28.68% | 37.82% | 31.87% | 30.19% | 18.70% | 31.13% | 29.77% | 38.62% |
| Return on assets | 1.12% | 0.31% | 0.63% | 0.77% | 1.05% | 1.46% | 0.69% | 0.70% | 1.46% | 3.03% | 3.02% | 2.65% | 2.85% | 3.37% | 2.57% |
| Return on equity | 13.76% | 5.20% | 8.13% | 4.97% | 4.59% | 6.75% | 3.57% | 2.70% | 4.50% | 9.57% | 9.96% | 10.41% | 8.39% | 9.50% | 7.91% |
| Earning asset to total asset ratio | 93.46% | 94.06% | 94.92% | 94.67% | 94.48% | 93.28% | 95.64% | 95.29% | 96.90% | 96.21% | 94.67% | 96.38% | 97.06% | 94.06% | 97.03% |
| EPS (Earning per share) PKR | 3.22 | 1.02 | 1.41 | 0.84 | 0.80 | 1.20 | 0.61 | 0.46 | 0.78 | 1.60 | 1.56 | 1.51 | 1.18 | 1.31 | 1.01 |
| Gross Infection Ratio | 3.93% | 4.83% | 5.44% | 3.56% | 4.89% | 5.03% | 3.10% | 2.87% | 5.00% | 3.17% | 3.00% | 0.03% | 0.04% | 0.05% | 0.06% |
| Net Infection Ratio | 0.21% | 0.47% | 0.78% | 1.57% | 2.32% | 2.93% | 1.07% | 1.39% | 3.54% | 1.54% | 1.52% | 0.00% | 0.00% | 0.00% | -0.38% |
| Capital Adequacy Ratio (CAR) | 29.65% | 28.52% | 29.42% | 29.42% | 29.42% | 26.64% | 27.27% | 24.50% | 30.62% | 25.59% | 26.44% | 33.80% | 35.82% | 59.76% | 58.47% |
| Dividend payout | 5.00% | 5.00% | 0.00% | 0.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 5.00% | 3.33% | 3.33% | 3.33% | 16.67% | 3.33% |



Independent Auditor's Review Report

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAK-BRUNEI 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 best practices of The Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Pak Brunei Investment Company Limited** (the Company) for the year ended December 31, 2025 in accordance with the requirements of the Regulations to the extent as adopted by the Company.

The responsibility for compliance with the Regulations (as adopted) is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations (as adopted) and report if it does not and to highlight any non-compliance with the requirements of the Regulations (as adopted). 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 adopted).

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 internal controls, the Company's corporate governance procedures and risks.

The Regulations (as adopted) 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 adopted by the Company for the year ended December 31, 2025. We draw attention to the following matter described in the enclosed Statement:

- The Regulations are not applicable on Development Financial Institutions (DFIs) vide BPRD Circular No. 14 dated October 20, 2016 issued by the State Bank of Pakistan. However, the Company has voluntarily adopted certain provisions of the Regulations as mentioned in the enclosed statement.

The engagement partner on the review resulting in this independent auditor's review report is Hena Sadiq.



Chartered Accountants

Place: Karachi

Date: March 18, 2026

UDIN: CR20251005749pVgmjil



**Statement of Compliance with
Listed Companies (Code of
Corporate Governance) Regulations,
2019**

**Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2019**

**Pak Brunei Investment Company Limited
Year ended December 31, 2025**

SBP vide BPRD Circular No. 14 dated October 20, 2016 has advised that the requirement in terms of Prudential Regulation G-1 with regards to the applicability of Code of Corporate Governance (CCG) issued by the Securities and Exchange Commission of Pakistan shall not be applicable on DFIs. However, it is expected that all DFIs will continue to follow the best practices on corporate governance. Accordingly, the Company has adopted certain provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the 'Regulations'), as applicable.

Accordingly, the Statement of Compliance prescribed by SECP as given below has been adjusted to the extent the same has been adopted by the Company.

The total number of directors are four (4) as per the following-

- a) Male: 02
- b) Female: 02

2. As per the joint venture arrangement between Government of Pakistan (GoP) and Government of Brunei, the Company's board of directors comprises of four directors who are nominated by both the Governments. At present, the composition of Board is as follows:

| Category | Names | Description |
|-------------------------|--|---|
| Executive Director | Mr. S. M. Aamir Shamim | Nominated by the Government of Pakistan |
| Non-Executive Directors | Ms. Dk Noorul Hayati Pg Julaihi (Chairperson) | Nominated by the Government of Brunei |
| | Mr. Nasir Mahmood Khosa | Nominated by the Government of Pakistan |
| | Ms. Norakerteni Muhammad | Nominated by the Government of Brunei |

The Company has obtained relaxation from the State Bank of Pakistan in respect of the appointment of one independent director on the Board.

Given that the directors are appointed by their respective governments, the company can fulfill the requirements necessary to constitute Board committees as stipulated in the Regulations to a certain extent only.

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

- 3. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 4. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
- 5. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and the Regulations.

6. The meetings of the Board were presided over by the Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
7. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
8. The Board meets the criteria of requirement of Directors' Training program.
9. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
10. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
11. The Board has formed committees comprising of members given below.-

| Name of Director | Category |
|---|-------------|
| a) Audit Committee | |
| Mr. Nasir Mahmood Khosa | Chairman |
| Ms. Dk Noorul Hayati Pg Julaihi | Member |
| Ms. Norakerteni Muhammad | Member |
| b) Human Resource and Remuneration Committee | |
| Ms. Dk Noorul Hayati Pg Julaihi | Chairperson |
| Mr. Nasir Mahmood Khosa | Member |
| Ms. Norakerteni Muhammad | Member |
| c) Risk and Credit Management Committee | |
| Mr. Nasir Mahmood Khosa | Chairman |
| Ms. Dk Noorul Hayati Pg Julaihi | Member |
| Mr. S. M. Aamir Shamim | Member |

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
13. The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

| S.No. | Name of the Committee | Frequency of the meetings held during the year |
|-------|---|---|
| 1. | Audit Committee | Four times during the year prior to the approval of the quarterly, half-yearly and annual financial statements of the Company by the Board. |
| 2. | Human Resource and Remuneration Committee | Four times during the year |
| 3. | Risk and Credit Management Committee | Twice during the year |


14. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

15. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
17. We confirm that all requirements of regulations 3, 7, 8, 32, 33 and 36 of the Regulations have been complied with.




Karachi

Date: March 12, 2026



S.M. Aamir Shamim
Managing Director



Dk Noorul Hayati Pg Julaihi
Chairperson



Statement of Internal controls

Statement of Internal Controls

The Board of Directors is ultimately responsible for the internal control system. It is the responsibility of the Company's management to establish and maintain an effective internal control system for an efficient working environment and to evaluate its efficacy by identifying control objectives, reviewing significant policies and procedures and monitoring its operating effectiveness.

The Company's internal control system has been designed to provide reasonable assurance regarding the effectiveness and efficiency of the Company's operations, reliability of financial information and compliance with applicable laws and regulations. All internal control systems have inherent limitations that they may not be able to prevent or detect material 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 the degree of compliance with the policies or procedures may deteriorate. However, control activities are ongoing processes that include identification, evaluation and management of significant risks faced by the Company.

The control activities are being closely monitored across the Company by Internal Audit Department, working independent of line management. In addition, Compliance Department is also in place to monitor control activities related to regulatory compliance. Internal Audit Department covers all activities in general and key risks areas in particular. The Audit Committee of the Board regularly reviews all significant and material findings of the internal and external auditors. Regular follow up reporting upon the audit finding is done by Compliance Department to the Audit Committee which ensures timely implementations to mitigate identified risks and to safeguard the interest of the Company.

An Annual Assessment on internal controls over financial reporting was conducted by the Internal Audit Department of the company, which was duly endorsed by Audit Committee of the Board. The observations identified and controls recommended in the report will be taken care of and necessary steps are being taken for their timely resolution.

The Company endeavors to follow the State Bank of Pakistan's guidelines on Internal Controls. The Company is continuously making efforts to ensure that an effective and efficient Internal Control System remains active and implemented. Based upon the results achieved from reviews and audits conducted during the year, management considers that the existing Internal Control System, including Internal Controls over Financial Reporting, is adequate and has been effectively implemented and monitored. The Board also endorses the above evaluation.

Ahmed Nooruddin Virani
Head – Internal Audit

Humaira Siddique
Chief Financial Officer

S.M. Aamir Shamim
Managing Director

**Pak Brunei Investment
Company Limited**

Unconsolidated Financial
Statements
for the year Ended
December 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Pak Brunei Investment Company Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Pak Brunei 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 material accounting policy 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, 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, the 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.

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

Management is responsible for the other information. The other information comprises the information included in the Directors' report for the year ended December 31, 2025, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do 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 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, we concluded 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 the 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 accounting and reporting standards as applicable in Pakistan, the requirements of the 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.

The 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 **Hena Sadiq**.


Chartered Accountants

Place: Karachi

Date: March 18, 2026

UDIN: AR202510057jiJFPudMg

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

| 2025 | | 2024 | | | | 2025 | | 2024 | |
|--------------------------------------|----------------|---------------------------------------|----|--------------------|--------------------|----------------------------|--|------|--|
| ----- US Dollars in '000 ----- | | | | | | ----- Rupees in '000 ----- | | | |
| ASSETS | | | | | | | | | |
| 4,439 | 2,838 | Cash and balances with treasury banks | 5 | 1,245,455 | 796,300 | | | | |
| 1,154 | 384 | Balances with other banks | 6 | 323,822 | 107,838 | | | | |
| - | - | Lendings to financial institutions | | - | - | | | | |
| 383,493 | 601,490 | Investments | 7 | 107,589,021 | 168,748,062 | | | | |
| 94,053 | 75,357 | Advances | 8 | 26,386,616 | 21,141,357 | | | | |
| 155 | 168 | Property and equipment | 9 | 43,361 | 47,071 | | | | |
| 107 | 193 | Right-of-use assets | 10 | 30,125 | 54,278 | | | | |
| 11 | 28 | Intangible assets | 11 | 2,985 | 7,893 | | | | |
| 236 | 867 | Deferred tax assets | 12 | 66,333 | 243,419 | | | | |
| 27,936 | 38,085 | Other assets | 13 | 7,837,428 | 10,684,829 | | | | |
| 602 | 602 | Assets classified as held-for-sale | 14 | 168,904 | 168,904 | | | | |
| 512,186 | 720,012 | Total assets | | 143,694,050 | 201,999,951 | | | | |
| LIABILITIES | | | | | | | | | |
| - | - | Bills payable | | - | - | | | | |
| 432,270 | 657,221 | Borrowings | 15 | 121,273,464 | 184,383,470 | | | | |
| - | 4,155 | Deposits and other accounts | 16 | - | 1,165,705 | | | | |
| 145 | 133 | Lease liabilities | 17 | 40,813 | 37,194 | | | | |
| - | - | Subordinated debt | | - | - | | | | |
| - | - | Deferred tax liabilities | 12 | - | - | | | | |
| 24,768 | 13,382 | Other liabilities | 18 | 6,949,008 | 3,755,209 | | | | |
| 457,183 | 674,891 | Total liabilities | | 128,263,285 | 189,341,578 | | | | |
| 55,003 | 45,121 | NET ASSETS | | 15,430,765 | 12,658,373 | | | | |
| REPRESENTED BY | | | | | | | | | |
| 21,387 | 21,387 | Share capital | 19 | 6,000,000 | 6,000,000 | | | | |
| 10,332 | 8,955 | Reserves | | 2,898,531 | 2,512,191 | | | | |
| 6,239 | 2,079 | Surplus on revaluation of assets | 20 | 1,750,385 | 583,165 | | | | |
| 17,045 | 12,700 | Unappropriated profit | | 4,781,849 | 3,563,017 | | | | |
| 55,003 | 45,121 | | | 15,430,765 | 12,658,373 | | | | |
| CONTINGENCIES AND COMMITMENTS | | | | | | | | | |
| | | | 21 | | | | | | |

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

(Signature)

(Signature)

President / Chief Executive

(Signature)

Chief Financial Officer

(Signature)

Director

(Signature)

Director

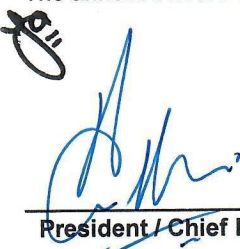




(Signature)

Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2025

| 2025 | | 2024 | | | 2025 | 2024 |
|--|---------|--|----|---------------|----------------------------|------|
| ----- US Dollars in '000 ----- | | | | Note | ----- Rupees in '000 ----- | |
| 58,475 | 134,915 | Mark-up / return / interest earned | 22 | 16,405,120 | 37,850,478 | |
| 49,861 | 131,041 | Mark-up / return / interest expensed | 23 | 13,988,642 | 36,763,666 | |
| 8,614 | 3,874 | Net mark-up / interest income | | 2,416,478 | 1,086,812 | |
| Non mark-up / interest income | | | | | | |
| 558 | 455 | Fee and commission income | 24 | 156,486 | 127,748 | |
| 1,430 | 1,758 | Dividend income | | 401,256 | 493,100 | |
| - | - | Foreign exchange income | | - | - | |
| - | - | Income / (loss) from derivatives | | - | - | |
| 1,242 | 246 | Gain on sale of securities | 25 | 348,368 | 69,074 | |
| - | - | Net gains / (losses) on derecognition of financial assets measured at amortised cost | | - | - | |
| - | (55) | Other (loss) / income | 26 | 3 | (15,478) | |
| 3,230 | 2,404 | Total non mark-up / interest income | | 906,113 | 674,444 | |
| 11,844 | 6,278 | Total income | | 3,322,591 | 1,761,256 | |
| Non mark-up / interest expenses | | | | | | |
| 2,453 | 2,093 | Operating expenses | 27 | 688,133 | 587,265 | |
| - | - | Other charges | | - | - | |
| 168 | 89 | Workers' Welfare Fund | 28 | 47,132 | 25,012 | |
| 2,621 | 2,182 | Total non mark-up / interest expenses | | 735,265 | 612,277 | |
| 9,223 | 4,096 | Profit before credit loss allowance | | 2,587,326 | 1,148,979 | |
| (990) | 273 | Credit loss allowance and (write offs) - net | 29 | (277,859) | 76,662 | |
| - | - | Other income / expense | | - | - | |
| 8,233 | 4,369 | Profit before levies and taxation | | 2,309,467 | 1,225,641 | |
| 458 | 1,913 | Levies | 30 | 128,506 | 536,799 | |
| 7,775 | 2,456 | Profit before taxation | | 2,180,961 | 688,842 | |
| 888 | 279 | Taxation | 31 | 249,263 | 78,347 | |
| 6,887 | 2,177 | Profit after taxation | | 1,931,698 | 610,495 | |
| US Dollars | | | | Rupees | | |
| 0.01148 | 0.00363 | Basic and diluted earnings per share | 32 | 3.22 | 1.02 | |

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.

President / Chief Executive **Chief Financial Officer** **Director** **Director** **Director**

PAK BRUNEI INVESTMENT COMPANY LIMITED
 UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED DECEMBER 31, 2025


| 2025 ----- US Dollars in '000 ----- | 2024 | Note | 2025 ----- Rupees in '000 ----- | 2024 |
|--|--------------|---|------------------------------------|------------------|
| 6,887 | 2,177 | Profit after taxation for the year | 1,931,698 | 610,495 |
| Other comprehensive income | | | | |
| <i>Items that may be reclassified to unconsolidated statement of profit and loss account in subsequent periods:</i> | | | | |
| 1,842 | 4,881 | Movement in surplus on revaluation of debt investments through FVOCI - net of tax | 516,865 | 1,369,268 |
| <i>Items that will not be reclassified to unconsolidated statement of profit and loss account in subsequent periods:</i> | | | | |
| (4) | 3 | Remeasurement (loss) / gain on defined benefit plan - net of tax | (996) | 816 |
| 1 | (1) | Deferred tax on remeasurement loss / (gain) on defined benefit plan | 389 | (318) |
| (3) | 2 | Remeasurement (loss) / gain on defined benefit plan - net of tax | (607) | 498 |
| 2,318 | - | Movement in surplus on revaluation of equity investments - net of tax | 650,355 | 34,364 |
| (92) | 374 | (Loss) / gain on disposal of securities classified as fair value through other comprehensive income | (25,919) | 104,800 |
| <u>10,952</u> | <u>7,434</u> | Total comprehensive income | <u>3,072,392</u> | <u>2,119,425</u> |

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.


 President / Chief Executive


 Chief Financial Officer


 Director


 Director


 Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

| Share capital | Capital reserve | Revenue reserve | (Deficit) / surplus on revaluation of assets | Unappropriated profit | Total |
|---------------|---------------------|--------------------|--|-----------------------|-------|
| | Statutory reserve * | General reserve ** | | | |

Rupees in '000

Balance as at January 1, 2024 6,000,000 1,990,092 400,000 (820,467) 3,269,323 10,838,948

Profit after taxation for the year ended December 31, 2024

| | | | | | |
|---|---|---|-----------|---------|-----------|
| - | - | - | - | 610,495 | 610,495 |
| - | - | - | - | 498 | 498 |
| - | - | - | - | 104,800 | 104,800 |
| - | - | - | 1,369,268 | - | 1,369,268 |
| - | - | - | 34,364 | - | 34,364 |

Total comprehensive income

- - - 1,403,632 715,793 2,119,425

Transfer to statutory reserve

- 122,099 - - (122,099) -

Transactions with owners, recorded directly in equity

Final cash dividend paid for the year ended December 31, 2023

@ Re. 0.50 per share

- - - - (300,000) (300,000)

Balance as at January 1, 2025

6,000,000 2,112,191 400,000 583,165 3,563,017 12,658,373

Profit after taxation for the year ended December 31, 2025

| | | | | | |
|---|---|---|---------|-----------|-----------|
| - | - | - | - | 1,931,698 | 1,931,698 |
| - | - | - | - | (607) | (607) |
| - | - | - | - | (25,919) | (25,919) |
| - | - | - | 516,865 | - | 516,865 |
| - | - | - | 650,355 | - | 650,355 |

Total comprehensive income

- - - 1,167,220 1,905,172 3,072,392

Transfer to statutory reserve

- 386,340 - - (386,340) -

Transactions with owners, recorded directly in equity

Final cash dividend paid for the year ended December 31, 2024

@ Re. 0.50 per share

- - - - (300,000) (300,000)

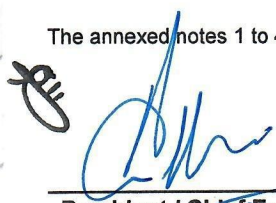
Balance as at December 31, 2025

6,000,000 2,498,531 400,000 1,750,385 4,781,849 15,430,765

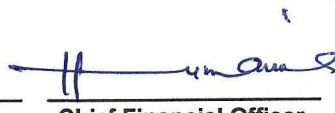
* This reserve is created under the requirement of section of 42(2) of SBP Act, 1956.

** This reserve is created under the requirement of Companies Act, 2017 for future losses and other contingencies.

The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.



President / Chief Executive



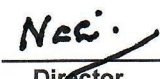
Chief Financial Officer



Director



Director



Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

2025 2024
 ----- US Dollars in '000 -----

2025 2024
 Note ----- Rupees in '000 -----

CASH FLOWS FROM OPERATING ACTIVITIES

| | | | | | |
|--|--------------|------------|------------------------|------------------|----------------|
| | 7,775 | 2,456 | Profit before taxation | 2,180,961 | 688,842 |
| | 1,430 | 1,758 | Less: dividend income | 401,256 | 493,100 |
| | <u>6,345</u> | <u>698</u> | | <u>1,779,705</u> | <u>195,742</u> |

Adjustments:

| | | | | | | |
|--|--------------|-----------|--|----|----------------|---------------|
| | 69 | 71 | Depreciation | 27 | 19,470 | 19,916 |
| | 178 | 104 | Depreciation on right-of-use assets | 27 | 49,845 | 29,131 |
| | 17 | 18 | Amortisation | 27 | 4,908 | 4,984 |
| | 36 | 10 | Interest expense on lease liability against right-of-use assets | 17 | 10,034 | 2,751 |
| | 168 | 89 | Provision for Workers' Welfare Fund | 28 | 47,132 | 25,012 |
| | 990 | (273) | Credit loss allowance and write-offs | 29 | 277,859 | (76,662) |
| | 87 | (19) | Unrealised gain on revaluation of investments classified as fair value through profit and loss - net | | 24,456 | (5,400) |
| | - | 57 | Gain on sale of assets classified as held-for-sale | 26 | - | 15,865 |
| | (1) | (2) | Gain on sale of property and equipment | 26 | (3) | (387) |
| | <u>1,544</u> | <u>55</u> | | | <u>433,701</u> | <u>15,210</u> |
| | 7,889 | 753 | | | 2,213,406 | 210,952 |

(Increase) / decrease in operating assets

| | | | | | | |
|--|----------|---------|--|--|-------------|-------------|
| | - | - | Lendings to financial institutions | | - | - |
| | 7,975 | (5,091) | Net investments in securities held at fair value as classified FVPL | | 2,237,458 | (1,428,390) |
| | (19,555) | (5,279) | Advances | | (5,486,206) | (1,481,078) |
| | 8,738 | 1,163 | Others assets (excluding advance taxation, non banking assets and dividend receivable) | | 2,451,469 | 326,182 |
| | (2,842) | (9,207) | | | (797,279) | (2,583,286) |

Increase / (decrease) in operating liabilities

| | | | | | |
|--|------------------|---------------|---|---------------------|------------------|
| | (224,951) | 34,894 | Borrowings from financial institutions | (63,110,006) | 9,789,472 |
| | (4,155) | 4,155 | Deposits | (1,165,705) | 1,165,705 |
| | 120 | 237 | Lease liabilities | 33,629 | 66,546 |
| | 11,121 | 3,846 | Other liabilities (excluding lease liability) | 3,119,782 | 1,078,894 |
| | (217,865) | 43,132 | | (61,122,300) | 12,100,617 |
| | (840) | (13,310) | Income tax paid | (235,705) | (3,733,774) |
| | <u>(213,658)</u> | <u>21,368</u> | Net cash (used in) flow from operating activities | <u>(59,941,878)</u> | <u>5,994,509</u> |



2025 2024

----- US Dollars in '000 -----

2025 2024

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

CASH FLOWS FROM INVESTING ACTIVITIES

| 2025 | 2024 | | 2025 | 2024 |
|---------|----------|--|------------|-------------|
| 215,959 | (22,177) | Net investments in securities classified as FVOCI | 60,587,256 | (6,221,636) |
| 1,430 | 1,762 | Dividends received | 401,256 | 494,453 |
| (56) | (49) | Investments in property and equipment | (15,757) | (13,798) |
| (92) | (237) | Right-of-use assets | (25,793) | (66,546) |
| - | (2) | Investments in operating intangible assets | - | (356) |
| - | 2 | Disposal of property and equipment | 101 | 518 |
| - | 440 | Proceeds from sale of assets classified as held-for-sale | - | 123,375 |
| 217,241 | (20,261) | Net cash flow (used in) investing activities | 60,947,063 | (5,683,990) |

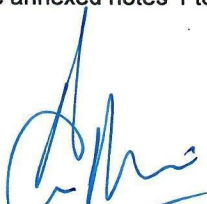
CASH FLOWS FROM FINANCING ACTIVITIES

| | | | | |
|---------|---------|---|-----------|-----------|
| (1,070) | (1,070) | Dividend paid | (300,000) | (300,000) |
| (143) | (125) | Payments of lease obligations against right-of-use assets | (40,044) | (34,868) |
| (1,213) | (1,195) | Net cash used in financing activities | (340,044) | (334,868) |
| 2,370 | (88) | Increase in cash and cash equivalents | 665,141 | (24,349) |
| 3,223 | 3,310 | Cash and cash equivalents at beginning of the year | 904,139 | 928,488 |
| 5,593 | 3,222 | Cash and cash equivalents at end of the year | 1,569,280 | 904,139 |


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The annexed notes 1 to 46 form an integral part of these unconsolidated financial statements.


JP




 President / Chief Executive




 Chief Financial Officer



 Director



 Director



 Director

1 STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) is a Development Finance Institution (DFI) which was incorporated in Pakistan as an unlisted public limited company on November 28, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The State Bank of Pakistan (SBP) granted the approval for commencement of business with effect from August 20, 2007. The Company is a joint venture between the Government of Pakistan (GoP) and the Brunei Investment Agency (BIA). The Company's objectives inter alia include making investments in the industrial and agro-based industrial fields in Pakistan on a commercial basis through carrying out industrial and agro-based industrial projects and marketing of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the Company is situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan. The Company is in operation with 3 offices (2024: 2) of which one located in Karachi and the others in Lahore and Multan.

Based on the financial statements of the Company for the year ended December 31, 2025, Pakistan Credit Rating Agency (PACRA) has reaffirmed both the Company's medium to long-term rating as 'AA+' and the short-term rating as 'A1+'.

2 BASIS OF PRESENTATION

2.1 These unconsolidated financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 13 of 2024 dated July 01, 2024 effective from the accounting year ended December 31, 2025.

2.2 Statement of compliance

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 (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

2.3 The SBP through its BSD Circular letter No. 11 dated September 11, 2002 has deferred the implementation of IAS 40 'Investment Property' for Non-Banking Financial Institutions (NBFIs) in Pakistan. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated financial statements.

2.4 New amendments that is effective for the year ended December 31, 2025

The following amendments are effective for the year ended December 31, 2025. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of exchangeability

ALL

2.5 Standard and amendments to the accounting and reporting standards that are not yet effective:

The following standards and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

| Standards or amendments | Effective date (annual periods beginning on or after) |
|--|---|
| - IFRS 7 - Financial Instruments: Disclosures | January 01, 2026 |
| - IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) | January 01, 2027 |
| - Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments | January 01, 2026 |
| - Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7) | January 01, 2026 |
| - Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity | January 01, 2026 |
| - IFRS 18 - Presentation and Disclosures in Financial Statements | January 01, 2027 |
| - IFRS 19 - Subsidiaries without Public Accountability: Disclosures | January 01, 2027 |

'Other than the aforesaid amendments, IASB has also issued the following standard which has not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – 'First Time Adoption of International Financial Reporting Standards'

2.6 Critical accounting estimates and judgments

The preparation of the unconsolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. The estimates and judgments that have a significant effect on the unconsolidated financial statements are in respect of the following:

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- classification, valuation and provisioning of investments (notes 4.1 and 7)
- classification and credit loss allowance against non performing loans and advances (notes 4.1 , 8 and 29)
- provision for defined benefit plan (notes 4.11 and 35)
- lease liability and right-of-use assets (notes 4.5.2, 10 and 17)
- taxation (notes 4.8 and 31)
- Classification and valuation of non current assets held-for-sale (notes 14)
- Credit loss allowance against off balance sheet obligations and contingent liabilities (note 18.1 and 21).
- Contingencies and commitments (note 21); and
- Depreciation, amortization and residual value of fixed assets and intangibles (note 9 and 11)

2.7 Separate financial statements

These unconsolidated financial statements represent the separate financial statements of the Company in which investment in subsidiaries and associates are stated at cost. The consolidated financial statements of the Company and its subsidiaries are presented separately.

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

- Non-current assets classified as held for sale are valued at lower of carrying amount and fair value less cost to sell;
- Certain investments are marked to market and carried at fair value;
- Obligation in respect of staff retirement benefit is carried at present value of defined benefit obligation; and
- Lease liability against right-of-use assets is carried at present value of rentals.
- Certain advances disbursed at lower than market rate have been carried at fair value in accordance with the requirements of IFRS - 9.

3.2 US Dollar equivalent

The US dollar amounts shown in the unconsolidated statement of financial position, unconsolidated statement of profit and loss account, unconsolidated statement of comprehensive income and unconsolidated cash flow statement are provided as additional information solely for the convenience of users of financial statements. For the purpose of conversion to US Dollars, the rate of Rs. 280.55 to US Dollars has been used for 2025 and 2024 as it was the prevalent rate on December 31, 2025.

3.3 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. These unconsolidated financial statements are presented in Pakistan Rupee which is the Company's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with all periods presented.

4.1 IFRS 9 - 'Financial Instruments'

4.1.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised 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 recognised when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is completed when underlying asset is purchased. The Company will recognise, due to customer and financial institution balances when these funds reach the Company.

Amortised cost

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

Fair value through other comprehensive income

Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction cost. These assets are subsequently measured at fair value with changes recorded in OCI. An expected credit loss allowance (ECL) is recognised for these financial assets in the unconsolidated statement of profit and loss account. Interest / dividend income on these assets are recognised in the unconsolidated statement of profit and loss account. On derecognition of these financial assets, capital gain / loss is recognised in the other comprehensive income.

Fair value through profit or loss

Financial assets under FVTPL category are initially recognised at fair value. Transaction costs are directly recorded in the unconsolidated profit and loss account. These assets are subsequently measured at fair value with changes recorded in the unconsolidated statement of profit and loss account. Interest / dividend income on these assets are recognised in the unconsolidated statement of profit and loss account. On derecognition of these financial assets, capital gain / loss is recognised in the unconsolidated statement of profit and loss account. An expected credit loss allowance (ECL) is not recognised for these financial assets.

4.1.2 Interest free / below market rate loans to employees

Initial recognition

The Company recognises interest free/ below market rate loan to employee at its fair value by discounting the future loan repayments using the rate that the employee would pay to an unrelated lender for a loan with similar conditions and accordingly charging differential to the unconsolidated statement profit and loss account between nominal value and fair value of loan.

Subsequent measurement

The Company calculates and recognises imputed interest on these loans. Imputed interest represents the forgone interest that employees would have paid if they had borrowed funds from external sources at prevailing market rates. The difference between the actual interest charged, if any and the imputed interest is recognised as interest income by the Company over the term of the loan.

4.1.3 Derecognition

Financial assets

The Company derecognises 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 recognised 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 derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Company also derecognises 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 recognised 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 recognised in the unconsolidated statement of profit and loss account.

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4.1.4 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 recalculates the gross carrying amount of the financial asset and shall recognise a modification gain or loss in the unconsolidated statement of profit and loss account. The gross carrying amount of the financial asset is 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 amortised over the remaining term of the modified financial asset.

4.1.5 Off setting

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

4.1.6 Financial assets and liabilities

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provision of the instrument. Financial assets are de-recognised when the contractual right future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognised when obligation specific in the contract discharge, cancel or expire. Any gain or loss on derecognition of the financial asset and liability is recognised in the unconsolidated statement of profit and loss account of the current year.

4.1.7 Derivative financial instruments

Derivative financial instruments are initially recognised at their fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivative financial instruments are carried as asset when fair value is positive and liabilities when fair value is negative. Any change in the value of derivative financial instruments is taken to the unconsolidated statement of profit and loss account.

4.1.8 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 FVTPL, together with letter of credit, guarantees and unutilised financing commitments hereinafter referred to as "Financial Instruments". The Company recognises 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. However, for certain portfolios, the Company may rebut 60 DPD presumption based on behavioural analysis of its borrowers. When estimating ECLs on a collective basis for a group of similar assets, the Company applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

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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 recognised, the Company recognises 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 exposure at default (EAD) and multiplied by the expected loss given default (LGD) and discounted by an approximation to the original effective interest rate (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 probability of defaults (PDs) are applied over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original effective interest rate (EIR).

Stage 3: For financial instruments considered credit-impaired, the Company recognises the lifetime expected credit losses for these instruments. The Company uses a probability of default (PD) of 100% and loss given default (LGD) as computed for each portfolio or as prescribed by the SBP under the prudential regulations which ever 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 recognised based on a credit-adjusted EIR. ECLs are only recognised 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 is drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both a financings and an undrawn commitment, ECLs are calculated and presented within other liabilities.

Guarantee and letters of credit contracts The Company estimates ECLs based on the BASEL driven credit conversion factor (CCF) for Guarantee and letter of credit contracts. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liability.

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

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 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 derecognised and is still in the portfolio. PD is estimated based on statistical technique such as Markov's Chain Process – Transition Matrix Approach which are based on the Company's internal risk ratings (i.e. from 1 to 12). PDs for Non advances portfolio, the Company has used PDs prescribed by Standard and Poor's (S&Ps) against each risk rating. PDs are then adjusted using Vasicek Model for IFRS 9 ECL calculations to incorporate forward looking information.

EAD The Exposure at Default 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. The Company's product offering includes a variety of corporate facilities, in which the Company has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Company does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Company's expectations of the customer behavior, its likelihood of default and the Company's future risk mitigation procedures, which could include reducing or cancelling the facilities.

LGD The Loss Given Default 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 realisation 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. In the absence of computation of the effective profit rate (at reporting date), the Company uses an approximation e.g. contractual rate (at reporting date).

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The Company considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability
- History of enforceability and recovery.

When estimating the ECLs, the Company considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

Forward looking information

In its ECL models, the Company relies on a range of forward looking information as economic inputs, such as:

- GDP growth
- Consumer price index

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.

Further the following criteria has been determined for assessment of default:

- The Company makes a charge-off or account-specific provision resulting from a perceived decline in credit quality subsequent to the Company taking on the exposure,
- The Company sells the credit obligation at a material credit-related economic loss,
- The Company consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees,
- The Company has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the industry group, and
- The obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation to the industry group.

4.1.9 Write-offs

The Company's accounting policy under IFRS 9 remains the same as it was under SBP regulations.

4.1.10 Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets from Prudential Regulations issued by SBP with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECL for all financial assets other than debt instruments classified as FVTPL and equity instruments classified as FVTPL or FVOCI.

Impairment of investments in subsidiaries and associates

The Company considers that a decline in the recoverable value of its investments in subsidiaries and associates below their cost may be evidence of impairment. Recoverable value is calculated as the higher of fair value less costs to sell and value in use. An impairment loss is recognised when the recoverable amount falls below the carrying value and is charged to the unconsolidated statement of profit and loss account. Any subsequent reversal of an impairment loss, up to the cost of the investment in subsidiaries and associates is credited to the unconsolidated statement of profit and loss account.

Impairment of non-financial assets (excluding deferred tax)

The carrying amounts of non-financial assets (other than deferred tax asset) are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists and where the carrying value exceeds the estimated recoverable amounts, assets are written down to their recoverable amounts and any resultant impairment losses are recognised immediately in the unconsolidated statement of profit and loss account.

4.2 Cash and cash equivalents

Cash and cash equivalents for the purpose of unconsolidated cash flow statement represent cash in hand, balances with treasury banks, balances with other banks in current and deposit accounts and short-term highly liquid investments with original maturities of three months or less.

4.3 Lendings to / borrowings from financial and other institutions

The Company enters into repurchase agreements (repo) and reverse repurchase agreements (reverse repo) at contracted rates for a specified period of time. These are recorded as under:

(a) Sale of securities under repurchase agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the unconsolidated financial statements and are measured in accordance with accounting policies for investment securities. The counterparty liability for amounts received under these agreements is included in borrowings. The difference between sale and repurchase price is treated as mark-up / return / interest expense and accrued over the life of the repo agreement using effective interest rate method.

(b) Purchase of securities under resale agreements

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the unconsolidated financial statements as the Company does not obtain control over the securities. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is treated as mark-up / return / interest income and accrued over the life of the reverse repo agreement using effective interest rate method.

4.4 Investments in subsidiaries and associates

Investments in subsidiaries and associates are valued at cost less impairment, if any. A reversal of an impairment loss on subsidiaries and associates is recognised to the extent that the increased carrying value does not exceed cost.

Gains and losses on disposal of investments in subsidiaries and associates are included in the unconsolidated statement of profit and loss account in the period in which disposal is made.

4.5 Property and equipment and depreciation

4.5.1 Tangible assets - owned

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to the unconsolidated statement of profit and loss account using the straight line method at the rates stated in note 9 after taking into account residual values, if any. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged from the date when the asset is available for use while no depreciation is charged on the date the asset is disposed off.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All other repair and maintenance expenditure are charged to the unconsolidated statement of profit and loss account as and when incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain / loss on disposal of fixed assets is recognised in the unconsolidated statement of profit and loss account in the period in which disposal is made.

4.5.2 Lease liability and right-of-use assets

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 costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / 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 tenure.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the day on which leases are entered into. No depreciation is charged from the day on which the leases mature or are terminated.

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as an adjustment to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the unconsolidated statement of profit and loss account as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.5.3 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during the installation and construction / development period is carried under this head. These are transferred to the relevant categories of assets as and when assets become available for use.

4.5.4 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised using the straight line method at the rate stated in note 11.1. The residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each reporting date. Amortisation is charged from the date the asset is available for use while no amortisation is charged on the date the asset is disposed off.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposals, if any, are taken to the unconsolidated statement of profit and loss account in the period in which these arise.

4.6 Assets classified as held-for-sale

The Company classifies an 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 immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A held-for-sale asset is carried at the lower of its carrying amount and the fair value less costs to sell. Impairment losses are recognised in the unconsolidated statement of profit and loss account for any initial or subsequent write down of the asset to fair value less costs to sell. Subsequent gains in fair value less costs to sell are recognised to the extent these do not exceed the cumulative impairment losses previously recorded. An asset is not depreciated while classified as held for sale.

4.7 Assets acquired in satisfaction of claims

The Company occasionally acquires assets in settlement of certain advances. These are stated at the lower of the net realisable value of the related advances or the fair value of such assets.

4.8 Taxation

i. Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

ii. Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at average tax rate that are expected to apply to the period when the asset is realised or the liability is settled.

4.9 Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid assets'.

i. Revenue taxes

Revenue taxes includes amount representing excess of :

- a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;
- b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognised as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'

ii. Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

4.10 Borrowings / deposits

Borrowings / deposits are recorded at the time when proceeds are received. The cost of borrowings / deposits is recognised as an expense in the period in which it is incurred using the effective interest rate method.

4.11 Staff retirement benefits

Defined benefit plan - staff gratuity fund

The Company operates a funded gratuity scheme for its eligible permanent employees. The liability recognised in the unconsolidated statement of financial position in respect of defined benefit gratuity scheme, is the present value of the defined benefit obligation as at the reporting date less the fair value of plan assets. Contributions to the fund are made on the basis of actuarial recommendations. The Projected Unit Credit Method is used for actuarial valuations. Valuations are conducted by an independent actuary with the last valuation conducted as at December 31, 2025.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period and recognised as an expense to the unconsolidated statement of profit and loss account. Past service cost is the change in the present value of defined benefit obligation resulting from a plan amendment or curtailment and is recognised as an expense in the unconsolidated statement of profit and loss account when the plan amendment or curtailment occurs. Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in unconsolidated statement of other comprehensive income with no subsequent recycling through the unconsolidated statement of profit and loss account.

Defined contribution plan - staff provident fund

The Company operates a provident fund scheme for its employees. Equal monthly contributions are made into the fund both by the Company and the employees at the rate of 10% of basic salary.

4.12 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

4.13 Commitments

Commitments contracted for but not incurred are disclosed in the unconsolidated financial statements at committed amounts.

4.14 Revenue recognition

Revenue is recognised to the extent that the economic benefits associated with the transaction will flow to the Company and the amount can be measured reliably.

- Mark-up / return / interest income on advances and investments is recognised on a time proportion basis taking into account effective yield on the instruments except in case of advances and investments classified as non-performing under the SBP's Prudential Regulations on which mark-up / return / interest is recognised on a receipt basis.
- Dividend income is recognised when the Company's right to receive dividend is established.
- Fee, commission and brokerage income and remuneration for trustee and advisory services are recognised as services are rendered.
- Premium or discount on debt securities is amortised using the effective interest rate method.
- Gains and losses on disposal of assets are recognised in the period in which these arise.
- Return on bank deposits is recognised on a time proportion basis using the effective interest rate method.
- Rental income is recognised on accrual basis.

4.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.16 Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the unconsolidated statement of profit and loss account.

4.17 Proposed dividends and transfers between reserves

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the unconsolidated financial statements in the period in which such dividends are declared / transfers are made.

4.18 Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing product or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Chief Executive Officer has been identified as the chief operating decision-maker who is responsible for allocating resources and assessing the performance of the operating segments.

4.18.1 Business segments

Corporate finance

Corporate finance includes services provided in connection with mergers and acquisitions, underwriting, privatisation, securitisation, research, debts (government, high yield corporate bonds, etc.), equity, syndication, initial public offering (IPO) and secondary private placements.

Trading and sales

This includes fixed income, equity, foreign exchange, commodities, credit, funding, lending, repos and brokerage activities.

Commercial banking

Commercial banking includes project finance, real estate, export finance, trade finance, factoring, leasing, lending, guarantees, bill of exchange and deposits.

4.18.2 Geographical segments

The operations of the Company are currently based only in Pakistan.

| | Note | 2025 ----- Rupees in '000 ----- | 2024 ----- Rupees in '000 ----- |
|--|------|------------------------------------|------------------------------------|
| 5 CASH AND BALANCES WITH TREASURY BANKS | | | |
| Cash in hand | | - | - |
| With State Bank of Pakistan in: | | | |
| Local currency current account | 5.1 | 1,245,455 | 796,300 |
| Credit loss allowance held against cash and balances with treasury banks | | - | - |
| Cash and balances with treasury banks - net of credit loss allowance | | <u>1,245,455</u> | <u>796,300</u> |

5.1 This includes Rs. 877.31 million (2024: Rs. 533.23 million) held as minimum cash reserve required to be maintained with the SBP in accordance with the requirements issued from time to time.

| | Note | 2025 ----- Rupees in '000 ----- | 2024 ----- Rupees in '000 ----- |
|--|------|------------------------------------|------------------------------------|
| 6 BALANCES WITH OTHER BANKS | | | |
| In Pakistan | | | |
| In deposit accounts | 6.1 | 323,207 | 107,739 |
| In current accounts | | 618 | 100 |
| Less: Credit loss allowance held against balances with other banks | | (3) | (1) |
| Balances with other banks - net of credit loss allowance | | <u>323,822</u> | <u>107,838</u> |

6.1 These carry mark-up rates of 4.00% to 9.50% per annum (2024: 5.02% to 13.50% per annum).

7 INVESTMENTS

7.1 Investments by type:

| | | 2025 | | | | 2024 | | | |
|---|-----|-----------------------------|--------------------------|------------------------|--------------------|-----------------------------|--------------------------|------------------------|--------------------|
| | | Cost / amortised cost | Credit loss allowance | Surplus / (deficit) | Carrying value | Cost / amortised cost | Credit loss allowance | Surplus / (deficit) | Carrying value |
| Note | | ----- Rupees in '000 ----- | | | | | | | |
| Debt Instruments | | | | | | | | | |
| Classified / Measured at FVPL | | | | | | | | | |
| Federal government securities | | | | | | | | | |
| Non Government debt securities | | | | | | | | | |
| 7.1.1 | | - | - | - | - | 2,438,340 | - | 10,660 | 2,449,000 |
| | | 2,188,479 | - | (37,575) | 2,150,904 | 2,188,545 | - | (17,692) | 2,170,853 |
| | | 2,188,479 | - | (37,575) | 2,150,904 | 4,626,885 | - | (7,032) | 4,619,853 |
| Classified / Measured at FVOCI | | | | | | | | | |
| Federal government securities | | | | | | | | | |
| Non-government debt securities | | | | | | | | | |
| 7.1.1 | | 98,831,116 | - | 1,337,601 | 100,168,717 | 159,681,183 | - | 490,282 | 160,171,465 |
| | | 865,308 | (185,293) | - | 680,015 | 821,780 | (227,786) | - | 593,994 |
| | | 99,696,424 | (185,293) | 1,337,601 | 100,848,732 | 160,502,963 | (227,786) | 490,282 | 160,765,459 |
| | | 101,884,903 | (185,293) | 1,300,026 | 102,999,636 | 165,129,848 | (227,786) | 483,250 | 165,385,312 |
| EQUITY INSTRUMENTS | | | | | | | | | |
| - Classified / Measured at FVPL | | | | | | | | | |
| Ordinary shares | | | | | | | | | |
| Listed companies | | | | | | | | | |
| | | 176,492 | - | 6,087 | 182,579 | - | - | - | - |
| Classified / Measured at FVOCI (Non - Reclassifiable) Shares | | | | | | | | | |
| Listed companies ** | | | | | | | | | |
| | | 1,144,168 | - | 1,245,931 | 2,390,099 | 979,472 | - | 366,571 | 1,346,043 |
| Subsidiaries | | | | | | | | | |
| | 7.3 | 1,000,000 | - | - | 1,000,000 | 1,000,000 | - | - | 1,000,000 |
| | 7.3 | 1,016,707 | - | - | 1,016,707 | 1,016,707 | - | - | 1,016,707 |
| | | 2,016,707 | - | - | 2,016,707 | 2,016,707 | - | - | 2,016,707 |
| Total investments | | 105,222,270 | (185,293) | 2,552,044 | 107,589,021 | 168,126,027 | (227,786) | 849,821 | 168,748,062 |

* The Company has shares of Pakistan Mercantile Exchange Limited which were acquired at a cost of Rs. 21.3 million were fully provided, On adoption of IFRS 9, the cost has been net off by provision.

** This amount represents unlisted non-convertible redeemable preference shares issued by Agritech Limited (AGL) to settle the outstanding principal of Rs. 53.124 million on Term Finance Certificates (TFCs) held by the Company which are fully provided. These shares were issued as part of a rehabilitation plan under a Scheme of Arrangement sanctioned by the Lahore High Court via its order dated June 3, 2022.

7.1.1 This includes privately placed Corporate Sukuks and Term Finance Certificates (TFCs) amounting to Rs. 2,091 million (2024: Rs. 2,061.95 million) which are carried at cost as their market value is not readily available from Mutual Fund Association of Pakistan (MUFAP).

7.2 Investment by segments:

| | 2025 | | | | 2024 | | | |
|---|----------------------------|--------------------------------------|---------------------|--------------------|-----------------------------|--------------------------------------|---------------------|--------------------|
| | Cost / amortised cost | Credit loss allowance for diminution | Surplus / (deficit) | Carrying value | Fair Value / amortised cost | Credit loss allowance for diminution | Surplus / (deficit) | Carrying value |
| Note | ----- Rupees in '000 ----- | | | | | | | |
| Federal government securities | | | | | | | | |
| Market Treasury Bills | - | - | - | - | 2,844,230 | - | 17,566 | 2,861,796 |
| Pakistan Investment Bonds | 98,831,116 | - | 1,337,601 | 100,168,717 | 159,275,293 | - | 483,376 | 159,758,669 |
| | 98,831,116 | - | 1,337,601 | 100,168,717 | 162,119,523 | - | 500,942 | 162,620,465 |
| Shares | | | | | | | | |
| Listed companies | 1,320,660 | - | 1,252,018 | 2,572,678 | 979,472 | - | 366,571 | 1,346,043 |
| Non-government debt securities | | | | | | | | |
| Listed | 962,736 | (14,361) | (37,575) | 910,800 | 962,736 | (14,361) | (17,692) | 930,683 |
| Unlisted | 2,091,051 | (170,932) | - | 1,920,119 | 2,047,589 | (213,425) | - | 1,834,164 |
| | 3,053,787 | (185,293) | (37,575) | 2,830,919 | 3,010,325 | (227,786) | (17,692) | 2,764,847 |
| Subsidiaries | | | | | | | | |
| Primus Leasing Limited | 1,000,000 | - | - | 1,000,000 | 1,000,000 | - | - | 1,000,000 |
| Awwal Corporate Restructuring Company Limited | 1,016,707 | - | - | 1,016,707 | 1,016,707 | - | - | 1,016,707 |
| | 2,016,707 | - | - | 2,016,707 | 2,016,707 | - | - | 2,016,707 |
| Total investments | 105,222,270 | (185,293) | 2,552,044 | 107,589,021 | 168,126,027 | (227,786) | 849,821 | 168,748,062 |

7.2.1 Investments given as collateral

| | 2025 | | | 2024 | | |
|---|----------------------------|---------------------|----------------|-----------------------|---------------------|----------------|
| | Cost / amortised cost | Surplus / (deficit) | Carrying value | Cost / amortised cost | Surplus / (deficit) | Carrying value |
| | ----- Rupees in '000 ----- | | | | | |
| Pakistan Investment Bonds | 33,700,960 | 321,640 | 34,022,600 | 18,703,613 | (141,083) | 18,562,530 |
| Term finance certificates / sukuks certificates | 569,790 | - | 569,790 | 569,818 | - | 569,818 |
| Ordinary shares | 225,907 | 246,661 | 472,568 | 149,050 | 156,734 | 305,784 |
| | 34,496,657 | 568,301 | 35,064,958 | 19,422,481 | 15,651 | 19,438,132 |

Above debt securities are pledged against the repurchase borrowings, while shares are pledged with National Clearing Company Pakistan Limited (NCCPL) against ready market exposure.

Market Treasury Bills carry effective yield of 10.5% to 10.6% (2024: 17.69% to 23.10%) per annum and will mature in 12 months (2024: 12 months). Pakistan Investment Bonds carry mark-up ranging between 7.94% to 13% (2024: 8.75% to 24.79%) per annum on a semi-annual basis and will mature within 14 years (2024: 16 years). Certain government securities are kept with the SBP to meet the statutory liquidity requirement calculated on the basis of demand and time liabilities.

7.3 Summary of financial information of subsidiaries

| 2025 | | | | | | | | |
|---|--------------------------|--------------|-------------------|-----------|------------------|----------------------------|------------------|-----------|
| Percentage of holding | Country of incorporation | Total assets | Total liabilities | Revenue | Profit after tax | Total comprehensive income | Cost | |
| ----- Rupees in '000 ----- | | | | | | | | |
| Investment in subsidiaries | | | | | | | | |
| Primus Leasing Limited | 100 | Pakistan | 3,540,759 | 2,240,981 | 426,812 | 114,971 | 115,553 | 1,000,000 |
| Awwal Corporate Restructuring Company Limited | 100 | Pakistan | 1,127,325 | 42,811 | 134,261 | 41,830 | 41,533 | 1,016,707 |
| | | | | | | | <u>2,016,707</u> | |

| 2024 | | | | | | | | |
|---|--------------------------|--------------|-------------------|-----------|------------------|----------------------------|------------------|-----------|
| Percentage of holding | Country of incorporation | Total assets | Total liabilities | Revenue | Profit after tax | Total comprehensive income | Cost | |
| ----- Rupees in '000 ----- | | | | | | | | |
| Investment in subsidiaries | | | | | | | | |
| Primus Leasing Limited | 100 | Pakistan | 3,370,395 | 2,066,170 | 543,381 | 177,848 | 177,607 | 1,000,000 |
| Awwal Corporate Restructuring Company Limited | 100 | Pakistan | 1,148,435 | 47,905 | 209,561 | 64,652 | 65,247 | 1,016,707 |
| | | | | | | | <u>2,016,707</u> | |

7.4 Credit loss allowance for diminution in value of investments

7.4.1 Investments - exposure

| | 2025 | | | 2024 | | |
|------------------------------------|-----------------|---------|----------|-----------------|---------|----------|
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| ----- Rupees in '000 ----- | | | | | | |
| Opening balance | 167,794,319 | 30,569 | 301,140 | 160,030,792 | - | 340,409 |
| New investments | 2,557,972,189 | - | - | 1,074,467,681 | - | - |
| Investments derecognised or repaid | (2,620,813,718) | (8,734) | (53,494) | (1,066,704,154) | - | (8,700) |
| Transfer to stage 1 | - | - | - | - | - | - |
| Transfer to stage 2 | - | - | - | - | 30,569 | (30,569) |
| Transfer to stage 3 | - | - | - | - | - | - |
| | (62,841,529) | (8,734) | (53,494) | 7,763,527 | 30,569 | (39,269) |
| Amounts written off / charged Off | - | - | - | - | - | - |
| Closing balance | 104,952,789 | 21,835 | 247,646 | 167,794,319 | 30,569 | 301,140 |

7.4.2 Investments - Credit loss allowance

| | 2025 | | | 2024 | | |
|------------------------------------|----------------------------|---------|----------|---------|---------|----------|
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| | ----- Rupees in '000 ----- | | | | | |
| Gross carrying amount | 77 | 10,719 | 216,990 | 7 | - | 255,508 |
| New investments | - | - | 16,375 | 70 | - | - |
| Investments derecognised or repaid | (31) | (5,713) | (53,124) | - | - | (8,700) |
| Transfer to stage 1 | - | - | - | - | - | - |
| Transfer to stage 2 | - | - | - | - | 10,719 | (29,818) |
| Transfer to stage 3 | - | - | - | - | - | - |
| | (31) | (5,713) | (36,749) | 70 | 10,719 | (38,518) |
| Amounts written off / charged off | - | - | - | - | - | - |
| Closing balance | 46 | 5,006 | 180,241 | 77 | 10,719 | 216,990 |

7.4.3 Particulars of credit loss allowance against debt securities

| | 2025 | | 2024 | |
|-------------------------|----------------------------|----------------------------|--------------------|----------------------------|
| | Outstanding amount | Credit loss allowance held | Outstanding amount | Credit loss allowance held |
| | ----- Rupees in '000 ----- | | | |
| Performing Stage 1 | 101,615,422 | 46 | 520,640 | 77 |
| Underperforming Stage 2 | 21,835 | 5,006 | - | 10,719 |
| Non-Performing Stage 3 | - | - | - | - |
| Substandard | - | - | - | - |
| Doubtful | - | - | - | - |
| Loss | 247,646 | 180,241 | 301,140 | 216,990 |
| | 101,884,903 | 185,293 | 821,780 | 227,786 |

7.5 Quality of securities

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

| | 2025 | 2024 |
|---|----------------------------|-------------|
| | Cost | |
| | ----- Rupees in '000 ----- | |
| 7.5.1 Federal government securities - Government guaranteed | | |
| Market Treasury Bills | - | - |
| Pakistan Investment Bonds | 98,831,116 | 159,275,293 |
| | 98,831,116 | 159,275,293 |

7.5.2 Ordinary shares

Listed companies

Oil and gas marketing / exploration companies
Commercial banks
Power generation and distribution
Cement
Fertilizer

| | |
|-----------|---------|
| - | 152,863 |
| 493,099 | 469,017 |
| 368,687 | 167,342 |
| - | 190,250 |
| 282,382 | - |
| 1,144,168 | 979,472 |

All shares are ordinary shares of Rs. 10.

| | 2025 | | 2024 | |
|---------------------------------------|----------------------------|---------------|--------|---------------|
| | Cost | Breakup value | Cost | Breakup value |
| | ----- Rupees in '000 ----- | | | |
| Unlisted companies | | | | |
| Pakistan Mercantile Exchange Limited* | 21,331 | 67,785 | 21,331 | 115,873 |
| Agritech Limited | 53,123 | 168,031 | - | - |
| | 74,454 | 235,816 | 21,331 | 115,873 |

*This investment has been fully provided.

| | 2025 | 2024 |
|----------------------------|----------------|----------------|
| Cost | | |
| ----- Rupees in '000 ----- | | |
| | 150,000 | 100,000 |
| | 150,000 | 50,000 |
| | 363,636 | 425,000 |
| | 96,172 | 141,280 |
| | 105,500 | 105,500 |
| | 865,308 | 821,780 |

7.5.3 Non-government debt securities

Unlisted

- AAA
- AA+, AA, AA-
- A+, A, A-
- CCC and below
- Unrated

7.5.4 Equity securities

Listed

Oil and gas marketing / exploration companies

Pak Oilfields Limited

Commercial banks

National Bank of Pakistan

Bank Al-Falah Limited

United Bank Limited

Bank Al-Habib Limited

Power generation and distribution

The Hub Power Company Limited

Kot Addu Power Company Limited

Nishat Power Limited

Fertilizer

Fauji Fertilizer Company Limited

Unlisted

Pakistan Mercantile Exchange Limited

Agritech Limited

| | | |
|--|------------------|----------------|
| | - | 152,863 |
| | 82,123 | 82,123 |
| | 149,466 | 125,384 |
| | 149,050 | 149,050 |
| | 112,460 | 112,460 |
| | 234,960 | - |
| | 133,726 | 133,726 |
| | - | 33,616 |
| | 282,383 | 190,250 |
| | 1,144,168 | 979,472 |
| | 21,331 | 21,331 |
| | 53,123 | - |
| | 74,454 | 21,331 |

8 ADVANCES

| Note | Performing | | Non-performing | | Total | |
|---|------------|------------|----------------|-----------|------------|------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| ----- Rupees in '000 ----- | | | | | | |
| Loans, cash credits, running finances, etc. | 23,257,088 | 18,432,348 | 673,106 | 657,708 | 23,930,194 | 19,090,056 |
| Islamic financing and related assets | 3,284,590 | 2,638,522 | 411,937 | 411,937 | 3,696,527 | 3,050,459 |
| Bills discounted and purchased | - | - | - | - | - | - |
| Advances - gross | 26,541,678 | 21,070,870 | 1,085,043 | 1,069,645 | 27,626,721 | 22,140,515 |
| Credit loss allowance against advances | | | | | | |
| -Stage 1 | 79,934 | 61,619 | - | - | 79,934 | 61,619 |
| -Stage 2 | 130,217 | 19,723 | - | - | 130,217 | 19,723 |
| -Stage 3 | - | - | 1,029,954 | 917,816 | 1,029,954 | 917,816 |
| | 210,151 | 81,342 | 1,029,954 | 917,816 | 1,240,105 | 999,158 |
| Advances - net of credit loss allowance | 26,331,527 | 20,989,528 | 55,089 | 151,829 | 26,386,616 | 21,141,357 |

8.1 This 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 in '000 ----- | | | | | | | |
| Lease rentals receivable | 101,121 | 587,189 | - | 688,310 | 98,676 | 285,237 | - | 383,913 |
| Residual value | 226,876 | 137,944 | - | 364,820 | 170,764 | 110,697 | - | 281,461 |
| Minimum lease payments | 327,997 | 725,133 | - | 1,053,130 | 269,440 | 395,934 | - | 665,374 |
| Financial charges for future periods | (486) | (131,035) | - | (131,521) | (258) | (51,431) | - | (51,689) |
| Present value of minimum lease payments | 327,511 | 594,098 | - | 921,609 | 269,182 | 344,503 | - | 613,685 |

8.1.1 These leases are executed for a term of 1 to 5 years. Security deposits have been obtained within a range of 10% to 50% (2024: 10% to 50%) of the cost of investment at the time of disbursement and have been recorded in other liabilities. The rate of return ranges from 13.50% to 16.50% per annum (2024: 9.43% to 24% per annum). Lease rentals are receivable in monthly / quarterly / half yearly instalments. The assets are pledged in favor of the Company.

| 8.2 Particulars of advances (gross) | 2025 | 2024 |
|--|----------------------------|-------------------|
| | ----- Rupees in '000 ----- | |
| In local currency | 27,626,721 | 22,140,515 |
| In foreign currencies | - | - |
| | <u>27,626,721</u> | <u>22,140,515</u> |
| 8.2.1 Advances to Women, Women-owned and Managed Enterprises | | |
| Women | - | - |
| Women Owned and Managed Enterprises | 673,731 | 413,756 |
| | <u>673,731</u> | <u>413,756</u> |

8.2.2 Gross loans disbursed to women, women-owned and managed enterprises during the year Rs. 503.20 million (2024: Rs.293.73 million)

8.3 Particulars of credit loss allowance

| 8.3.1 Advances - Exposure | 2025 | | | | 2024 | | | |
|-----------------------------------|----------------------------|-----------|-----------|--------------|--------------|-----------|-----------|--------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | ----- Rupees in '000 ----- | | | | | | | |
| Gross carrying amount - opening | 19,970,071 | 1,100,799 | 1,069,645 | 22,140,515 | 19,150,504 | 384,487 | 1,124,446 | 20,659,437 |
| New advances | 21,601,655 | 238,256 | - | 21,839,911 | 17,959,089 | 50,950 | 1,307 | 18,011,346 |
| Advances derecognised or repaid | (16,088,529) | (237,533) | (27,643) | (16,353,705) | (16,363,562) | (40,341) | (126,365) | (16,530,268) |
| Transfer to stage 1 | 72,224 | (72,224) | - | - | 29,200 | (29,200) | - | - |
| Transfer to stage 2 | (208,143) | 211,850 | (3,707) | - | (785,775) | 785,775 | - | - |
| Transfer to stage 3 | (29,718) | (17,030) | 46,748 | - | (19,385) | (50,872) | 70,257 | - |
| | 5,347,489 | 123,319 | 15,398 | 5,486,206 | 819,567 | 716,312 | (54,801) | 1,481,078 |
| Amounts written off / charged off | - | - | - | - | - | - | - | - |
| Closing balance | 25,317,560 | 1,224,118 | 1,085,043 | 27,626,721 | 19,970,071 | 1,100,799 | 1,069,645 | 22,140,515 |

8.3.2 Advances - Credit loss allowance

| | 2025 | | | | 2024 | | | |
|--|----------------------------|---------|-----------|-----------|----------|---------|-----------|-----------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | ----- Rupees in '000 ----- | | | | | | | |
| Opening balance | 61,619 | 19,723 | 917,816 | 999,158 | 58,874 | 19,736 | 970,926 | 1,049,536 |
| New Advances | 50,984 | 28,221 | - | 79,205 | 38,851 | 1,340 | 943 | 41,134 |
| Advances derecognised or repaid | (23,229) | (3,374) | (25,615) | (52,218) | (31,983) | (1,148) | (131,803) | (164,934) |
| Transfer to stage 1 | 304 | (304) | - | - | 185 | (185) | - | - |
| Transfer to stage 2 | (2,284) | 2,405 | (121) | - | (2,369) | 2,369 | - | - |
| Transfer to stage 3 | (152) | (362) | 514 | - | (237) | (9,116) | 9,353 | - |
| | 25,623 | 26,586 | (25,222) | 26,987 | 4,447 | (6,740) | (121,507) | (123,800) |
| Changes in risk parameters (PDs/LGDs/EADs) | (7,308) | 83,908 | 137,360 | 213,960 | (1,702) | 6,727 | 68,397 | 73,422 |
| Closing balance | 79,934 | 130,217 | 1,029,954 | 1,240,105 | 61,619 | 19,723 | 917,816 | 999,158 |

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

| | 2025 | | | | 2024 | | | |
|-----------------------------------|----------------------------|-----------|-----------|------------|------------|-----------|-----------|------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | ----- Rupees in '000 ----- | | | | | | | |
| Outstanding gross exposure | | | | | | | | |
| Performing - Stage 1 | 25,317,560 | - | - | 25,317,560 | 19,970,071 | - | - | 19,970,071 |
| Under Performing - Stage 2 | - | 1,224,118 | - | 1,224,118 | - | 1,100,799 | - | 1,100,799 |
| Non-performing - Stage 3 | | | | | | | | |
| Other Assets Especially Mentioned | - | - | 10,496 | 10,496 | - | - | 4,900 | 4,900 |
| Substandard | - | - | 21,300 | 21,300 | - | - | 32,821 | 32,821 |
| Doubtful | - | - | 21,710 | 21,710 | - | - | 8,008 | 8,008 |
| Loss | - | - | 1,031,537 | 1,031,537 | - | - | 1,023,916 | 1,023,916 |
| | - | - | 1,085,043 | 1,085,043 | - | - | 1,069,645 | 1,069,645 |
| Total | 25,317,560 | 1,224,118 | 1,085,043 | 27,626,721 | 19,970,071 | 1,100,799 | 1,069,645 | 22,140,515 |
| Corresponding ECL | | | | | | | | |
| Stage 1 and stage 2 | 79,934 | 130,217 | - | 210,151 | 61,619 | 19,723 | - | 81,342 |
| Stage 3 | - | - | 1,029,954 | 1,029,954 | - | - | 917,816 | 917,816 |
| | 25,237,626 | 1,093,901 | 55,089 | 26,386,616 | 19,908,452 | 1,081,076 | 151,829 | 21,141,357 |

8.3.3.1 Advances include Rs. 1,085.043 million (2024: Rs. 1,069.645 million) which have been placed under the non-performing status.

| Category of classification in stage 3 | 2025 | | 2024 | |
|---------------------------------------|----------------------------|-----------------------|----------------------|-----------------------|
| | Non performing loans | Credit loss allowance | Non performing loans | Credit loss allowance |
| | ----- Rupees in '000 ----- | | | |
| Domestic | | | | |
| Other Assets Especially Mentioned | 10,496 | 6,689 | 4,900 | 3,114 |
| Substandard | 21,300 | 13,575 | 32,821 | 20,868 |
| Doubtful | 21,710 | 13,836 | 8,008 | 5,091 |
| Loss | 1,031,537 | 995,854 | 1,023,916 | 888,743 |
| Total | 1,085,043 | 1,029,954 | 1,069,645 | 917,816 |

8.4 Particulars of Credit loss allowance against advances

| | 2025 | | | 2024 | | |
|---------------------------------|-----------|-------------|-----------|-----------|-------------|-----------|
| | Stage 3 | Stage 1 & 2 | Total | Stage 3 | Stage 1 & 2 | Total |
| Note ----- Rupees in '000 ----- | | | | | | |
| Opening balance | 917,816 | 81,342 | 999,158 | 970,926 | 78,610 | 1,049,536 |
| Charge for the year | 138,212 | 128,809 | 267,021 | 70,365 | 2,746 | 73,111 |
| Reversals | (26,074) | - | (26,074) | (123,475) | (14) | (123,489) |
| | 112,138 | 128,809 | 240,947 | (53,110) | 2,732 | (50,378) |
| Amounts written off | 8.6 | - | - | - | - | - |
| Closing balance | 1,029,954 | 210,151 | 1,240,105 | 917,816 | 81,342 | 999,158 |

8.5 Particulars of credit loss allowance against advances

| | 2025 | | | 2024 | | |
|----------------------------|-------------|-----------|-----------|-------------|---------|---------|
| | Stage 1 & 2 | Stage 3 | Total | Stage 1 & 2 | Stage 3 | Total |
| ----- Rupees in '000 ----- | | | | | | |
| In local currency | 210,151 | 1,029,954 | 1,240,105 | 81,342 | 917,816 | 999,158 |
| In foreign currencies | - | - | - | - | - | - |
| | 210,151 | 1,029,954 | 1,240,105 | 81,342 | 917,816 | 999,158 |

Forced Sale Value (FSV) benefit amounting to Rs. 100.38 million (2024: Rs. 292.44 million) is available with the Company against certain mortgaged properties held as collateral against non-performing advances. However, the same has not been considered while computing credit loss allowance as at year end, as credit loss allowance has been computed under IFRS 9 - Financial Instruments.

| | Note | 2025 | 2024 |
|-------------------------------------|------|----------------------------|---------------|
| | | ----- Rupees in '000 ----- | |
| 9 PROPERTY AND EQUIPMENT | | | |
| Property and equipment | 9.2 | 43,361 | 46,447 |
| Capital work in progress | 9.1 | - | 624 |
| | | <u>43,361</u> | <u>47,071</u> |
| 9.1 Capital work-in-progress | | | |
| Civil works | | - | 624 |



9.2 Property and equipment

| 2025 | | | | | | | |
|-------------------------------------|------------------------|---------------------------------|--------------------|----------|---------------|-------|-----------|
| Leasehold improvements | Furniture and fixtures | Electrical and office equipment | Computer equipment | Vehicles | Mobile phones | Total | |
| ----- Rupees in '000 ----- | | | | | | | |
| At January 1, 2025 | | | | | | | |
| Cost | 45,560 | 16,598 | 9,345 | 40,360 | 45,876 | - | 157,739 |
| Accumulated depreciation | (43,630) | (15,120) | (6,658) | (29,942) | (15,942) | - | (111,292) |
| Net book value | 1,930 | 1,478 | 2,687 | 10,418 | 29,934 | - | 46,447 |
| Year ended December 31, 2025 | | | | | | | |
| Opening net book value | 1,930 | 1,478 | 2,687 | 10,418 | 29,934 | - | 46,447 |
| Additions | 4,748 | 1,765 | 2,130 | 5,331 | 160 | 2,350 | 16,484 |
| Disposals | | | | | | | |
| Cost | - | - | - | (294) | - | - | (294) |
| Accumulated depreciation | - | - | - | 195 | - | - | 195 |
| | - | - | - | (99) | - | - | (99) |
| Depreciation charge | (858) | (602) | (1,325) | (6,144) | (10,191) | (351) | (19,471) |
| Closing net book value | 5,820 | 2,641 | 3,492 | 9,506 | 19,903 | 1,999 | 43,361 |
| At December 31, 2025 | | | | | | | |
| Cost | 50,308 | 18,363 | 11,475 | 45,397 | 46,036 | 2,350 | 173,929 |
| Accumulated depreciation | (44,488) | (15,722) | (7,983) | (35,891) | (26,133) | (351) | (130,568) |
| Net book value | 5,820 | 2,641 | 3,492 | 9,506 | 19,903 | 1,999 | 43,361 |
| Rate of depreciation (percentage) | 20% | 20% | 20% | 33% | 25% | 33% | - |

| 2024 | | | | | | | |
|-------------------------------------|------------------------|---------------------------------|--------------------|----------|---------------|-------|-----------|
| Leasehold improvements | Furniture and fixtures | Electrical and office equipment | Computer equipment | Vehicles | Mobile phones | Total | |
| ----- Rupees in '000 ----- | | | | | | | |
| At January 1, 2024 | | | | | | | |
| Cost | 44,017 | 16,240 | 9,934 | 35,658 | 41,116 | - | 146,965 |
| Accumulated depreciation | (43,409) | (15,247) | (6,666) | (25,538) | (2,785) | - | (93,645) |
| Net book value | 608 | 993 | 3,268 | 10,120 | 38,331 | - | 53,320 |
| Year ended December 31, 2024 | | | | | | | |
| Opening net book value | 608 | 993 | 3,268 | 10,120 | 38,331 | - | 53,320 |
| Additions | 1,561 | 764 | 749 | 5,342 | 4,760 | - | 13,176 |
| Disposals | | | | | | | |
| Cost | (18) | (406) | (1,338) | (640) | - | - | (2,402) |
| Accumulated depreciation | 8 | 370 | 1,315 | 576 | - | - | 2,269 |
| | (10) | (36) | (23) | (64) | - | - | (133) |
| Depreciation charge | (229) | (243) | (1,307) | (4,980) | (13,157) | - | (19,916) |
| Closing net book value | 1,930 | 1,478 | 2,687 | 10,418 | 29,934 | - | 46,447 |
| At December 31, 2024 | | | | | | | |
| Cost | 45,560 | 16,598 | 9,345 | 40,360 | 45,876 | - | 157,739 |
| Accumulated depreciation | (43,630) | (15,120) | (6,658) | (29,942) | (15,942) | - | (111,292) |
| Net book value | 1,930 | 1,478 | 2,687 | 10,418 | 29,934 | - | 46,447 |
| Rate of depreciation (percentage) | 20% | 20% | 20% | 33% | 25% | 50% | - |

9.2.1 Details of disposal made to related parties

| Particulars of assets | Cost | Accumulated depreciation | Net book value | Sale proceeds | Mode of disposal | Particular of purchaser |
|----------------------------|------|--------------------------|----------------|---------------|--------------------------------|---|
| ----- Rupees in '000 ----- | | | | | | |
| 2025 | | | | | | |
| Laptop | 71 | 71 | - | - | As per the terms of employment | Haris Hussain (Ex Head Investment Banking) |
| 2024 | | | | | | |
| Laptop | 151 | 151 | - | - | As per the terms of employment | Abdul Jaleel Shaikh (Ex Chief Risk Officer) |

9.2.2 The cost of fully depreciated fixed assets that are still in the Company's use is as follows:

| | Note | 2025 Rupees in '000 | 2024 Rupees in '000 |
|---|------|------------------------|------------------------|
| Leasehold improvements | | 43,486 | 43,167 |
| Furniture and fixtures | | 14,776 | 14,776 |
| Electrical, office and computer equipment | | 29,585 | 27,077 |
| Vehicles | | 5,919 | 176 |
| | | <u>93,766</u> | <u>85,196</u> |

| | | 2025 Rupees in '000 | 2024 Rupees in '000 |
|-----------|--|------------------------|------------------------|
| 10 | RIGHT-OF-USE ASSETS | | |
| | At January 01, | | |
| | Cost | 154,667 | 156,771 |
| | Accumulated depreciation | (100,389) | (139,908) |
| | Net carrying amount at January 01, | <u>54,278</u> | <u>16,863</u> |
| | Additions / reassessment during the year | 25,692 | 66,546 |
| | Deletions during the year | | |
| | Cost | - | (68,650) |
| | Accumulated depreciation | - | 68,650 |
| | Depreciation charge for the year | (49,845) | (29,131) |
| | Net carrying amount at December 31, | <u>30,125</u> | <u>54,278</u> |

| | | 2025 Rupees in '000 | 2024 Rupees in '000 |
|-----------|--------------------------|------------------------|------------------------|
| 11 | INTANGIBLE ASSETS | | |
| | Intangible assets | 2,985 | 7,893 |
| | Capital work-in-progress | - | - |
| | | <u>2,985</u> | <u>7,893</u> |

| | | 2025 Rupees in '000 | 2024 Rupees in '000 |
|-------------|-----------------------------------|------------------------|------------------------|
| 11.1 | Intangible assets | | |
| | At January 1, | | |
| | Cost | 34,081 | 33,725 |
| | Accumulated amortisation | (26,188) | (21,204) |
| | Net book value | <u>7,893</u> | <u>12,521</u> |
| | Year ended December 31, | | |
| | Opening net book value | 7,893 | 12,521 |
| | Additions | - | 356 |
| | Amortisation charge | (4,908) | (4,984) |
| | Closing net book value | <u>2,985</u> | <u>7,893</u> |
| | At December 31, | | |
| | Cost | 34,081 | 34,081 |
| | Accumulated amortisation | (31,096) | (26,188) |
| | Net book value | <u>2,985</u> | <u>7,893</u> |
| | Rate of amortisation (percentage) | <u>33.33%</u> | <u>33.33%</u> |
| | Useful life (in years) | <u>3</u> | <u>3</u> |

11.1.1 The cost of fully amortised intangible assets still in use amounts to Rs. 22.42 million (2024: Rs. 19.05 million).

12 DEFERRED TAX ASSETS

| 2025 | | | |
|--------------------|---|-------------------|----------------------|
| At January 1, 2025 | Recognised in unconsolidated statement of profit and loss account | Recognised in OCI | At December 31, 2025 |

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

Deductible temporary differences on:

- Lease liabilities
- Bonus payable
- Credit loss allowance against debt securities
- Credit loss allowance against advances
- Property and equipment
- Deficit on debt investment (FVPL) - Listed
- Payable to defined benefit plan - related party
- Amortization of (discount) / premium on investment
- Remeasurement loss on defined benefit plan
- Provision for off balance sheet obligations
- Minimum tax liability u/s 113

| | | | |
|----------|---------|-----|---------|
| 14,506 | 1,411 | - | 15,917 |
| 33,150 | (3,900) | - | 29,250 |
| 88,837 | 4,146 | - | 92,983 |
| 389,672 | 93,970 | - | 483,642 |
| (3,136) | 3,553 | - | 417 |
| 2,742 | 11,912 | - | 14,654 |
| 1,224 | 1,891 | - | 3,115 |
| (22,313) | 269,277 | - | 246,964 |
| (2,706) | - | 389 | (2,317) |
| 5,750 | 10,249 | - | 15,999 |
| - | 92,050 | - | 92,050 |
| 507,726 | 484,559 | 389 | 992,674 |

Taxable temporary differences on:

- Net investment in finance lease
- Right-of-use assets
- Surplus on revaluation of Securities measured at FVOCI - Debt
- Surplus on revaluation of Securities measured at FVOCI - Equity
- Surplus on equity investment - FVPL

| | | | |
|-----------|-----------|-----------|-----------|
| 30,550 | (110,473) | - | (79,923) |
| (21,169) | 9,420 | - | (11,749) |
| (191,210) | - | (330,454) | (521,664) |
| (82,478) | - | (229,005) | (311,483) |
| - | (1,522) | - | (1,522) |
| (264,307) | (102,575) | (559,459) | (926,341) |
| 243,419 | 381,984 | (559,070) | 66,333 |

| 2024 | | | |
|--------------------|---|-------------------|----------------------|
| At January 1, 2024 | Recognised in unconsolidated statement of profit and loss account | Recognised in OCI | At December 31, 2024 |

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

Deductible temporary differences on:

- Lease liability
- Provision for Bonus
- Provision for diminution in the value of investments
- Provision against advances, other assets, etc.
- Deficit on revaluation of investments
- Unrealised loss on debt investment (FVPL)
- Payable against post retirement employee benefits
- Provision for off balance sheet obligations

| | | | |
|-----------|----------|-----------|-----------|
| 1,078 | 13,428 | - | 14,506 |
| 37,831 | (4,681) | - | 33,150 |
| 99,652 | (10,815) | - | 88,837 |
| 417,753 | (28,081) | - | 389,672 |
| 684,223 | - | (875,433) | (191,210) |
| 4,848 | (2,106) | - | 2,742 |
| 172 | 1,052 | - | 1,224 |
| 5,186 | 564 | - | 5,750 |
| 1,250,743 | (30,639) | (875,433) | 344,671 |

Taxable temporary differences on:

- Net investment in finance lease
- Right-of-use assets
- Accelerated tax depreciation
- Unrealised loss / (gain) on equity investments
- Amortisation of Premium on investments
- Lease receivable against sub lease
- Post retirement employee benefits

| | | | |
|-----------|----------|-----------|-----------|
| (23,670) | 54,220 | - | 30,550 |
| (6,577) | (14,592) | - | (21,169) |
| (6,544) | 3,408 | - | (3,136) |
| (72,502) | - | (9,976) | (82,478) |
| (9,271) | (13,042) | - | (22,313) |
| (170) | 170 | - | - |
| (2,388) | - | (318) | (2,706) |
| (121,122) | 30,164 | (10,294) | (101,252) |
| 1,129,621 | (475) | (885,727) | 243,419 |

| | | 2025 | 2024 |
|-------------|--|----------------------------|--------------------|
| | Note | ----- Rupees in '000 ----- | |
| 13 | OTHER ASSETS | | |
| | | 2,601,374 | 5,180,291 |
| | | 85,672 | 149,436 |
| | | 4,954,461 | 5,350,393 |
| | | 192,945 | - |
| | 13.1 | 2,976 | 4,709 |
| | | <u>7,837,428</u> | <u>10,684,829</u> |
| | Less: Credit loss allowance held against other assets | - | - |
| | | <u>7,837,428</u> | <u>10,684,829</u> |
| 13.1 | Receivable from related parties | | |
| | Receivable from Awwal Corporate Restructuring Company Limited | 1,093 | 948 |
| | Receivable from Primus Leasing Company Limited | 1,883 | 3,761 |
| | | <u>2,976</u> | <u>4,709</u> |
| 14 | ASSETS CLASSIFIED AS HELD-FOR-SALE | | |
| | Land, building and machinery acquired from: | | |
| | Lion Steel Industries (Private) Limited | 168,904 | 168,904 |
| 14.1 | These represent land, building and machinery which have been classified as 'non-current assets as held for sale' as at December 31, 2021. The Company acquired these assets by settling total outstanding principal and mark-up of Rs. 135 million and Rs. 34 million respectively. It is expected that the process of sale of these assets will be completed in the near future. | | |
| 15 | BORROWINGS | 2025 | 2024 |
| | | ----- Rupees in '000 ----- | |
| | Secured | | |
| | Borrowings from State Bank of Pakistan under: | | |
| | - Long-Term Finance Facility (LTFF) scheme | 1,518,989 | 2,274,222 |
| | - Power Plants Using Renewable Energy (PPRE) scheme | 96,822 | 135,894 |
| | - Temporary Economic Refinance Facility (TERF) | 548,012 | 646,902 |
| | - Finance for Storage of Agriculture Produce (FSAP) scheme | 764,260 | 288,355 |
| | - Credit Guarantee (CGS) Scheme | 347,645 | 210,852 |
| | - Special Persons (SP) Scheme | 1,730 | 2,790 |
| | - Working Capital (WCF) Scheme | 1,443,841 | 1,252,279 |
| | - Balancing, Modernisation & Replacement (BMR) scheme | 1,456,873 | 866,224 |
| | | 6,178,172 | 5,677,518 |
| | Repurchase agreement borrowings | 33,980,400 | 18,542,005 |
| | Borrowings from banks | 16,548,333 | 106,438,333 |
| | Total secured | <u>56,706,905</u> | <u>130,657,856</u> |
| | Unsecured | | |
| | Letters of placement | 64,566,559 | 53,725,614 |
| | | <u>121,273,464</u> | <u>184,383,470</u> |
| 15.1 | Particulars of borrowings with respect to currencies | | |
| | In local currency | 121,273,464 | 184,383,470 |
| | In foreign currencies | - | - |
| | | <u>121,273,464</u> | <u>184,383,470</u> |
| 15.2 | The Company has entered into agreements for financing with the SBP for Long-Term Financing under export oriented projects to customers. According to the terms of the respective agreements, the SBP has the right to receive the outstanding amount from the Company at the due date by directly debiting the current account maintained by the Company with the SBP. The rate of return ranges from 2% to 11% per annum (2024: 2% to 11% per annum). These are secured against demand promissory notes and are repayable within 6 years (2024: 7 years). | | |

- 15.3 These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00% to 3.00% per annum (2024: 2.00% to 5.00% per annum) and are due to mature latest by July, 2029 (2024: June, 2029). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 15.4 These represent borrowings from the SBP under scheme for temporary economic refinance facility. The mark-up rate applicable on these facilities is 1% to 2% per annum (2024: 1% to 2% per annum) payable on quarterly basis, with maturities upto May, 2032 (2024: May 2032). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 15.5 These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at rate of 2% to 4% per annum (2024: 2% to 4% per annum) and are due to be matured by February, 2032 (2024: February, 2030)
- 15.6 These represent borrowings from the SBP under scheme for refinance and credit guarantee schemes. The mark-up rate applicable on these facilities is 0% per annum (2024: 0% to 2% per annum) payable on quarterly basis, with maturities upto November 2030 (2024: November, 2029). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 15.7 These represent financing facilities to special persons to meet credit needs for setting up of new business enterprises or for expansion of existing ones and claim refinance from State Bank of Pakistan up to 100% of finance extended by them. The spread is capped at 5% per annum (2024: 5% per annum) by SBP whereas SBP's refinance rate for this facility is 0% per annum (2024: 0% per annum) with maturities upto September, 2029 (2024: September, 2029). In case of default of the counterparty, upto 60% of principal is covered by SBP. As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 15.8 These represent borrowings from the SBP under scheme for working capital facilities. The mark-up rate applicable on these facilities is 2% per annum (2024: 2% per annum) payable on quarterly basis, with maturities upto September, 2030 (2024: May, 2028). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 15.9 These represent borrowings from the SBP under scheme for balancing, modernisation & replacement scheme. The mark-up rate applicable on these facilities is 2% per annum (2024: 2% per annum) payable on quarterly basis, with maturities upto January, 2032 (2024: September, 2030). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 15.10 These represent borrowings from various financial institutions at mark-up rates ranging from 10.50% to 11.00% per annum (2024: 13.06% to 13.50% per annum). Pakistan Investment Bonds having a face value of Rs. 34,000 million (2024: 18,704 million) have been given as collateral against these borrowings respectively.
- 15.11 These borrowings carry mark-up at rates ranging from 10.73% to 11.31% per annum (2024: 11.00% to 19.06% per annum) and are repayable within 3 years (2024: 3 years). These are secured against pari passu, ranking pari passu, hypothecation of current asstes, Floating charge over term finance certificates having a face value of Rs. 569.79 million (2024: Rs. 569.86 million).

15.12 **Particulars of borrowings**

Letters of placement:

- Others

| 2025 | | |
|-------------|-------------|-------|
| Minimum (%) | Maximum (%) | Tenor |

9.00 11.25 12 months

Letters of placement:

- Others

| 2024 | | |
|-------------|-------------|-------|
| Minimum (%) | Maximum (%) | Tenor |

11.00 15.00 3 months

16 DEPOSITS AND OTHER ACCOUNTS

| Note | 2025 | | | 2024 | | |
|-------------------------------------|-------------------|-----------------------|-------|-------------------|-----------------------|-----------|
| | In local currency | In foreign currencies | Total | In local currency | In foreign currencies | Total |
| ----- Rupees in '000 ----- | | | | | | |
| Customers | | | | | | |
| - Certificate of investments (COIs) | 16.1 | - | - | 1,165,705 | - | 1,165,705 |
| Financial institutions | | | | | | |
| - Certificate of investments (COIs) | 16.2 | - | - | 1,165,705 | - | 1,165,705 |

16.1 These Certificate of Investments (COIs) carry mark-up rate of nil per annum (2024: 14.50% to 21.50% per annum) with maturities upto nil (2024: June, 2025)

| Note | 2025 | 2024 |
|------------------------------|------|-----------|
| ----- Rupees in '000 ----- | | |
| 16.2 Composition of deposits | | |
| - Public sector entities | - | 500,000 |
| - Private sector | - | 665,705 |
| | - | 1,165,705 |

17 LEASE LIABILITIES

| | | |
|--|----------|----------|
| Outstanding amount at the start of the year | 37,194 | 2,765 |
| Addition / Reassessment of lease | 33,629 | 66,546 |
| Interest expense | 10,034 | 2,751 |
| Payments of lease rentals | (40,044) | (34,868) |
| Closing balances | 40,813 | 37,194 |
| Contractual maturity of lease liabilities | | |
| Short-term lease liabilities - within one year | 40,385 | 35,906 |
| Long-term lease liabilities | | |
| - 1 to 5 years | 428 | 1,288 |
| - 5 to 10 years | - | - |
| - More than 10 years | - | - |
| | 428 | 1,288 |
| Total lease liabilities | 40,813 | 37,194 |

18 OTHER LIABILITIES

| | | |
|---|-------------|-----------|
| Mark-up / return / interest payable in local currency | 1,331,470 | 3,012,740 |
| Unearned commission and income on bills discounted | 35,077 | 28,432 |
| Accrued expenses | 101,838 | 111,102 |
| Brokerage / commission payable | 6,659 | 6,933 |
| Payable to defined benefit plan - related party | 35 7,987 | 3,139 |
| Payable against PIBs | 4,692,920 | - |
| Security deposits against advances | 382,145 | 298,606 |
| Provision for Worker's Welfare Fund | 245,824 | 198,692 |
| Provision for off balance sheet obligations | 18.1 41,023 | 14,744 |
| Others | 104,065 | 80,821 |
| | 6,949,008 | 3,755,209 |

| | Note | 2025 | 2024 |
|--|--------|----------------------------|-------------|
| | | ----- Rupees in '000 ----- | |
| 18.1 Credit loss allowance against off-balance sheet obligations | | | |
| Opening balance | | 14,744 | 13,298 |
| Charge for the year | | 26,278 | 1,446 |
| Reversals | | - | - |
| | | 26,278 | 1,446 |
| Amount written off | | | |
| Closing balance | | 41,022 | 14,744 |
| | | | |
| 19 SHARE CAPITAL | | | |
| 19.1 Authorised capital | | | |
| | | 2025 | 2024 |
| | | ----- Rupees in '000 ----- | |
| | | 600,000,000 | 600,000,000 |
| | | 6,000,000 | 6,000,000 |
| 19.2 Issued, subscribed and paid-up capital | | | |
| | | 2025 | 2024 |
| | | ----- Rupees in '000 ----- | |
| | | 600,000,000 | 600,000,000 |
| | 19.2.1 | 6,000,000 | 6,000,000 |
| 19.2.1 | | | |
| As at December 31, 2025, the Ministry of Finance and Secretary Economic Affairs Division, Government of Pakistan, holds 299,995,999 and 4,001 shares (2024: 299,995,999 and 4,001 shares) respectively on behalf of the Government of Pakistan and remaining 300,000,000 shares (2024: 300,000,000 shares) are held by the Brunei Investment Agency. | | | |
| | | 2025 | 2024 |
| | | ----- Rupees in '000 ----- | |
| 20 SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS | | | |
| Surplus / (Deficit) on revaluation of | | | |
| - Securities measured at FVOCI-Debt | 7.1 | 1,337,601 | 490,282 |
| - Securities measured at FVOCI-Equity | | 1,245,931 | 366,571 |
| | | 2,583,532 | 856,853 |
| Deferred tax on surplus / (deficit) on revaluation of: | | | |
| - Securities measured at FVOCI-Debt | | (521,664) | (191,210) |
| - Securities measured at FVOCI-Equity | | (311,483) | (82,478) |
| | | 1,750,385 | 583,165 |
| | | | |
| 21 CONTINGENCIES AND COMMITMENTS | | | |
| - Guarantees | 21.1 | 2,349,295 | - |
| - Commitments | 21.2 | 41,652,944 | 24,878,925 |
| - Other contingent liabilities | 21.3 | - | - |
| | | 44,002,239 | 24,878,925 |
| 21.1 Guarantees | | | |
| Financial guarantees | | 2,349,295 | - |

| | Note | 2025 ----- Rupees in '000 ----- | 2024 ----- Rupees in '000 ----- |
|---|--------|------------------------------------|------------------------------------|
| 21.2 Commitments | | | |
| Documentary credits and short-term trade-related transactions | | | |
| - letters of credit | | 2,390,224 | 1,327,589 |
| Commitments in respect of: | | | |
| - forward lendings | 21.2.1 | 5,233,508 | 4,850,815 |
| - repo transactions | 21.2.2 | 34,029,212 | 18,700,521 |
| | | <u>41,652,944</u> | <u>24,878,925</u> |

21.2.1 Commitments in respect of forward lendings

| | | | |
|--|--|------------------|------------------|
| Undrawn formal standby facilities, credit lines and other commitments to lend | | <u>5,233,508</u> | <u>4,850,815</u> |
|--|--|------------------|------------------|

These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Company without the risk of incurring significant penalty or expense.

| | 2025 ----- Rupees in '000 ----- | 2024 ----- Rupees in '000 ----- |
|---|------------------------------------|------------------------------------|
| 21.2.2 Commitments in respect of repo transactions | | |
| Repurchase of government securities | <u>34,029,212</u> | <u>18,700,521</u> |

21.3 Other contingent liabilities

21.3.1 The returns of income of the Company from tax years 2008 to 2025 had been filed with the tax authorities. From tax year 2008 up to tax year 2020, these returns have been revised and additional tax demands have been raised of which Rs. 782.07 million are outstanding as at December 31, 2025. The matters which have been raised in these demands mainly included allocation of common expenses to dividend income, taxation of discount income, additions on account of concessional loans to employees and deletion of the charge pertaining to the Workers' Welfare Fund. The Company is contesting these demands and appeals have been filed by the Company against the same which are pending adjudication at various legal and appellate forums. The Company has made partial payments against some of these demands which are being shown as refundable from tax authorities. The management is confident that the matters will eventually be decided in favor of the Company and that the Company will be able to adjust amounts in respect of matters decided against the Company (if any) against the tax refunds currently being claimed by it.

21.3.2 In 2018, the Company signed an agreement with Army Welfare Trust (AWT) which included an indemnity in favor of AWT for a period of 3 years from December 14, 2016 against any financial liability which may arise out of any fraudulent act carried out during the tenure of the Company's management of Primus Investment Management Limited (PIML). The Company received a notice of demand for indemnification from AWT Investments Limited (AWTIL) under the aforesaid agreement for an amount of Rs. 34.362 million. The Company also received a notice of demand for indemnification from AWT on December 13, 2019. The Company, through its legal counsel responded to the said notice on January 28, 2020. As per advice of the legal counsel, the Company has a strong case in this matter and chances of any successful claim against the Company appear to be unlikely.

However, in December 2025, a legal suit has been filed by Army Welfare Trust ("AWT") and Army Welfare Trust Investment ("AWTI") against the Company under section 20 of the Arbitration Act, 1940 on the basis that dispute between the Company and AWT and AWTI to be conducted in a manner stipulated in the arbitration agreement. The above matter is now on filing of written statement stage.

| | 2025 ----- Rupees in '000 ----- | 2024 ----- Rupees in '000 ----- |
|--|------------------------------------|------------------------------------|
| 22 MARK-UP / RETURN / INTEREST EARNED | | |
| On: | | |
| a) Loans and advances | 2,611,804 | 2,971,345 |
| b) Investments | 13,159,916 | 33,555,266 |
| c) Lendings to financial institutions | 614,905 | 1,296,351 |
| d) Sub-lease of premises | - | 10 |
| e) Balances with banks | 18,495 | 27,506 |
| | <u>16,405,120</u> | <u>37,850,478</u> |

| | | 2025 | 2024 |
|-------------|---|----------------------------|-------------------|
| | Note | ----- Rupees in '000 ----- | |
| 22.1 | Interest income (calculated using effective interest rate method) recognised on: | | |
| | Financial assets measured at amortised cost; | 3,245,204 | 4,295,212 |
| | Financial assets measured at FVPL | 1,393,648 | 194,723 |
| | Financial assets measured at FVOCI | <u>11,766,268</u> | <u>33,360,543</u> |
| | | <u>16,405,120</u> | <u>37,850,478</u> |
| 23 | MARK-UP / RETURN / INTEREST EXPENSED | | |
| | Deposits | 72,637 | 76,659 |
| | Interest expense on lease liability against right-of-use assets | 10,034 | 2,751 |
| | Borrowings | <u>13,905,971</u> | <u>36,684,256</u> |
| | | <u>13,988,642</u> | <u>36,763,666</u> |
| 24 | FEE AND COMMISSION INCOME | | |
| | Trustee fee | 54,984 | 55,310 |
| | Fee on credit facilities | 50,217 | 37,250 |
| | Participation fee | 8,511 | 11,670 |
| | Commission on guarantees | 36,774 | 7,580 |
| | Advisory and arrangement fee | 6,000 | 15,938 |
| | | <u>156,486</u> | <u>127,748</u> |
| 25 | GAIN ON SECURITIES | | |
| | Realised gain | 372,824 | 63,674 |
| | Unrealised - Measured at FVPL | <u>(24,456)</u> | <u>5,400</u> |
| | | <u>348,368</u> | <u>69,074</u> |
| 25.1 | Realised gain / (loss) on: | | |
| | Federal government securities | 65,849 | (164,134) |
| | Shares | 306,975 | 227,498 |
| | Non-government debt securities | - | 310 |
| | | <u>372,824</u> | <u>63,674</u> |
| 26 | OTHER INCOME | | |
| | Loss on sale of assets classified as held-for-sale | - | (15,865) |
| | Gain on sale of fixed assets - net | 3 | 387 |
| | | <u>3</u> | <u>(15,478)</u> |
| 27 | OPERATING EXPENSES | | |
| | Total compensation expenses | 359,714 | 310,523 |
| | Property expense | | |
| | Rent and taxes | - | 730 |
| | Insurance | 9,336 | 9,732 |
| | Utilities cost | 7,206 | 8,896 |
| | Security (including guards) | 4,382 | 3,323 |
| | Repairs and maintenance (including janitorial charges) | 11,637 | 10,679 |
| | Depreciation | 49,845 | 29,131 |
| | | 82,406 | 62,491 |
| | Information technology expenses | | |
| | Software maintenance | 37,790 | 7,540 |
| | Hardware maintenance | 1,026 | 1,132 |
| | Depreciation | 6,143 | 4,982 |
| | Amortisation | 4,908 | 4,984 |
| | | 49,867 | 18,638 |

| | Note | 2025 ----- Rupees in '000 ----- | 2024 |
|---|--|------------------------------------|----------------|
| Other operating expenses | | | |
| Directors' fees and allowances | | 7,100 | 6,000 |
| Fees and subscription | | 5,652 | 8,087 |
| Legal and professional charges | | 25,393 | 27,053 |
| Travelling and conveyance | | 47,520 | 51,257 |
| Brokerage commission | | 55,359 | 53,096 |
| Depreciation | 9.2 | 13,327 | 14,936 |
| Training and development | | 2,284 | 2,134 |
| Postage and courier charges | | 582 | 475 |
| Communication | | 6,641 | 5,872 |
| Stationery and printing | | 1,771 | 1,800 |
| Marketing, advertisement and publicity | | 1,464 | 772 |
| Donations | 27.3 | 2,750 | 1,000 |
| Auditors' remuneration | 27.4 | 3,872 | 4,629 |
| Expenses incurred in relation to assets held for sale | | 8,229 | 9,190 |
| Service charges for lease rental recoveries | | 664 | 2,911 |
| Others | | 13,538 | 6,401 |
| | | 196,146 | 195,613 |
| | | 688,133 | 587,265 |
| 27.1 Total compensation expenses | | | |
| Fixed | | 198,127 | 172,190 |
| Contractual Staff | | | |
| In-house | | 9,014 | 24,805 |
| Salaried outsourced staff | | 20,542 | 15,997 |
| | | 29,556 | 40,802 |
| Other benefits | | | |
| Cash bonus / awards | | 56,227 | 68,439 |
| Charge for defined benefit plan | | 11,050 | 8,965 |
| Contribution to defined contribution plan | | 13,137 | 10,768 |
| Medical | | 13,864 | 9,937 |
| Vehicle allowance | | 50,781 | 26,598 |
| Leave fare assistance | | 12,769 | 2,954 |
| Leave encashment | | 1,388 | - |
| Others | | 762 | 569 |
| | | 159,978 | 128,230 |
| Re-imburement of salaries - subsidiaries | | (27,947) | (30,699) |
| Total compensation expense | | 359,714 | 310,523 |
| 27.2 | The Company does not have any material outsourcing arrangements. | | |
| 27.3 | Details of donations | | |
| | Donations individually not exceeding Rs 500,000 | | |
| | Rising Sun Education & Welfare Society | 500 | - |
| | Akhuwat Foundation | 500 | - |
| | The Kidney Center | 500 | - |
| | Family Educational Services Foundation | 500 | - |
| | Child Aid Association | 300 | - |
| | Kiran Foundation | 250 | - |
| | Friends of Burns Centre | 200 | 500 |
| | JDC Foundation Pakistan | - | 200 |
| | Sindh Integrated Emergency and Health Services | - | 300 |
| | | 2,750 | 1,000 |

| | Note | 2025 ----- Rupees in '000 ----- | 2024 |
|---|------|------------------------------------|--------------|
| 27.4 Auditors' remuneration | | | |
| Audit fee for annual financial statements | | 1,872 | 1,783 |
| Half yearly review fee | | 543 | 518 |
| Special certifications and sundry advisory services | | 450 | 430 |
| IFRS 09 Assignment | | - | 500 |
| Out-of-pocket expenses | | 112 | 408 |
| Tax Services | | 895 | 990 |
| | | <u>3,872</u> | <u>4,629</u> |

28 WORKERS' WELFARE FUND

| | | | |
|-------------------------------------|--|---------------|---------------|
| Provision for Workers' Welfare Fund | | <u>47,132</u> | <u>25,012</u> |
|-------------------------------------|--|---------------|---------------|

29 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET

| | | | |
|--|-----|----------------|-----------------|
| Credit loss allowance / (Reversal of credit allowance) against balances with other banks | 6 | 3 | (1) |
| Credit loss allowance / (Reversal of credit allowance) against investments | 7.1 | 10,631 | (27,729) |
| Credit loss allowance / (Reversal of credit allowance) against loans & advances | 8.4 | 240,947 | (50,378) |
| Credit loss allowance against off balance sheet obligations | | <u>26,278</u> | <u>1,446</u> |
| | | <u>277,859</u> | <u>(76,662)</u> |

30 Levies

| | | | |
|-------------|--|----------------|----------------|
| Final tax | | 128,506 | 62,071 |
| Minimum tax | | - | 474,728 |
| | | <u>128,506</u> | <u>536,799</u> |

This represents minimum tax differential under section 113 and final tax on dividend income and capital gains under section 5 and 37A respectively of the Income Tax Ordinance, 2001. These have been recognised as levies in these unconsolidated financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

| | Note | 2025 ----- Rupees in '000 ----- | 2024 |
|--------------------|------|------------------------------------|---------------|
| 31 TAXATION | | | |
| Current | | 575,939 | 77,872 |
| Prior years | | 55,309 | - |
| Deferred | 12 | (381,985) | 475 |
| | | <u>249,263</u> | <u>78,347</u> |

31.1 Relationship between tax charge and accounting profit

| | | | |
|---|--|----------------|---------------|
| Profit before taxation | | 2,309,467 | 1,225,641 |
| Effect of: | | | |
| Tax at the applicable rate of 39% (2024: 39%) | | 900,692 | 478,000 |
| Permanent differences | | (180,364) | - |
| Prior year | | 55,309 | - |
| Others | | (526,375) | (399,653) |
| Tax charge for the year | | <u>249,263</u> | <u>78,347</u> |

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| | | 2025 | 2024 |
|--|-------------|------------------------------------|----------------|
| | | ----- Rupees in '000 ----- | |
| 32 BASIC AND DILUTED EARNINGS PER SHARE | Note | | |
| Profit for the year | | <u>1,931,698</u> | <u>610,495</u> |
| | | -----Number of shares in '000----- | |
| Weighted average number of ordinary shares | | <u>600,000</u> | <u>600,000</u> |
| | | ----- Rupees ----- | |
| Basic and diluted earnings per share | 32.1 | <u>3.22</u> | <u>1.02</u> |

32.1 Diluted earnings per share

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

| | | 2025 | 2024 |
|--|-------------|----------------------------|----------------|
| | | ----- Rupees in '000 ----- | |
| 33 CASH AND CASH EQUIVALENTS | Note | | |
| Cash and balance with treasury banks | 5 | <u>1,245,455</u> | 796,300 |
| Balance with other banks | 6 | <u>323,822</u> | 107,838 |
| Credit loss allowance held against balances with other banks | | <u>3</u> | <u>1</u> |
| | | <u>1,569,280</u> | <u>904,139</u> |

34 STAFF STRENGTH

| | | ----- Number ----- | |
|-----------------------|------|--------------------|------------|
| Permanent | | 81 | 81 |
| On Company's contract | | 10 | 9 |
| Outsourced | 34.1 | <u>30</u> | <u>28</u> |
| | | <u>121</u> | <u>118</u> |

34.1 This includes 30 (2024: 28) employees of outsourcing services companies who were assigned to perform guarding and janitorial services.

35 DEFINED BENEFIT PLAN

35.1 General description

As mentioned in note 4.11, the Company operates a funded gratuity scheme for all its permanent employees. The benefits under the gratuity scheme are payable on retirement at the age of 60 or earlier cessation of service, in lump sum. The benefit is equal to one month's last drawn basic salary for each year of eligible service with the Company subject to a minimum qualifying period of service of three years. The plan assets and defined benefit obligations are based in Pakistan.

| | | 2025 | 2024 |
|--|--|--------------------|-----------|
| | | ----- Number ----- | |
| 35.2 Number of employees under the defined benefit plan | | | |
| The number of employees covered under the defined benefit plan as at December 31, 2025 | | <u>90</u> | <u>89</u> |

35.3 Principal actuarial assumptions

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

| | | 2025 | 2024 |
|----------------------------------|--|-----------------------|------------------|
| | | ----- Per annum ----- | |
| Discount rate | | 12.25% | 12.25% |
| Expected rate of salary increase | | 11.00% | 15.50% |
| Mortality rate | | SLIC 2001 - 2005 | SLIC 2001 - 2005 |
| | | Setback 1 Year | Setback 1 Year |
| Retirement assumption | | Age 60 | Age 60 |

| | Note | 2025 | 2024 |
|--|--------|----------------------------|-----------------|
| | | ----- Rupees in '000 ----- | |
| 35.4 Reconciliation of payable from defined benefit plan | | | |
| Present value of obligation | 35.6 | 78,601 | 65,033 |
| Fair value of plan assets | 35.7 | <u>(70,613)</u> | <u>(61,894)</u> |
| Payable | | <u>7,988</u> | <u>3,139</u> |
| 35.5 Movement in defined benefit plan | | | |
| At the beginning of the year | | 3,139 | 443 |
| Charged for the year | 35.8.1 | 11,050 | 8,965 |
| Contributions by the Company - net | | (7,197) | (5,453) |
| Re-measurement loss / (gain) | 35.8.2 | <u>996</u> | <u>(816)</u> |
| At the end of the year | | <u>7,988</u> | <u>3,139</u> |
| 35.6 Movement in payable under defined benefit plan | | | |
| Opening balance | | 65,033 | 50,968 |
| Current service cost | 35.8.1 | 11,106 | 9,417 |
| Interest cost on defined benefit obligation | | 7,526 | 7,379 |
| Re-measurement loss recognised in OCI during the year | 35.8.2 | 2,133 | 2,722 |
| Benefits paid by the Company to outgoing members | | <u>(7,197)</u> | <u>(5,453)</u> |
| Closing balance | | <u>78,601</u> | <u>65,033</u> |
| 35.7 Movement in fair value of plan assets | | | |
| Fair value at the beginning of the year | | 61,894 | 50,525 |
| Interest income on plan assets | | 7,582 | 7,831 |
| Contribution by the Company | | 7,197 | 5,453 |
| Actual benefits paid from the fund during the year | | (7,197) | (5,453) |
| Re-measurement gain | 35.8.2 | <u>1,137</u> | <u>3,538</u> |
| Fair value at the end of the year | | <u>70,613</u> | <u>61,894</u> |
| 35.8 Charge for defined benefit plan | | | |
| 35.8.1 Cost recognised in unconsolidated statement of profit and loss account | | | |
| Current service cost | | 11,106 | 9,417 |
| Past service cost | | - | - |
| Net interest income on plan | | <u>(56)</u> | <u>(452)</u> |
| | | <u>11,050</u> | <u>8,965</u> |
| 35.8.2 Re-measurements recognised in OCI during the year | | | |
| Gain on obligation | | | |
| - financial assumptions | | (144) | (326) |
| - experience adjustments | | 2,277 | 3,048 |
| | | <u>2,133</u> | <u>2,722</u> |
| Return on plan assets over interest income | | <u>(1,137)</u> | <u>(3,538)</u> |
| Total re-measurements recognised in OCI | | <u>996</u> | <u>(816)</u> |
| 35.9 Components of plan assets | | | |
| Bonds | | 56,038 | 52,888 |
| Cash and cash equivalents - net | | 14,575 | 9,006 |
| | | <u>70,613</u> | <u>61,894</u> |

35.9.1 Description of risks

The defined benefit plan exposes the Company to the following risks:

Withdrawal risks - This is 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.

Mortality risks - This is the risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

Investment risks - This is the risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - This is the risk that the final salary at the time of cessation of service is greater than what was assumed.

35.10 Sensitivity analysis

A sensitivity analysis for each significant financial assumption as of the reporting date, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date, is as follows:

| | 2025 | 2024 |
|---|----------------------------|---------------|
| | ----- Rupees in '000 ----- | |
| Increase / decrease in obligation | | |
| 1% increase in discount rate | <u>73,201</u> | <u>59,124</u> |
| 1% decrease in discount rate | <u>84,730</u> | <u>69,038</u> |
| 1% increase in expected rate of salary increase | <u>84,793</u> | <u>69,094</u> |
| 1% decrease in expected rate of salary increase | <u>73,045</u> | <u>58,989</u> |

The above sensitivities analyses are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the unconsolidated statement of financial position.

Rupees in '000

35.11 Expected contributions to be paid to the fund in the next financial year

13,522

The expected charge for the next financial year commencing January 1, 2026 works out to Rs. 13.522 million (2024: Rs. 11.49 million).

35.12 Maturity profile

The weighted average duration of the obligation is 7 years (2024: 8 years).

35.13 Funding policy

An implicit, though not a 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.

Accordingly the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Actuarial Cost Method employed.

36 DEFINED CONTRIBUTION PLAN

The Company operates a provident fund scheme for all its permanent employees. Equal monthly contributions at the rate of 10% per annum (2024: 10% per annum) of basic salaries are made both by the Company and employees. Contributions made to the provident fund during the year are as follows:

| | 2025 | 2024 |
|----------------------------------|----------------------------|---------------|
| | ----- Rupees in '000 ----- | |
| Contribution made by the Company | <u>13,137</u> | <u>10,768</u> |
| Contribution made by employees | <u>13,137</u> | <u>10,768</u> |
| | <u>26,274</u> | <u>21,536</u> |

37 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

37.1 Total Compensation Expense

| Items | 2025 | | | | | |
|---|------------------|-----------------------------|-----------------|-----------------|--------------------------|--|
| | Directors | | | President / CEO | Key Management Personnel | Other Material Risk Takers / Controllers |
| | Chairman | Executives (other than CEO) | Non - Executive | | | |
| | (Rupees in '000) | | | | | |
| Fees and Allowances etc. | 2,400 | - | 4,700 | - | - | - |
| Managerial Remuneration | | | | | | |
| I) Fixed | - | - | - | 34,598 | 75,062 | 137,573 |
| ii) Total Variable of which | | | | | | |
| a) Cash Bonus / Awards | - | - | - | - | 19,527 | 26,863 |
| b) Bonus & Awards in Shares | - | - | - | - | - | - |
| Charge for defined benefit plan | - | - | - | 1,930 | 3,211 | 6,324 |
| Contribution to defined contribution plan | - | - | - | 2,211 | 3,817 | 7,447 |
| Rent & house maintenance | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - |
| Medical | - | - | - | 769 | 3,900 | 5,884 |
| Conveyance | - | - | - | - | - | - |
| Others | | | | | | |
| - LFA | - | - | - | 2,544 | 3,249 | 7,511 |
| - TDA | - | - | - | 195 | 180 | 400 |
| - Fuel | - | - | - | 1,015 | 8,540 | 12,923 |
| - Leave encashment | - | - | - | 1,388 | - | 1,388 |
| - Mobile reimbursement | - | - | - | 50 | 432 | 599 |
| - Security & Vehicle Maintenance | - | - | - | 1,252 | - | 1,252 |
| - others | - | - | - | 379 | 921 | 1,434 |
| Total | 2,400 | - | 4,700 | 46,331 | 118,839 | 209,598 |
| Number of persons | 1 | - | 2 | 1 | 11 | 17 |

| Items | 2024 | | | | | |
|---|------------------|-----------------------------|-----------------|-----------------|--------------------------|--|
| | Directors | | | President / CEO | Key Management Personnel | Other Material Risk Takers / Controllers |
| | Chairman | Executives (other than CEO) | Non - Executive | | | |
| | (Rupees in '000) | | | | | |
| Fees and Allowances etc. | 2,000 | - | 4,000 | - | - | - |
| Managerial Remuneration | | | | | | |
| I) Fixed | - | - | - | 29,140 | 66,925 | 109,730 |
| ii) Total Variable of which | | | | | | |
| a) Cash Bonus / Awards | - | - | - | 11,038 | 26,518 | 31,658 |
| b) Bonus & Awards in Shares | - | - | - | - | - | - |
| Charge for defined benefit plan | - | - | - | 1,754 | 2,748 | 5,715 |
| Contribution to defined contribution plan | - | - | - | 2,010 | 3,123 | 6,396 |
| Rent & house maintenance | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - |
| Medical | - | - | - | 1,159 | 3,407 | 5,198 |
| Conveyance | - | - | - | - | - | - |
| Others | | | | | | |
| - LFA | - | - | - | 2,313 | 2,616 | 6,389 |
| - TDA | - | - | - | 502 | 979 | 1,445 |
| - Fuel | - | - | - | 1,357 | 8,992 | 13,137 |
| - Leave encashment | - | - | - | - | - | - |
| - Mobile reimbursement | - | - | - | 104 | 294 | 530 |
| - Security & Vehicle Maintenance | - | - | - | 1,095 | - | - |
| - others | - | - | - | 147 | 753 | 915 |
| Total | 2,000 | - | 4,000 | 50,619 | 116,355 | 181,113 |
| Number of persons | 1 | - | 2 | 1 | 15 | 18 |

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

| | | 2025 | | | | |
|---------------------------|------------------------------|----------------------------------|----------------------|-------------------|--------------------------------------|-------------------|
| | | Meeting Fees and Allowances Paid | | | | |
| Sr. No. | Name of Director | For Board Meetings | For Board Committees | | | Total Amount Paid |
| | | | Audit Committee | HR & RC Committee | Credit and Risk Management Committee | |
| -----Rupees in '000'----- | | | | | | |
| 1 | Ms. Dk Noorul Hayati Julaihi | 2,000 | 150 | 100 | 150 | 2,400 |
| 2 | Mr. Nasir Mahmood Khosa | 2,000 | 150 | - | 150 | 2,300 |
| 3 | Ms. Norakerteni Muhammad | 2,000 | 150 | 100 | 150 | 2,400 |
| Total Amount Paid | | 6,000 | 450 | 200 | 450 | 7,100 |

| | | 2024 | | | | |
|---------------------------|------------------------------|----------------------------------|----------------------|-------------------|--------------------------------------|-------------------|
| | | Meeting Fees and Allowances Paid | | | | |
| Sr. No. | Name of Director | For Board Meetings | For Board Committees | | | Total Amount Paid |
| | | | Audit Committee | HR & RC Committee | Credit and Risk Management Committee | |
| -----Rupees in '000'----- | | | | | | |
| 1 | Ms. Dk Noorul Hayati Julaihi | 2,000 | - | - | - | 2,000 |
| 2 | Mr. Nasir Mahmood Khosa | 2,000 | - | - | - | 2,000 |
| 3 | Ms. Norakerteni Muhammad | 2,000 | - | - | - | 2,000 |
| Total Amount Paid | | 6,000 | - | - | - | 6,000 |

38 FAIR VALUE MEASUREMENT

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

38.1 Fair value of financial assets

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

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

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

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

Valuation techniques and inputs used in determination of fair values

| Item | Valuation techniques and input used |
|---|---|
| Fully paid-up ordinary shares | Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange. |
| Pakistan Investment Bonds / Market Treasury Bills | Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV / PKFRV rates (FMA report). |
| Term finance / sukuks certificates | Investments in listed debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the prices announced by the Pakistan Stock Exchange Limited. |

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 | | | |
|--|----------------|-------------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | Total |
| On balance sheet financial instruments | Rupees in '000 | | | |
| Financial assets - measured at fair value | | | | |
| Investments | | | | |
| Federal government securities | - | 100,168,717 | - | 100,168,717 |
| Ordinary shares | 2,572,678 | - | - | 2,572,678 |
| Non-government debt securities | 910,800 | 1,920,119 | - | 2,830,919 |
| Off-balance sheet financial instruments | | | | |
| Commitments | | | | |
| - future purchase and sale transactions | - | - | - | - |

| | 2024 | | | |
|--|----------------|-------------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | Total |
| On balance sheet financial instruments | Rupees in '000 | | | |
| Financial assets - measured at fair value | | | | |
| Investments | | | | |
| Federal government securities | - | 162,620,465 | - | 162,620,465 |
| Ordinary shares | 1,346,043 | - | - | 1,346,043 |
| Non-government debt securities | 930,683 | 1,834,164 | - | 2,764,847 |
| Off-balance sheet financial instruments | | | | |
| Commitments | | | | |
| - future purchase and sale transactions | - | - | - | - |

39 SEGMENT INFORMATION

39.1 Segment details with respect to business activities

| | 2025 | | | |
|--|-------------------|--------------------|--------------------|--------------------|
| | Corporate finance | Trading and sales | Commercial banking | Total |
| | Rupees in '000 | | | |
| Unconsolidated statement of profit and loss account | | | | |
| Net Mark-up / return / profit | 8,813 | 2,028,040 | 379,625 | 2,416,478 |
| Non mark-up / return / interest income | 49,267 | 749,627 | 107,219 | 906,113 |
| Total income | 58,080 | 2,777,667 | 486,844 | 3,322,591 |
| Total expenses | 12,853 | 614,677 | 107,735 | 735,265 |
| Credit loss allowance | 1,648 | 10,634 | 265,577 | 277,859 |
| Profit before levies and taxation | 43,579 | 2,152,356 | 113,533 | 2,309,467 |
| Unconsolidated Statement of Financial Position | | | | |
| Cash and bank balances | 27,431 | 1,311,907 | 229,939 | 1,569,277 |
| Investments | 447,076 | 107,141,945 | - | 107,589,021 |
| Lendings to financial institutions | - | - | - | - |
| Advances - performing | 312,399 | - | 26,019,128 | 26,331,527 |
| - non-performing | - | - | 55,089 | 55,089 |
| Others | 139,496 | 6,671,429 | 1,338,211 | 8,149,136 |
| Total assets | 926,402 | 115,125,281 | 27,642,367 | 143,694,050 |
| Borrowings | 759,475 | 98,546,959 | 21,967,030 | 121,273,464 |
| Deposits & other accounts | - | - | - | - |
| Lease liabilities | 713 | 34,120 | 5,980 | 40,813 |
| Others | 121,470 | 5,809,331 | 1,018,207 | 6,949,008 |
| Total liabilities | 881,658 | 104,390,410 | 22,991,217 | 128,263,285 |
| Equity | 44,744 | 10,734,871 | 4,651,151 | 15,430,766 |
| Total equity and liabilities | 926,402 | 115,125,281 | 27,642,367 | 143,694,050 |
| Contingencies and commitments | - | 34,029,212 | 9,973,027 | 44,002,239 |

| 2024 | | | |
|-------------------|-------------------|--------------------|-------|
| Corporate finance | Trading and sales | Commercial banking | Total |

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

Unconsolidated statement of profit and loss account

| | | | | |
|--|---------|-----------|---------|-----------|
| Net mark-up / return / profit | - | 1,003,699 | 83,113 | 1,086,812 |
| Non mark-up / return / interest income | 127,748 | 546,696 | - | 674,444 |
| Total income | 127,748 | 1,550,395 | 83,113 | 1,761,256 |
| Total expenses | 44,277 | 539,193 | 28,807 | 612,277 |
| Credit loss allowance | - | (5,856) | 82,518 | 76,662 |
| Profit before levies and taxation | 83,471 | 1,005,346 | 136,824 | 1,225,641 |

Unconsolidated Statement of Financial Position

| | | | | |
|-------------------------------------|----------------|--------------------|--------------------|--------------------|
| Cash and bank balances | 65,579 | 795,893 | 42,666 | 904,138 |
| Investments | 200,000 | 168,548,062 | - | 168,748,062 |
| Lendings to financial institutions | - | - | - | - |
| Advances - performing | 136,821 | - | 20,852,707 | 20,989,528 |
| Advances - non-performing | - | 28,451 | 123,378 | 151,829 |
| Others | 7,924 | 10,632,638 | 565,832 | 11,206,394 |
| Total assets | 410,324 | 180,005,044 | 21,584,583 | 201,999,951 |
| Borrowings | 336,821 | 72,267,619 | 111,779,030 | 184,383,470 |
| Deposits and other accounts | - | - | 1,165,705 | 1,165,705 |
| Lease liabilities | 2,698 | 32,741 | 1,755 | 37,194 |
| Others | 272,375 | 3,305,627 | 177,207 | 3,755,209 |
| Total liabilities | 611,893 | 75,605,987 | 113,123,697 | 189,341,578 |
| Equity | 73,503 | 9,731,035 | 2,853,835 | 12,658,373 |
| Total equity and liabilities | 685,396 | 85,337,023 | 115,977,532 | 201,999,951 |
| Contingencies and commitments | - | 23,551,336 | 1,327,589 | 24,878,925 |

39.2 Segment details with respect to geographical location

The operations of the Company are currently based only in Pakistan.

40 TRUST ACTIVITIES

The Company is acting as Debt Securities Trustee and Investment Agent to Issues of Term Finance Certificates (TFCs), Sukuk and Commercial Papers ("Debt Securities") and is holding Secured Properties on behalf of Investors in a fiduciary capacity. The Company is authorised to provide said services under Public Offering (Regulated Securities Activities Licensing) Regulations, 2017 (the "Regulations") of the Securities & Exchange Commission of Pakistan (SECP).

Presently, the Company is acting as a Trustee and Investment Agent to 49 (forty-nine) debt securities issues of corporate sector and government owned enterprises, including Agha Steel Industries Limited, Agritech Limited, Azgard Nine Limited, Bank Alfalah Limited, Bank Alfalah Limited, Bank Al-Habib Limited, Bank Islami Pakistan Limited, Beacon Impex Limited, Citi Pharma Pvt. Limited, Digital World Pakistan (Private) Limited, Dubai Islami Bank Pakistan Limited, Habib Bank Limited, Javedan Corporation Limited, JS Bank Limited, Kashf Foundation, K-Electric Limited, Khushali Microfinance Bank Limited, Neelum Jehlum Hydro Power Co. Limited, NIMIR - Escrow (Shares) Agreement, Pakistan Microfinance Investment Co. Limited, Pakistan Services Limited, Sindh Nooriabad Power Co. Ph. (II) Pvt. Limited, Sindh Nooriabad Power Co. Pvt. Limited, Soneri Bank Limited, Bank Makramah Limited, Sunridge Food (Private) Limited, Telecard Limited, Thatta Cement Company Limited, The Bank of Punjab and WAPDA DASU Hydro Power Project. The combined value of debt securities as at December 31, 2025 stands at Rs. 390,728 million (2024: Rs. 378,511 million).

41 RELATED PARTY TRANSACTIONS

The Company has related party relationship with subsidiary companies (namely Primus Leasing Limited and Awwal Corporate Restructuring Company Limited), Government Holdings (Private) Limited, Pakistan Tobacco Company Limited, employees' defined benefit and defined contribution plan, its key management personnel and state controlled entities.

There are no transactions with key management personnel other than those carried out as per their terms of employment. Contributions to approved defined benefit and contribution plans are made in accordance with the actuarial valuations / terms of scheme. Remuneration to executives is disclosed in note 36 to the unconsolidated financial statements. Transactions with owners have been disclosed in 'Unconsolidated Statement of Changes in Equity'. All other transactions between the Company and its related parties are carried out under normal course of business except employee staff loans that are as per terms of employment. There are several transactions with subsidiaries that are based on agreed terms. The details of transactions with related parties during the year and balances with them at year end, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

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 | | | |
|---|-----------|--------------------------|--------------|-----------------------|-----------|--------------------------|--------------|-----------------------|
| | Directors | Key management personnel | Subsidiaries | Other related parties | Directors | Key management personnel | Subsidiaries | Other related parties |
| ----- (Rupees in '000) ----- | | | | | | | | |
| Investments | | | | | | | | |
| Opening balance | - | - | 2,016,707 | - | - | - | 1,908,372 | - |
| Investment made during the year | - | - | - | - | - | - | 108,335 | - |
| Investment disposed off during the year | - | - | - | - | - | - | - | - |
| Classified as held-for-sale | - | - | - | - | - | - | - | - |
| Closing balance | - | - | 2,016,707 | - | - | - | 2,016,707 | - |
| Advances | | | | | | | | |
| Opening balance | - | 45,670 | 565,000 | 159,321 | - | 49,810 | 719,958 | 159,775 |
| Addition during the year | - | 20,769 | 2,285,000 | - | - | 22,824 | 755,000 | - |
| Repaid during the year | - | (14,568) | (2,305,000) | (3,513) | - | (26,964) | (909,958) | (454) |
| Transfer in / (out) - net | - | - | - | (150,000) | - | - | - | - |
| Closing balance | - | 51,871 | 545,000 | 5,808 | - | 45,670 | 565,000 | 159,321 |
| Other assets | | | | | | | | |
| Interest / mark-up accrued | - | - | 12,874 | 14 | - | - | 19,156 | 321 |
| Lease receivable under IFRS-16 | - | - | - | - | - | - | - | - |
| Receivable from defined benefit plan | - | - | - | - | - | - | - | - |
| Preliminary expense | - | - | - | - | - | - | - | - |
| Others | - | - | 2,976 | - | - | - | 4,710 | - |
| | - | - | 15,850 | 14 | - | - | 23,866 | 321 |
| Assets classified as held-for-sale | | | | | | | | |
| Opening balance | - | - | - | - | - | - | 145,000 | - |
| Transfer during the year | - | - | - | - | - | - | - | - |
| Disposed off during the year | - | - | - | - | - | - | (145,000) | - |
| Closing balance | - | - | - | - | - | - | - | - |
| Borrowings | | | | | | | | |
| Opening balance | - | - | - | - | - | - | - | 4,827 |
| Borrowings during the year | - | - | - | - | - | - | - | 126,755 |
| Settled during the year | - | - | - | - | - | - | - | (131,582) |
| Closing balance | - | - | - | - | - | - | - | - |
| Other liabilities | | | | | | | | |
| Interest / mark-up payable | - | - | - | - | - | - | - | - |
| Payable to defined benefit plan | - | - | - | 7,987 | - | - | - | 3,139 |
| Other liabilities | 5,500 | - | - | - | - | - | - | - |
| | 5,500 | - | - | 7,987 | - | - | - | 3,139 |
| Income | | | | | | | | |
| Mark-up / return / interest earned | - | 1,036 | 49,662 | 982 | - | 1,399 | 96,549 | 34,108 |
| Dividend income | - | - | 177,423 | - | - | - | 57,423 | - |
| Expense | | | | | | | | |
| Mark-up / return / interest paid | - | - | - | - | - | - | - | 1,759 |
| Operating expenses | 7,100 | 144,997 | - | - | 6,000 | 116,355 | - | - |
| Reimbursement of expenses | - | 15,784 | 664 | - | - | 17,605 | 2,911 | - |
| Expenses charged (note 41.1) | - | - | 25,101 | - | - | - | 24,269 | 9,720 |
| Charge to define benefit plan | - | - | - | 11,050 | - | - | - | 8,965 |
| Charge to Employee Contribution plan | - | - | - | 13,137 | - | - | - | 10,768 |

41.1 These denote administrative expenses charged by the Company under the cost sharing agreement entered into between the Company and its subsidiaries (namely Primus Leasing Limited, Awwal Corporate Restucturing Compnay Limited).

41.2 During the year, the Company incurred service charges for lease rental recoveries amounting to Rs. 0.664 million (2024: Rs. 2.911 million).

2025

2025 2024
----- Rupees in '000 -----

42 **CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS**

Minimum Capital Requirement (MCR):

| | | |
|---------------------------------|-----------|-----------|
| Paid-up capital (net of losses) | 6,000,000 | 6,000,000 |
|---------------------------------|-----------|-----------|

Capital Adequacy Ratio (CAR):

| | | |
|---|------------|------------|
| Eligible Common Equity Tier 1 (CET 1) Capital | 10,921,708 | 9,838,050 |
| Eligible Additional Tier 1 (ADT 1) Capital | - | - |
| Total Eligible Tier 1 Capital | 10,921,708 | 9,838,050 |
| Eligible Tier 2 Capital | 1,533,873 | 374,641 |
| Total Eligible Capital (Tier 1 + Tier 2) | 12,455,581 | 10,212,691 |

Risk Weighted Assets (RWAs):

| | | |
|------------------|------------|------------|
| Credit Risk | 28,884,953 | 22,084,164 |
| Market Risk | 9,099,213 | 10,787,140 |
| Operational Risk | 4,028,022 | 2,935,450 |
| Total | 42,012,188 | 35,806,754 |

| | | |
|---|--------|--------|
| Common Equity Tier 1 Capital Adequacy ratio | 26.00% | 27.48% |
| Tier 1 Capital Adequacy Ratio | 26.00% | 27.48% |
| Total Capital Adequacy Ratio | 29.65% | 28.52% |

In order to strengthen the solvency of Banks / Development Financial Institutions (DFI), SBP through its BSD Circular No. 19 of 2008 dated September 05, 2008 has asked the DFIs to raise their minimum paid up capital to Rs.6 billion free of losses by the end of financial year 2009.

The paid-up capital and CAR of the Company stands at Rs. 6 billion and 29.65% of its risk weighted exposure as at December 31, 2025.

The Company uses Standardised approach for calculations of Credit and Market Risk Weighted Assets while Basic Indicator approach is used to calculate Operational Risk Weighted assets.

| | 2025 | 2024 |
|---|--------|--------|
| Notional minimum capital requirements prescribed by SBP | | |
| CET1 minimum ratio | 6.00% | 6.00% |
| Tier 1 minimum ratio | 7.50% | 7.50% |
| Total capital minimum ratio | 11.50% | 11.50% |

| | 2025 | 2024 |
|-----------------------------|-------------|-------------|
| Leverage Ratio (LR): | | |
| Eligible Tier-1 Capital | 10,921,708 | 9,838,050 |
| Total Exposures | 142,629,225 | 221,914,571 |
| Leverage Ratio | 7.66% | 4.43% |

| | | |
|--|------------|------------|
| Liquidity Coverage Ratio (LCR): | | |
| Total High Quality Liquid Assets | 53,435,857 | 54,535,339 |
| Total Net Cash Outflow | 44,528,301 | 58,002,502 |
| Liquidity Coverage Ratio | 120.00% | 94.02% |

| | | |
|---|------------|------------|
| Net Stable Funding Ratio (NSFR): | | |
| Total Available Stable Funding | 30,190,174 | 24,609,964 |
| Total Required Stable Funding | 25,592,555 | 20,309,254 |
| Net Stable Funding Ratio | 117.96% | 121.18% |

42.1 The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time shall be placed on the website. The link to the full disclosure is available at <https://pakbrunei.com.pk/wp-content/uploads/2020/03/BaselIII2020Disclosure-Standalone.pdf>

43 RISK MANAGEMENT

The Risk Management Framework (the Framework) of the Company provides principles for identifying, assessing and monitoring risk within the Company. The Framework specifies the key elements of the risk management process in order to maximise opportunities, to minimise adversity and to achieve improved outcomes and outputs based on informed decision making.

Categories of risk

The Company generates most of its revenues by accepting credit, liquidity and market risk. Effective management of these risks is the decisive factor in the profitability of the Company. In addition, the Company is subject to certain consequential risks that are common to all business undertakings. These risks are grouped under two headings: operational risk and reputational risk. The Framework is organised with reference to these five risk categories as detailed below:

| | |
|-------------------|---|
| Credit risk | This risk is defined as the possibility of loss due to unexpected default or a deterioration of credit worthiness of a counter party. |
| Market risk | The risk of loss generated by adverse changes in the price of assets or contracts currently held by the Company. |
| Liquidity risk | The risk that the Company is unable to meet its payment obligations or fund increases in assets when they fall due without incurring an unacceptable cost the consequences of which may be the failure to meet obligations to repay investors and fulfil commitments to lend. |
| Operational risk | Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events and includes legal risk. |
| Reputational risk | The risk of failing to meet the standards of performance or behaviour required or expected by stakeholders in commercial activities or the way in which business is conducted. |

Risk responsibilities

The Board of Directors (the Board) is accountable for the overall supervision of the risk management process. The Board is responsible for the approval of all risk policies and ensuring that these are properly implemented. Furthermore, the Board approves the appointment of senior management personnel who are capable of managing the risk activities conducted by the Company.

Risk Management comprises of two areas namely Credit Risk Management (CRM) and Enterprise Risk Management (ERM). CRM oversees credit risk taken by the Group while ERM function overviews market, liquidity and operational risks of the Group. The functions of both of these units are subject to the policies and manuals approved by the Board, Prudential Regulations and additional regulatory directives issued from time to time. These units are independent of business generation and risk taking. For all credit exposures taken by the Group, CRM prepares a comprehensive credit advice highlighting business, financial and structural risks for Credit Committee members. CRM monitors the credit portfolio of the Group on a regular basis to ensure prudent lending. Moreover, this department also sets parameters for various risks including i) sectoral concentration, ii) exposure limits for single and group exposures, and iii) monitoring watch list accounts and the entire portfolio. The risk management philosophy is to identify and monitor risk on a portfolio basis and assess the risk taking capacity of the statement of financial position as a whole. ERM is responsible for monitoring and reporting of market and liquidity risk as it arises from our trading, investing and lending activities. ERM also conducts Risk and Self Assessment exercises and maintains Group wide risk registers to monitor operational risks embedded in the Group operations and ensure that sufficient controls are in place against such risks..

Different Management Committees have been set up to review different kinds of risks; mainly being the Assets and Liabilities Committee (ALCO), Credit Committee (CC) and Risk Management Committee (RMC). Comprehensive risk management manuals have been designed which cover all significant risks including credit, liquidity, market and operational risks and provides guidance to management on risk controls, limits, risk measurement tools and a reporting framework.

43.1 Credit risk

Credit risk, i.e. the potential default of one or more debtors, is the largest source of risk for the Company. The Company is exposed to credit risk through its lending and investment activities. The credit risk arising from exposure to corporates is governed by the Credit Risk Management Policy and Credit Administration Frameworks. The counter party credit risk arising from interbank lines are addressed in the Treasury policy framework. The Company has adopted Standardised Approach of Basel II Accord.

The Company manages 3 principal sources of credit risk:

i) Sovereign credit risk

When the Company lends to public sector borrowers, it prefers obtaining a full sovereign guarantee or the equivalent from the Government of Pakistan (GoP). However, certain public sector enterprises have a well defined cash flow stream and appropriate business model based on which the lending is secured through collaterals other than GoP guarantee.

ii) Non-sovereign credit risk

When the Company lends to private sector borrowers it does not benefit from sovereign guarantees or the equivalent. Consequently, each borrower's credit worthiness is analysed on a standalone basis. Two internal rating models are in use to rate (i) Corporate / Commercial customers (ii) SME customers. Frameworks of both these models have been duly approved by the Board.

iii) Counter party credit risk on interbank limits

In the normal course of its business, the Company's Treasury utilises products such as reverse repos and call lendings to meet the needs of the borrowers and manages its exposure to fluctuations in market interest rates and to temporarily invest its liquidity prior to disbursement. All of these financial instruments involve, to varying degrees, the risk that the counterparty in the transaction may be unable to meet its obligation to the Company.

Reflecting a preference for minimising the exposure to counterparty credit risk, the Company maintains eligibility criteria that link the exposure limits to counterparty credit ratings by external rating agencies. For example, the minimum rating for counterparties to be eligible for a financing relationship with the Company is BBB.

Credit administration

Credit Administration Department is involved in minimising losses that could arise due to security and documentation deficiencies.

Risk analytics

To ensure a prudent distribution of asset portfolio, the Company manages its lendings and investment activities within a framework of Borrower, Group, Product, Geographical and Sector exposure limits and risk profile benchmarks.

Stress testing

The Company also conducts stress testing of its existing portfolio, which includes all assets, i.e., advances as well as investments. This exercise is conducted on a quarterly basis through assigning shocks to distressed / non-performing assets of the Company and assessing its resulting effect on capital adequacy.

Regular monitoring

Regular monitoring of the advances portfolio is carried out which focuses on early problem recognition and influences the front office to carry out an assessment of the borrower's ability to rectify the identified problem / weakness within a reasonable time-frame, consider tighter structuring of facilities, confirm that there are no critical deficiencies in the existing security position and, if possible, arrange for strengthening of the same through obtaining additional collateral. It should however, be noted that these actions are taken prior to incurring overdues on the facility.

Portfolio diversification

While expanding the advances and the investment (TFCs) portfolio, efficient portfolio diversification has been a key consideration despite the relatively small size of operations.

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

43.1.1 Investment in debt securities

| | Gross investments | | Non-performing investments | | Credit loss allowance held | | | | | |
|---|--------------------|--------------------|----------------------------|----------------|----------------------------|-----------|--------------|---------------|----------------|----------------|
| | | | | | Stage 1 | | Stage 2 | | Stage 3 | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Credit risk by industry sector | (Rupees in '000) | | | | | | | | | |
| Textile | 171,823 | 29,819 | 21,823 | 84,178 | - | - | 5,371 | 10,719 | - | 28 |
| Chemical and Pharmaceuticals | - | 178,460 | - | 53,460 | - | 10 | - | - | - | 53,460 |
| Steel | - | - | - | - | - | - | - | - | - | - |
| Construction | - | - | - | - | - | - | - | - | - | - |
| Power (Electricity), Gas, Water, Sanitary | - | - | - | - | - | - | - | - | - | - |
| Transport, Storage and Communication | 14,361 | 14,361 | 14,361 | 14,361 | - | - | - | - | 14,361 | 14,361 |
| Financial | 2,702,087 | 2,420,852 | 45,582 | - | 45 | 47 | - | - | - | - |
| Food & Beverages | - | - | - | - | - | - | - | - | - | - |
| Others | 165,517 | 366,833 | 165,880 | 149,141 | - | 20 | - | - | 165,880 | 149,141 |
| | 3,053,788 | 3,010,325 | 247,646 | 301,140 | 45 | 77 | 5,371 | 10,719 | 180,241 | 216,990 |
| Credit risk by public / private sector | | | | | | | | | | |
| Public / Government | 98,831,116 | 162,119,523 | - | - | - | - | - | - | - | - |
| Private | 3,053,788 | 3,010,325 | 247,646 | 301,140 | 45 | 77 | 5,371 | 10,719 | 180,241 | 216,990 |
| | 101,884,904 | 165,129,848 | 247,646 | 301,140 | 45 | 77 | 5,371 | 10,719 | 180,241 | 216,990 |

43.1.2 Advances

| | Gross advances | | Non-performing advances | | Credit loss allowance held | | | | | |
|---|-------------------|-------------------|-------------------------|------------------|----------------------------|---------------|----------------|---------------|------------------|----------------|
| | | | | | Stage 1 | | Stage 2 | | Stage 3 | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Credit risk by industry sector | (Rupees in '000) | | | | | | | | | |
| Textile | 3,123,760 | 3,733,411 | 22,296 | 30,900 | 4,921 | 6,614 | - | 933 | 22,296 | 30,764 |
| Chemical and Pharmaceuticals | 5,273,295 | 4,435,215 | 4,028 | 4,030 | 10,535 | 9,301 | 299 | - | 4,028 | 4,028 |
| Cement | - | - | - | - | - | - | - | - | - | - |
| Sugar | 2,310,126 | 1,047,448 | 21,998 | 21,998 | 3,288 | 1,960 | 325 | - | 21,998 | 21,998 |
| Steel | 766,522 | 1,042,653 | 129,384 | 135,653 | 152 | 1,582 | 89,212 | - | 93,701 | 97,359 |
| Footwear and leather garments | 31,667 | 52,500 | - | - | 73 | - | - | - | - | - |
| Automobile and transportation equipment | 506,492 | 478,976 | 1,003 | 1,534 | 1,077 | 586 | 7,418 | 9,222 | 1,003 | 1,534 |
| Electronics and electrical appliances | 1,843,404 | 1,360,798 | 411,937 | 411,937 | 1,152 | 816 | 1,446 | 665 | 411,937 | 308,788 |
| Construction | 1,626,797 | 614,725 | 450 | 3,630 | 605 | 345 | 257 | - | 450 | 3,466 |
| Power (Electricity), Gas, Water, Sanitary | 1,961,837 | 1,891,000 | 138,073 | 138,073 | 6,802 | 7,297 | 16,385 | - | 138,073 | 138,073 |
| Retail | 84,512 | 24,467 | - | 675 | 1,096 | 558 | 693 | 388 | - | 10,363 |
| Exports/Imports | - | - | - | - | - | - | - | - | - | - |
| Transport, Storage and Communication | 697,729 | 1,223,311 | 14,187 | 14,187 | 3,703 | 1,468 | - | - | 14,187 | 14,187 |
| Financial | 1,422,500 | 715,000 | - | - | 1,704 | 114 | - | - | - | - |
| Insurance | - | - | - | - | - | - | - | - | - | - |
| Services | 1,169,522 | 590,284 | 39,266 | 17,535 | 6,592 | 4,565 | 205 | - | 38,284 | 20,915 |
| Individuals | 132,411 | 88,682 | - | - | - | 30 | - | - | - | - |
| Education | 23,543 | 16,708 | 3,296 | 3,379 | - | - | - | - | - | - |
| Food and beverages | 5,361,800 | 3,661,953 | 264,751 | 241,151 | 30,784 | 18,300 | 9,652 | 5,561 | 254,506 | 237,800 |
| Others | 1,290,805 | 1,163,384 | 34,375 | 44,963 | 7,450 | 8,083 | 4,325 | 2,954 | 29,491 | 28,541 |
| | 27,626,722 | 22,140,515 | 1,085,044 | 1,069,645 | 79,934 | 61,619 | 130,217 | 19,723 | 1,029,954 | 917,816 |
| Credit risk by public / private sector | | | | | | | | | | |
| Public / Government | - | - | - | - | - | - | - | - | - | - |
| Private | 27,626,722 | 22,140,515 | 1,085,044 | 1,069,645 | 79,934 | 61,619 | 130,217 | 19,723 | 1,029,954 | 917,816 |
| | 27,626,722 | 22,140,515 | 1,085,044 | 1,069,645 | 79,934 | 61,619 | 130,217 | 19,723 | 1,029,954 | 917,816 |

| | 2025 | 2024 |
|---|----------------------------|-------------------|
| | ----- Rupees in '000 ----- | |
| 43.1.3 Contingencies and Commitments | | |
| Credit risk by industry sector | | |
| Agriculture, Forestry, Hunting and Fishing | 9,500 | 65,000 |
| Textile | 1,864,000 | 850,000 |
| Chemical and Pharmaceuticals | 1,047,950 | 389,965 |
| Construction | 106,938 | 145,000 |
| Sugar | - | 150,000 |
| Power (Electricity), Gas, Water, Sanitary | 3,209,270 | 3,278,124 |
| Transport, Storage And Communication | 500,000 | 105,390 |
| Financial | 34,934,212 | 18,964,521 |
| Services | 810,840 | 116,000 |
| Packaging | 15,000 | 138,220 |
| Food and beverages | 526,500 | 634,205 |
| Electronics and electrical appliances | 500,000 | - |
| Leather & footwear | - | - |
| Others | 20,810 | 42,500 |
| | <u>43,545,020</u> | <u>24,878,925</u> |
| Credit risk by public / private sector | | |
| Public / Government | 34,029,212 | 18,700,521 |
| Private | 9,515,808 | 6,178,404 |
| | <u>43,545,020</u> | <u>24,878,925</u> |

43.1.4 Concentration of advances

The Company's top 10 exposures on the basis of total (funded and non-funded) aggregated to Rs. 11,524 million (2024: Rs. 8,723 million) are as following:

| | 2025 | 2024 |
|----------------|----------------------------|------------------|
| | ----- Rupees in '000 ----- | |
| Funded | 6,784,626 | 5,290,767 |
| Non Funded | 4,739,000 | 3,432,848 |
| Total Exposure | <u>11,523,626</u> | <u>8,723,615</u> |

The sanctioned limits against these top 10 exposures aggregated to Rs. 12,838 million (2024: Rs. 9,718 million).

43.1.5 Advances - Province / Region-wise Disbursement and Utilisation

| Province / Region | 2025 | | | | |
|-------------------|----------------------------|------------------|-------------------|---------------|--------------|
| | Disburse-ments | Utilisation | | | |
| | | Punjab | Sindh | Balochistan | Islamabad |
| | ----- Rupees in '000 ----- | | | | |
| Punjab | 1,060,095 | 1,060,095 | - | - | - |
| Sindh | 20,759,616 | - | 20,759,616 | - | - |
| Balochistan | - | - | - | - | - |
| Islamabad | 16,200 | - | - | 16,200 | - |
| KPK | 4,000 | - | - | - | 4,000 |
| Total | <u>21,839,911</u> | <u>1,060,095</u> | <u>20,759,616</u> | <u>16,200</u> | <u>4,000</u> |

| Province / Region | 2024 | | | | | |
|-------------------|----------------------------|------------------|------------------|----------------|------------------|--------------|
| | Disburse-ments | Utilisation | | | | |
| | | Punjab | Sindh | Balochistan | Islamabad | KPK |
| | ----- Rupees in '000 ----- | | | | | |
| Punjab | 8,451,258 | 8,451,258 | - | - | - | - |
| Sindh | 7,891,740 | - | 7,891,740 | - | - | - |
| Balochistan | 500,000 | - | - | 500,000 | - | - |
| Islamabad | 1,159,348 | - | - | - | 1,159,348 | - |
| KPK | 9,000 | - | - | - | - | 9,000 |
| Total | 18,011,346 | 8,451,258 | 7,891,740 | 500,000 | 1,159,348 | 9,000 |

43.2 Market risk

The market risk is the risk of reductions in earnings, value and / or reserves arising from changes in market rates (such as interest rates, exchange rates, credit spreads) and market prices (such as commodities, equities, property etc.) as well as their correlations and volatilities. The Company is exposed to market risk primarily through its trading activities, which are centered in the Treasury and capital market groups.

The Company classifies its assets in banking and trading books as per instructions from the SBP. The Company's trading book comprises positions in financial instruments held with trading intent or in order to hedge other elements of the trading book and free of any restrictive covenants on their tradability. In addition, positions need to be frequently and accurately valued and the portfolio should be actively managed. The positions which do not fulfil the criteria of trading book falls under the banking book and are treated as per SBP requirements.

The Company's trading book consists of investments in government securities, listed equities and mutual funds. The Company actively measures, controls and manages market risk in its trading book on a day-to-day basis. Controls are applied to all investment portfolios by setting limits to the exposures taken. This includes stop loss limits on shares in 'Held-for-trading' portfolio, individual and sectoral concentration limits, volatility and value-at-risk limits, etc.

The Company measures market risk using various techniques like duration analysis for interest rate risk in banking book, Value-at-Risk for adverse price movement, sensitivity analysis for investment in government securities, stress testing, etc. The results are communicated to ALCO and Risk Management Committee on monthly and quarterly basis respectively. Results are also communicated to the Board of Directors every quarter and to Board's Risk Management Committee on a half-yearly basis. Market risk is effectively managed at the portfolio level. The Company has adopted Standardised Approach of Basel II Accord.

43.2.1 Unconsolidated Statement of Financial Position split by trading and banking books - Basel II Specific

| | 2025 | | | 2024 | | |
|---------------------------------------|----------------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | Banking book | Trading book | Total | Banking book | Trading book | Total |
| | ----- Rupees in '000 ----- | | | | | |
| Cash and balances with treasury banks | 1,245,455 | - | 1,245,455 | 796,300 | - | 796,300 |
| Balances with other banks | 323,822 | - | 323,822 | 107,838 | - | 107,838 |
| Lendings to financial institutions | - | - | - | - | - | - |
| Investments | 2,016,707 | 105,572,314 | 107,589,021 | 2,016,707 | 166,731,355 | 168,748,062 |
| Advances | 26,386,616 | - | 26,386,616 | 21,141,357 | - | 21,141,357 |
| Property and equipment | 43,361 | - | 43,361 | 47,071 | - | 47,071 |
| Right-of-use assets | 30,125 | - | 30,125 | 54,278 | - | 54,278 |
| Intangible assets | 2,985 | - | 2,985 | 7,893 | - | 7,893 |
| Deferred tax assets | 66,333 | - | 66,333 | 243,419 | - | 243,419 |
| Other assets | 7,837,428 | - | 7,837,428 | 10,684,829 | - | 10,684,829 |
| Assets classified as held-for-sale | 168,904 | - | 168,904 | 168,904 | - | 168,904 |
| | 38,121,736 | 105,572,314 | 143,694,050 | 35,268,596 | 166,731,355 | 201,999,951 |

43.2.2 Foreign exchange risk

Foreign exchange risk is the risk of loss arising from fluctuations of exchange rates. The Company is not exposed to any significant funded or non-funded foreign exchange exposure.

43.2.3 Equity position risk

Equity position risk is the risk that the fair value will fluctuate as a result of changes in prices of individual stocks or the levels of equity indices. The Company's equity investments are either classified as fair value through Other Comprehensive Income (FVOCI) or fair value through profit or loss account (FVPL). The objective of the fair value through OCI portfolio is to maintain a medium term view of capital gains and dividend income while the Company takes advantage of short-term capital gains through its fair value through profit or loss (FVPL) portfolio investments. It is managed by the Company through its internal investment policy which is duly approved by the Board. The policy defines various position limits, portfolio limits and stop loss limits for the equity desk. The Company also applies stress tests on the equity portfolio which is part of the Company's overall market risk exposure limit on the banking book.

| 2025 | | 2024 | |
|----------------------------|--------------|--------------|--------------|
| Banking book | Trading book | Banking book | Trading book |
| ----- Rupees in '000 ----- | | | |

Impact of 5% change in equity prices on

| | | | | |
|---|---|-----------|---|-----------|
| - Unconsolidated statement of profit and loss account | - | - | - | - |
| - Other comprehensive income | - | (128,634) | - | (119,505) |

43.2.4 Yield / interest rate risk in the banking book (IRRBB) - Basel II Specific

Yield / interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity dates and for off-balance sheet instruments is based on settlement dates. This also refers to the non-trading market risk. Apart from the gap analysis between the market rate sensitive assets and liabilities as per the table given below, the Company also conducts interest rate sensitivity analysis in the banking book using the Duration Gap analysis based on its interest rate sensitive assets and interest rate sensitive liabilities. The Company also uses parallel shift in interest rates to determine the impact of adverse rate changes on investments in government securities.

- Interest rate sensitivity of assets and liabilities is measured based on actual re-pricing / maturity behaviour of all interest rate sensitive assets and liabilities.
- Duration GAP is calculated based on interest rate re-pricing of assets and liabilities and is used to determine impact of adverse interest rate movements on the Company's equity. Such an analysis is conducted every month and results are reported to the ALCO and RMC on a monthly and quarterly basis respectively.

| 2025 | | 2024 | |
|----------------------------|--------------|--------------|--------------|
| Banking book | Trading book | Banking book | Trading book |
| ----- Rupees in '000 ----- | | | |

Impact of 1% change in interest rates on

| | | | | |
|---|--------|---------|---------|---------|
| - Unconsolidated statement of profit and loss account | 54,529 | - | 125,364 | - |
| - Other comprehensive income | - | 388,898 | - | 595,950 |

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43.2.5 Mismatch of interest rate sensitive assets and liabilities

| Effective yield / interest rate | Total | 2025 | | | | | | | | | Non-interest bearing financial instruments | |
|---|-----------------|---------------------------------------|---------------------|---------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|-------------------|--|-------------------|
| | | Exposed to yield / interest rate 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 | | |
| % | | Rupees in '000 | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | |
| <i>Assets</i> | | | | | | | | | | | | |
| Cash and balances with treasury banks | | 1,245,455 | - | - | - | - | - | - | - | - | - | 1,245,455 |
| Balances with other banks | 4.00% to 9.50% | 323,822 | 323,204 | - | - | - | - | - | - | - | - | 618 |
| Lending to financial institutions | | - | - | - | - | - | - | - | - | - | - | - |
| Investments | 7.94% to 13.00% | 107,589,021 | 10,098,770 | 9,176,906 | 69,418,872 | 9,773,422 | 1,330,818 | - | 2,938,802 | 155,336 | 106,711 | 4,589,385 |
| Advances | 2.50% to 22.24% | 26,386,616 | 9,447,973 | 9,770,875 | 2,182,186 | 1,481,517 | 1,233,622 | 957,967 | 1,039,719 | 95,230 | - | 177,528 |
| Other assets | | 7,837,428 | - | - | - | - | - | - | - | - | - | 7,837,428 |
| | | 143,382,342 | 19,869,947 | 18,947,781 | 71,601,058 | 11,254,939 | 2,564,440 | 957,967 | 3,978,521 | 250,566 | 106,711 | 13,850,414 |
| <i>Liabilities</i> | | | | | | | | | | | | |
| Borrowings | 0% to 11.31% | 121,273,464 | 67,876,282 | 26,074,542 | 20,342,310 | 5,292,497 | 652,536 | 385,123 | 258,886 | 31,925 | - | 359,363 |
| Deposits and other accounts | | - | - | - | - | - | - | - | - | - | - | - |
| Other liabilities | | 6,989,821 | - | - | - | - | - | - | - | - | - | 6,989,821 |
| | | 128,263,285 | 67,876,282 | 26,074,542 | 20,342,310 | 5,292,497 | 652,536 | 385,123 | 258,886 | 31,925 | - | 7,349,184 |
| On-balance sheet gap | | 15,119,057 | (48,006,335) | (7,126,761) | 51,258,748 | 5,962,442 | 1,911,904 | 572,844 | 3,719,635 | 218,641 | 106,711 | 6,501,230 |
| Non financial net assets | | 311,708 | 15,430,765 | | | | | | | | | |
| Total net assets | | 15,430,765 | | | | | | | | | | |
| Off-balance sheet financial instruments | | | | | | | | | | | | |
| Documentary credits and short-term trade-related transactions | | 4,739,519 | 4,739,519 | - | - | - | - | - | - | - | - | - |
| Commitments in respect of: | | | | | | | | | | | | |
| - forward foreign exchange contracts | | - | - | - | - | - | - | - | - | - | - | - |
| - forward lendings | | 5,233,508 | 5,233,508 | - | - | - | - | - | - | - | - | - |
| - forward investments | | - | - | - | - | - | - | - | - | - | - | - |
| - repo transactions | | 34,029,212 | 34,029,212 | - | - | - | - | - | - | - | - | - |
| Other commitment | | - | - | - | - | - | - | - | - | - | - | - |
| Off-balance sheet gap | | 44,002,239 | 44,002,239 | - | - | - | - | - | - | - | - | - |
| Total yield / interest risk sensitivity gap | | | (4,004,096) | (7,126,761) | 51,258,748 | 5,962,442 | 1,911,904 | 572,844 | 3,719,635 | 218,641 | 106,711 | 6,501,230 |
| Cumulative yield / interest risk sensitivity gap | | | (4,004,096) | (11,130,856) | 40,127,892 | 46,090,333 | 48,002,237 | 48,575,081 | 52,294,717 | 52,513,358 | 52,620,069 | 59,121,299 |

| 2024 | | | | | | | | | | | | |
|---|------------------|---------------------------------------|-----------------------|-----------------------|-------------------------------|----------------------|----------------------|----------------------|-----------------------|-------------------|---|-------------------|
| Effective yield/ interest rate | Total | Exposed to yield / interest rate risk | | | | | | | | | Non-interest bearing financial instruments | |
| | | 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 in '000 | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | |
| <i>Assets</i> | | | | | | | | | | | | |
| Cash and balances with treasury banks | | 796,300 | - | - | - | - | - | - | - | - | - | 796,300 |
| Balances with other banks | 5.02% to 13.50% | 107,838 | 10,601 | - | - | 97,237 | - | - | - | - | - | - |
| Lending to financial institutions | | - | - | - | - | - | - | - | - | - | - | - |
| Investments | 7.94.% to 20.29% | 166,731,355 | 25,026,972 | 40,694,552 | 89,237,936 | - | 1,424,258 | - | 8,004,974 | 744,741 | 251,879 | 1,346,043 |
| Advances | 2.25% to 28.35% | 21,141,357 | 2,792,139 | 1,408,370 | 2,879,320 | 4,391,179 | 2,827,996 | 2,241,642 | 3,028,619 | 1,508,082 | - | 64,010 |
| Other assets | | 5,185,975 | - | - | - | - | - | - | - | - | - | 5,185,975 |
| | | 193,962,825 | 27,829,712 | 42,102,922 | 92,117,256 | 4,488,416 | 4,252,254 | 2,241,642 | 11,033,593 | 2,252,823 | 251,879 | 7,392,328 |
| <i>Liabilities</i> | | | | | | | | | | | | |
| Borrowings | 0% to 19.06% | 184,383,470 | 41,852,059 | 51,942,960 | 85,907,171 | 1,076,049 | 2,061,261 | 702,966 | 654,001 | 187,003 | - | - |
| Deposits and other accounts | | 1,165,705 | 20,000 | 500,000 | 645,705 | - | - | - | - | - | - | - |
| Other liabilities | | 3,556,353 | - | - | - | - | - | - | - | - | - | 3,556,353 |
| | | 189,105,528 | 41,872,059 | 52,442,960 | 86,552,876 | 1,076,049 | 2,061,261 | 702,966 | 654,001 | 187,003 | - | 3,556,353 |
| On-balance sheet gap | | 4,857,297 | (14,042,347) | (10,340,038) | 5,564,380 | 3,412,367 | 2,190,993 | 1,538,676 | 10,379,592 | 2,065,820 | 251,879 | 3,835,975 |
| Net non- financial assets | | 7,801,076 | | | | | | | | | | |
| Net assets | | 12,658,373 | | | | | | | | | | |
| Off-balance sheet financial instruments | | | | | | | | | | | | |
| Documentary credits and short-term trade-related transactions | | 1,327,589 | 1,327,589 | - | - | - | - | - | - | - | - | - |
| Commitments in respect of: | | | | | | | | | | | | |
| - forward foreign exchange contracts | | - | - | - | - | - | - | - | - | - | - | - |
| - forward lendings | | 4,850,815 | 4,850,815 | - | - | - | - | - | - | - | - | - |
| - forward investment | | - | - | - | - | - | - | - | - | - | - | - |
| - repo transactions | | 18,700,521 | 18,700,521 | - | - | - | - | - | - | - | - | - |
| Other commitment | | - | - | - | - | - | - | - | - | - | - | - |
| Off-balance sheet gap | | 24,878,925 | 24,878,925 | - | - | - | - | - | - | - | - | - |
| Total yield / interest risk sensitivity gap | | | 10,836,578 | (10,340,038) | 5,564,380 | 3,412,367 | 2,190,993 | 1,538,675 | 10,379,592 | 2,065,820 | 251,879 | 3,835,975 |
| Cumulative yield / interest risk sensitivity gap | | | 10,836,578 | 496,541 | 6,060,921 | 9,473,288 | 11,664,281 | 13,202,956 | 23,582,549 | 25,648,369 | 25,900,248 | 29,736,223 |

43.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Company, like all financial institutions, is exposed to many types of operational risks, including the potential losses arising from internal activities or external events caused by breakdowns in information, communication, physical safeguards, business continuity, supervision, transaction processing, settlement systems and procedures and the execution of legal, fiduciary and agency responsibilities.

The Company maintains a system of internal controls designed to keep operational risk at appropriate levels, in view of the Company's financial strength and the characteristics of the activities and market in which it operates. These internal controls are periodically updated to conform to the industry's best practices. The Company also gathers operational risk losses to determine strengths and sufficiency of its internal controls.

The Company has developed a Business Continuity Plan applicable to all its functional areas and the plan is rehearsed at least twice in a year.

Furthermore, the Company's operations are relatively simple as compared to a large scale commercial bank. The Company only operates with its head office in Karachi with a liaison office in Lahore. Given simple operations and small scale, Company uses Basic Indicator Approach (BIA) to determine capital charge under Basel II.

43.4 Liquidity risk

Liquidity risk is the risk that the Company is unable to fund its current obligations and operations in the most cost efficient manner. ALCO is the forum to oversee liquidity management.

Liquidity risk can arise from the Company's activities and can be grouped into three categories:

- Inflows / outflows from on-balance sheet items (other than marketable securities and wholesale borrowings) and off-balance sheet items;
- Marketability of trading securities; and
- Capacity to borrow from the wholesale markets for funding as well as trading activities.

The Company's main funding source is the inter-bank money market. Changes in the government monetary policy and market expectations of interest rate are all important factors that can adversely affect our key funding sources. Efficient and accurate planning plays a critical role in liquidity management. The Company's MIS provides information on expected cash inflows / outflows which allows the Company to take timely decisions based on future requirements. The Company monitors all the possible sources from which liquidity risk can emanate including market reputation, borrowing terms, deterioration in quality of credit portfolio, etc. Other sources are also identified for which early warning indicators have been created and are being monitored for early intervention of management sensing a potential liquidity crunch.

Gap analysis and stress testing is done on a periodic basis to capture any adverse effect of market movements on liquidity position. Based on the results produced, ALCO devises the liquidity management strategy to maintain sufficient liquidity to deal with any related catastrophe.

Handwritten mark

| 2024 | | | | | | | | | | | | | |
|---------------------------------------|-------------------|------------------|---------------------|-------------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|
| Total | 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 in '000 | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | |
| Cash and balances with treasury banks | 796,300 | 796,300 | - | - | - | - | - | - | - | - | - | - | - |
| Balances with other banks | 107,838 | - | - | - | 10,602 | - | - | - | 97,236 | - | - | - | - |
| Lendings to financial institutions | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investments | 168,748,062 | - | - | - | 269,182 | 154,503 | 134,604 | 19,413,934 | 9,218,568 | 2,280,805 | 27,326,026 | 4,706,478 | 83,150,012 |
| Advances | 21,141,357 | 348,857 | 555,438 | 1,078,920 | 808,924 | 691,437 | 716,933 | 2,879,320 | 990,894 | 3,402,792 | 2,825,488 | 2,241,642 | 3,028,619 |
| Property and equipment | 47,071 | - | - | - | - | 6,265 | 2,233 | 8,930 | 10,361 | 2,232 | 12,285 | 4,765 | - |
| Right-of-use assets | 54,278 | - | - | - | 2,773 | 2,773 | 2,773 | 8,318 | 8,318 | 8,318 | 21,005 | - | - |
| Intangible assets | 7,893 | - | - | - | 947 | 947 | 947 | 2,841 | 2,211 | - | - | - | - |
| Deferred tax assets | 243,419 | - | - | - | - | - | - | - | - | - | - | 243,419 | - |
| Other assets | 10,684,829 | 206,155 | 591,532 | 150,064 | 91,643 | 806,813 | 922,308 | 2,364,545 | 201,543 | 13,250 | 57,919 | 5,275,719 | 3,338 |
| Assets classified as held-for-sale | 168,904 | - | - | - | - | - | - | - | - | 168,904 | - | - | - |
| | 201,999,951 | 1,351,312 | 1,146,970 | 1,228,984 | 1,184,071 | 1,662,738 | 1,779,798 | 24,677,888 | 10,431,895 | 5,973,537 | 30,242,723 | 12,472,023 | 86,181,969 |
| Liabilities | | | | | | | | | | | | | |
| Borrowings | 184,383,470 | - | 18,717,725 | 6,073,513 | 16,083,904 | 28,289,322 | 19,498,164 | 83,516,745 | 1,024,991 | 2,334,771 | 4,823,509 | 2,869,870 | 946,438 |
| Deposits and other accounts | 1,165,705 | - | 20,000 | - | - | - | 500,000 | 645,705 | - | - | - | - | - |
| Lease liabilities | 37,194 | - | - | - | 447 | 453 | 460 | 1,423 | 34,411 | - | - | - | - |
| Other liabilities | 3,755,209 | 204,059 | 57,068 | 15,218 | 246,460 | 526,662 | 109,920 | 2,487,700 | 33,589 | 234 | 53,113 | 11,956 | 9,230 |
| | 189,341,578 | 204,059 | 18,794,793 | 6,088,731 | 16,330,811 | 28,816,437 | 20,108,544 | 86,651,573 | 1,092,991 | 2,335,005 | 4,876,622 | 2,881,826 | 955,668 |
| Net assets | 12,658,373 | 1,147,253 | (17,647,823) | (4,859,747) | (15,146,739) | (27,153,699) | (18,328,746) | (61,973,685) | 9,338,904 | 3,638,532 | 25,366,101 | 9,590,197 | 85,226,301 |
| Share capital | 6,000,000 | | | | | | | | | | | | |
| Reserves | 2,512,191 | | | | | | | | | | | | |
| Unappropriated profit | 3,563,017 | | | | | | | | | | | | |
| Surplus on revaluation of assets | 583,165 | | | | | | | | | | | | |
| | <u>12,658,373</u> | | | | | | | | | | | | |

43.4.2 Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Company

| | 2025 | | | | | | | | | |
|---------------------------------------|-------------|--------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|--------------------|----------------|
| | Total | Upto 1 Month | Over 1 to 3 Months | Over 3 to 6 Months | Over 6 Months to 1 | Over 1 to 2 Years | Over 2 to 3 Years | Over 3 to 5 Years | Over 5 to 10 Years | Above 10 Years |
| ----- Rupees in '000 ----- | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury banks | 1,245,455 | 1,245,455 | - | - | - | - | - | - | - | - |
| Balances with other banks | 323,822 | 323,822 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | - | - | - | - | - | - | - | - | - | - |
| Investments | 107,589,021 | 4,265,770 | 332,571 | 36,074,836 | 22,864,745 | 20,634,148 | 12,250,324 | 3,442,428 | 7,724,198 | - |
| Advances | 26,386,616 | 3,631,318 | 1,753,907 | 3,294,978 | 5,057,646 | 3,895,890 | 3,306,831 | 3,685,303 | 1,760,743 | - |
| Property and equipment | 43,361 | 38 | 421 | 304 | 1,364 | 19,267 | 11,860 | 10,106 | - | - |
| Right-of-use assets | 30,125 | 4,181 | 8,361 | 12,542 | 4,718 | 323 | - | - | - | - |
| Intangible assets | 2,985 | - | - | - | 2,829 | 156 | - | - | - | - |
| Deferred tax assets | 66,333 | - | - | - | - | - | 66,333 | - | - | - |
| Other assets | 7,837,428 | 655,733 | 90,548 | 2,063,500 | 645,007 | 536,326 | 524,659 | 991,311 | 2,330,344 | - |
| Assets classified as held-for-sale | 168,904 | - | - | - | 168,904 | - | - | - | - | - |
| | 143,694,050 | 10,126,317 | 2,185,808 | 41,446,160 | 28,745,213 | 25,086,110 | 16,160,007 | 8,129,148 | 11,815,285 | - |
| Liabilities | | | | | | | | | | |
| Borrowings | 121,273,464 | 66,200,968 | 20,161,986 | 16,814,389 | 7,444,107 | 6,997,171 | 2,520,283 | 1,041,256 | 93,305 | - |
| Deposits and other accounts | - | - | - | - | - | - | - | - | - | - |
| Lease liability | 40,813 | 586 | 1,731 | 37,488 | 580 | 428 | - | - | - | - |
| Other liabilities | 6,949,008 | 5,440,270 | 451,977 | 278,291 | 521,282 | - | - | 257,188 | - | - |
| | 128,263,285 | 71,641,824 | 20,615,694 | 17,130,168 | 7,965,969 | 6,997,599 | 2,520,283 | 1,298,444 | 93,305 | - |
| Net assets | 15,430,765 | (61,515,507) | (18,429,886) | 24,315,992 | 20,779,244 | 18,088,511 | 13,639,724 | 6,830,704 | 11,721,980 | - |
| Share capital | 6,000,000 | | | | | | | | | |
| Reserves | 2,898,531 | | | | | | | | | |
| Unappropriated profit | 4,781,849 | | | | | | | | | |
| Surplus on revaluation of assets | 1,750,385 | | | | | | | | | |
| | 15,430,765 | | | | | | | | | |

| 2024 | | | | | | | | | |
|---------------------------------------|--------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|----------------|
| Total | 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 in '000 ----- | | | | | | | | | |
| Assets | | | | | | | | | |
| Cash and balances with treasury banks | 796,300 | 796,300 | - | - | - | - | - | - | - |
| Balances with other banks | 107,838 | 10,602 | - | - | 97,236 | - | - | - | - |
| Lendings to financial institutions | - | - | - | - | - | - | - | - | - |
| Investments | 168,748,062 | 269,182 | 289,107 | 19,413,934 | 11,499,373 | 27,326,026 | 4,706,478 | 83,150,012 | 22,093,950 |
| Advances | 21,141,357 | 2,792,139 | 1,408,370 | 2,879,320 | 4,393,686 | 2,825,488 | 2,241,642 | 3,028,619 | 1,572,093 |
| Fixed assets | 47,071 | - | 8,498 | 8,930 | 12,593 | 12,285 | 4,765 | - | - |
| Right of use assets | 54,278 | 2,773 | 5,546 | 8,318 | 16,636 | 21,005 | - | - | - |
| Intangible assets | 7,893 | 947 | 1,894 | 2,841 | 2,211 | - | - | - | - |
| Deferred tax assets | 243,419 | - | - | - | - | - | 243,419 | - | - |
| Other assets | 10,684,829 | 1,039,394 | 1,729,121 | 2,364,545 | 214,793 | 57,919 | 5,275,719 | 3,338 | - |
| Assets classified as held-for-sale | 168,904 | - | - | - | 168,904 | - | - | - | - |
| | 201,999,951 | 4,911,337 | 3,442,536 | 24,677,888 | 16,405,432 | 30,242,723 | 12,472,023 | 86,181,969 | 23,666,043 |
| Liabilities | | | | | | | | | |
| Borrowings | 184,383,470 | 40,875,142 | 47,787,486 | 83,516,745 | 3,359,762 | 4,823,509 | 2,869,870 | 946,438 | 204,518 |
| Deposits and other accounts | 1,165,705 | 20,000 | 500,000 | 645,705 | - | - | - | - | - |
| Lease liability | 37,194 | 447 | 913 | 1,423 | 34,411 | - | - | - | - |
| Other liabilities | 3,755,209 | 522,805 | 636,582 | 2,487,700 | 33,823 | 53,113 | 11,956 | 9,230 | - |
| | 189,341,578 | 41,418,394 | 48,924,981 | 86,651,573 | 3,427,996 | 4,876,622 | 2,881,826 | 955,668 | 204,518 |
| Net assets | 12,658,373 | (36,507,057) | (45,482,445) | (61,973,685) | 12,977,436 | 25,366,101 | 9,590,197 | 85,226,301 | 23,461,525 |
| Share capital | 6,000,000 | | | | | | | | |
| Reserves | 2,512,191 | | | | | | | | |
| Unappropriated profit | 3,563,017 | | | | | | | | |
| Surplus on revaluation of assets | 583,165 | | | | | | | | |
| | 12,658,373 | | | | | | | | |

10

44 **EVENTS AFTER THE REPORTING DATE**

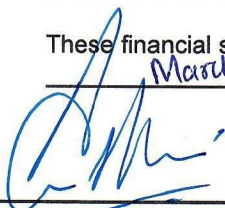
The Board of Directors have proposed a final dividend for the year ended December 31, 2025 of Re. 0.5 per share (2024: Re. 0.5 per share), amounting to Rs. 300 million (2024: Rs. 300 million) at their meeting held on March 12, 2026, for approval of the members at the annual general meeting to be held on April 09, 2026. The unconsolidated financial statements for the year ended December 31, 2025 do not include the effect of these appropriations which will be accounted for in the unconsolidated financial statements for the year ending December 31, 2026.

45 **GENERAL**

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

46 **DATE OF AUTHORISATION**

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on March 12, 2026.



President / Chief Executive



Chief Financial Officer



Director



Director



Director

**Pak Brunei Investment
Company Limited**

Consolidated Financial Statements
for the year ended
December 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the members of Pak Brunei Investment Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Pak Brunei Investment Company Limited (the Holding Company), and its subsidiaries (the Group)**, which comprise the consolidated statement of financial position as at **December 31, 2025**, and the consolidated statement of profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies 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 consolidated statement of financial position, consolidated statement of profit and loss account, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 Group's affairs as at December 31, 2025 and of the profit, the 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 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.

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's reports thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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 materially misstated. If, based on the work we have performed, 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 regards.



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 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 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 are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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 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 auditors' 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 auditors' 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 Hena Sadiq.


Chartered Accountants

Place: Karachi

Date: March 18, 2026

UDIN: AR202510057XUa2kELb0

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

| 2025 | 2024 | | 2025 | 2024 |
|--------------------------------------|---------|---|----------------------------|--------------------|
| ----- US Dollar in '000 ----- | | | ----- Rupees in '000 ----- | |
| ASSETS | | | | |
| 4,439 | 2,838 | Cash and balances with treasury banks | 1,245,464 | 796,314 |
| 3,613 | 3,716 | Balances with other banks | 1,013,551 | 1,042,491 |
| - | - | Lendings to financial and other institutions | - | - |
| 376,305 | 594,302 | Investments | 105,572,314 | 166,731,355 |
| 105,183 | 85,022 | Advances | 29,509,016 | 23,852,969 |
| 318 | 369 | Property and equipment | 89,232 | 103,403 |
| 157 | 261 | Right-of-use assets | 43,975 | 72,991 |
| 11 | 28 | Intangible assets | 3,377 | 8,020 |
| 624 | 1,283 | Deferred tax assets | 175,095 | 359,874 |
| 28,377 | 38,411 | Other assets | 7,961,158 | 10,776,256 |
| 602 | 602 | Assets classified as held-for-sale | 168,904 | 168,904 |
| 519,629 | 726,832 | Total Assets | 145,782,086 | 203,912,577 |
| LIABILITIES | | | | |
| - | - | Bills payable | - | - |
| 435,104 | 659,514 | Borrowings | 122,068,464 | 185,026,803 |
| - | 4,155 | Deposits and other accounts | - | 1,165,705 |
| 211 | 220 | Lease liabilities | 59,124 | 61,649 |
| - | - | Liabilities against assets subject to finance lease | - | - |
| - | - | Subordinated debt | - | - |
| - | - | Deferred tax liabilities | - | - |
| 28,003 | 16,439 | Other liabilities | 7,856,150 | 4,612,001 |
| 463,318 | 680,328 | Total Liabilities | 129,983,738 | 190,866,158 |
| 56,311 | 46,504 | NET ASSETS | 15,798,348 | 13,046,419 |
| REPRESENTED BY | | | | |
| 21,385 | 21,387 | Share capital | 6,000,000 | 6,000,000 |
| 10,332 | 8,955 | Reserves | 2,898,531 | 2,512,190 |
| 18,347 | 14,075 | Unappropriated profit | 5,147,203 | 3,948,804 |
| 6,239 | 2,079 | Surplus / (Deficit) on revaluation of assets | 1,750,385 | 583,165 |
| 56,303 | 46,496 | Total equity attributable to the equity holders of the Holding Company | 15,796,119 | 13,044,159 |
| 8 | 8 | Non-controlling interest | 2,229 | 2,260 |
| 56,311 | 46,504 | | 15,798,348 | 13,046,419 |
| CONTINGENCIES AND COMMITMENTS | | | | |
| | | | 21 | |

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



President/Chief Executive



Chief Financial Officer



Director



Director

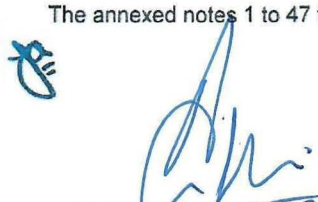



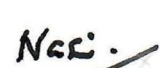
Neel

Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2025

| 2025 | | 2024 | | | 2025 | | 2024 | |
|--|---------|---|--|------|----------------------------|------------|------|--|
| ----- US Dollar in '000 ----- | | | | | ----- Rupees in '000 ----- | | | |
| 60,152 | 137,029 | Mark-up / return / interest earned | | 22 | 16,875,560 | 38,443,614 | | |
| 50,208 | 131,323 | Mark-up / return / interest expensed | | 23 | 14,085,872 | 36,842,555 | | |
| 9,944 | 5,706 | Net mark-up / interest income | | | 2,789,688 | 1,601,059 | | |
| Non mark-up / interest income | | | | | | | | |
| 594 | 478 | Fee and commission income | | 24 | 166,589 | 134,016 | | |
| 798 | 1,553 | Dividend income | | | 223,833 | 435,802 | | |
| - | - | Foreign exchange income | | | - | - | | |
| - | - | Income / (loss) from derivatives | | | - | - | | |
| 1,242 | 246 | Gain / (loss) on securities | | 25 | 348,368 | 69,074 | | |
| 29 | 349 | Other income | | 26 | 8,122 | 97,909 | | |
| 2,663 | 2,626 | Total non mark-up / interest income | | | 746,912 | 736,801 | | |
| 12,607 | 8,332 | Total income | | | 3,536,600 | 2,337,860 | | |
| Non mark-up / interest expenses | | | | | | | | |
| 3,093 | 2,599 | Operating expenses | | 27 | 867,836 | 729,189 | | |
| - | - | Other charges | | 28 | - | - | | |
| 183 | 110 | Workers' Welfare Fund | | 29 | 51,431 | 30,821 | | |
| 3,276 | 2,709 | Total non mark-up / interest expenses | | | 919,267 | 760,010 | | |
| 9,331 | 5,623 | Profit before credit loss allowance | | | 2,617,333 | 1,577,850 | | |
| 1,028 | (212) | Credit loss allowance and write offs - net | | 30 | 288,403 | (59,528) | | |
| 8,303 | 5,835 | Profit before levies & taxation from continuing operations | | | 2,328,930 | 1,637,378 | | |
| 479 | 1,913 | Levies | | | 134,518 | 536,799 | | |
| 7,824 | 3,922 | Profit before taxation from continuing operations | | | 2,194,412 | 1,100,579 | | |
| 1,010 | 605 | Taxation | | 32 | 283,338 | 169,641 | | |
| 6,814 | 3,317 | Profit for the year from continuing operations | | | 1,911,075 | 930,938 | | |
| Discontinued Operations | | | | | | | | |
| - | (59) | Profit / (loss) after tax for the year from discontinued operations | | 14.2 | - | (16,495) | | |
| 6,814 | 3,258 | Profit for the year | | | 1,911,075 | 914,443 | | |
| Attributable to: | | | | | | | | |
| 6,813 | 3,257 | Equity holders of the Holding Company | | | 1,910,981 | 914,302 | | |
| 1 | 1 | Non-controlling interest | | | 94 | 141 | | |
| 6,814 | 3,258 | | | | 1,911,075 | 914,443 | | |
| ----- USD ----- | | | | | ----- Rupees ----- | | | |
| 0.01135 | 0.00543 | Basic and diluted earnings per share | | 33 | 3.19 | 1.52 | | |

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

President/Chief Executive Chief Financial Officer Director Director Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

| 2025 | 2024 | | 2025 | 2024 |
|--|--------------|---|----------------------------|------------------|
| ----- US Dollar in '000 ----- | | | ----- Rupees in '000 ----- | |
| Profit after taxation for the year attributable to: | | | | |
| 6,813 | 3,257 | Equity holders of the Holding Company | 1,910,981 | 914,302 |
| 1 | 1 | Non-controlling interest | 94 | 141 |
| <u>6,814</u> | <u>3,258</u> | | <u>1,911,075</u> | <u>914,443</u> |
| Other comprehensive income | | | | |
| <i>Items that may be reclassified to consolidated statement of profit and loss account in subsequent periods:</i> | | | | |
| - | 51 | Reversal of deficit on disposal of subsidiary | - | 14,562 |
| 1,842 | 4,880 | Movement in surplus on revaluation of debt investments through FVOCI - net of tax | 516,865 | 1,369,268 |
| <i>Items that will not be reclassified to consolidated statement of profit and loss account in subsequent periods:</i> | | | | |
| (1) | 4 | - Remeasurement gain on defined benefit plan - net of tax | (323) | 852 |
| 2,318 | 122 | Movement in surplus on revaluation of equity investments - net of tax | 650,355 | 34,364 |
| (93) | 374 | Gain / (loss) on disposal of securities classified as FVOCI - net of tax | (25,919) | 104,800 |
| <u>10,880</u> | <u>8,689</u> | Total comprehensive income / (loss) | <u>3,052,053</u> | <u>2,438,289</u> |

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

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President/Chief Executive

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Chief Financial Officer

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Director

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Director

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Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

| | Share capital | Capital reserve | Revenue reserve | (Deficit) / surplus on revaluation of assets | Unappropriated profit | Non-controlling interest | Total |
|---|---------------|---------------------|--------------------|--|-----------------------|--------------------------|------------|
| | | Statutory reserve * | General reserve ** | | | | |
| Rupees in '000 | | | | | | | |
| Balance as at January 01, 2024 | 6,000,000 | 1,990,092 | 400,000 | (835,029) | 3,350,949 | 2,244 | 10,908,256 |
| Total comprehensive income for the year | | | | | | | |
| Profit after taxation for the year ended December 31, 2023 | - | - | - | - | 914,302 | 141 | 914,443 |
| Other comprehensive loss | | | | | | | |
| - Remeasurement loss on defined benefit obligations - net of tax | - | - | - | - | 852 | - | 852 |
| - Reversal of deficit on disposal of subsidiary | - | - | - | 14,562 | - | - | 14,562 |
| - Loss on disposal of securities classified as fair value through other comprehensive income - net of tax | - | - | - | - | 104,800 | - | 104,800 |
| - Movement in surplus / (deficit) on revaluation of investments in debt instruments - net of tax | - | - | - | 1,369,268 | - | - | 1,369,268 |
| - Movement in surplus / (deficit) on revaluation of investments in equity instruments - net of tax | - | - | - | 34,364 | - | - | 34,364 |
| | - | - | - | 1,418,194 | 1,019,954 | 141 | 2,438,289 |
| Transfer to statutory reserve | - | 122,099 | - | - | (122,099) | - | - |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Final cash dividend paid for the year ended December 31, 2023 @ Re.0.50 per share | - | - | - | - | (300,000) | - | (300,000) |
| Final cash dividend paid for the year ended December 31, 2023 @ Re.0.50 per share | - | - | - | - | - | (125) | (125) |
| Balance as at December 31, 2024 | 6,000,000 | 2,112,191 | 400,000 | 583,165 | 3,948,804 | 2,260 | 13,046,420 |
| Total comprehensive income for the year | | | | | | | |
| Profit after taxation for the year ended December 31, 2024 | - | - | - | - | 1,910,981 | 94 | 1,911,075 |
| Other comprehensive loss | | | | | | | |
| - Remeasurement loss on defined benefit obligations - net of tax | - | - | - | - | (323) | - | (323) |
| Reversal of deficit on disposal of subsidiary | - | - | - | - | - | - | - |
| - Gain on disposal of securities classified as fair value through other comprehensive income - net of tax | - | - | - | - | (25,919) | - | (25,919) |
| - Movement in surplus on revaluation of investments in debt instruments - net of tax | - | - | - | 516,865 | - | - | 516,865 |
| - Movement in surplus on revaluation of investments in equity instruments - net of tax | - | - | - | 650,355 | - | - | 650,355 |
| | - | - | - | 1,167,220 | 1,884,739 | 94 | 3,052,053 |
| Transfer to statutory reserve | - | 386,340 | - | - | (386,340) | - | - |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Final cash dividend of Holding Company paid for the year ended December 31, 2024 @ Re.0.50 per share | - | - | - | - | (300,000) | - | (300,000) |
| Final cash dividend of ACRCCL paid for the year ended December 31, 2024 @ Re.0.50 per share | - | - | - | - | - | (125) | (125) |
| Balance as at December 31, 2025 | 6,000,000 | 2,498,531 | 400,000 | 1,750,385 | 5,147,203 | 2,229 | 15,798,348 |

* This reserve is created under the requirement of section of 42(2) of SBP Act, 1956.

** This reserve is created under the requirement of Companies Act, 2017 for future losses and other contingencies

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.



President/Chief Executive



Chief Financial Officer



Director



Director



Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2025

| 2025 | | 2024 | | | | 2025 | | 2024 | |
|--|----------|---|-----------|--------------|-------------|------|----------------------------|------|--|
| ----- US Dollar in '000 ----- | | | | | | Note | ----- Rupees in '000 ----- | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | | |
| 7,824 | 3,922 | Profit before taxation from continuing operations | 2,194,412 | 1,100,579 | | | | | |
| - | (47) | Loss before taxation from discontinued operations | - | (13,153) | | | | | |
| 798 | 1,553 | Less: Dividend income | 223,833 | 435,802 | | | | | |
| 7,026 | 2,322 | | 1,970,579 | 651,624 | | | | | |
| Adjustments: | | | | | | | | | |
| 330 | 247 | Depreciation | 27 | 92,875 | 69,142 | | | | |
| 18 | 18 | Amortisation | 27 | 5,016 | 5,135 | | | | |
| | | Interest expense - lease liability against | | | | | | | |
| 44 | 18 | right-of-use assets | 23 | 12,458 | 5,033 | | | | |
| 183 | 110 | Provision for Workers' Welfare Fund | 29 | 51,431 | 30,821 | | | | |
| 1,025 | (211) | Credit loss allowance and write-offs | 30 | 288,403 | (59,528) | | | | |
| - | (348) | (Gain) on sale of assets classified as held-for-sale | 26 | - | (97,522) | | | | |
| 87 | - | Unrealised loss on securities classified as fair value | | 24,456 | | | | | |
| - | (1) | through profit or loss - net | | (41) | (387) | | | | |
| | | (Gain) on disposal of property and equipment | 26 | | | | | | |
| 1,687 | (167) | | | 474,598 | (47,306) | | | | |
| 8,713 | 2,155 | | | 2,445,177 | 604,318 | | | | |
| (Increase) / decrease in operating assets | | | | | | | | | |
| - | - | Lendings to financial institutions | | - | - | | | | |
| 7,975 | (5,111) | Net investments in securities held at fair value as classified | | 2,237,458 | (1,433,790) | | | | |
| (21,057) | (5,399) | through profit or loss | | (5,907,538) | (1,514,581) | | | | |
| 8,606 | 1,006 | Advances | | 2,414,500 | 282,185 | | | | |
| (4,476) | (9,504) | Others assets (excluding advance taxation) | | (1,255,580) | (2,666,186) | | | | |
| Increase/ (decrease) in operating liabilities | | | | | | | | | |
| (224,410) | 35,856 | Borrowings from financial institutions | | (62,958,339) | 10,059,472 | | | | |
| (4,155) | 4,111 | Deposits | | (1,165,705) | 1,153,305 | | | | |
| 135 | 186 | Lease liability | | 37,765 | 52,122 | | | | |
| 11,285 | 5,926 | Other liabilities (excluding current taxation, lease liability) | | 3,166,117 | 1,662,458 | | | | |
| (217,145) | 46,079 | | | (60,920,162) | 12,927,357 | | | | |
| - | (2) | Workers' Welfare Fund paid | | - | (601) | | | | |
| (916) | (12,503) | Taxes paid | | (257,420) | (3,506,877) | | | | |
| (213,824) | 26,225 | Net cash generated from operating activities | | (59,987,984) | 7,358,011 | | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | |
| 215,959 | (24,894) | Net investments in securities classified as | | 60,587,256 | (6,984,148) | | | | |
| - | - | fair value through other comprehensive income | | - | - | | | | |
| 798 | 1,558 | Net divestments / (investments) in held-to-maturity securities | | 223,833 | 437,155 | | | | |
| (65) | (62) | Dividends received | | (18,227) | (17,420) | | | | |
| (112) | - | Investments in property and equipment | | (31,559) | - | | | | |
| (1) | (1) | Right-of-use assets | | (373) | (357) | | | | |
| - | 2 | Investments in operating intangible assets | | 139 | 518 | | | | |
| - | 393 | Disposal of property and equipment | | - | 110,286 | | | | |
| 216,579 | (23,004) | Proceeds from sale of assets classified as held for sale | | 60,761,069 | (6,453,966) | | | | |
| | | Net cash used in investing activities | | | | | | | |



2025 2024
 ----- US Dollar in '000 -----


2025 2024
 Note ----- Rupees in '000 -----


CASH FLOWS FROM FINANCING ACTIVITIES


| 2025 | 2024 | | 2025 | 2024 |
|---------|---------|---|-----------------|-----------|
| (1,069) | (1,069) | Dividend paid to equity shareholders of the Holding Company | (300,000) | (300,000) |
| - | - | Dividend paid to non-controlling interests | (125) | (125) |
| (188) | (136) | Payments of lease obligations against right-of-use assets | (52,748) | (38,148) |
| (1,257) | (1,205) | Net cash used in financing activities | (352,873) | (338,273) |
| 1,498 | 2,016 | Increase in cash and cash equivalents | 420,212 | 565,772 |
| 6,554 | 4,538 | Cash and cash equivalents at beginning of the year | 1,838,806 | 1,273,034 |
| 8,052 | 6,554 | Cash and cash equivalents at end of the year | 34 2,259,018 | 1,838,806 |


The annexed notes 1 to 47 form an integral part of these consolidated financial statements.


File


 President/Chief Executive


 Chief Financial Officer


 Director


 Director


 Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES, COMPRISING MATERIAL ACCOUNTING POLICY AND OTHER EXPLANATORY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

1 STATUS AND NATURE OF BUSINESS

The "Group" consists of:

Holding Company

Pak Brunei Investment Company Limited (the Holding Company) is a Development Finance Institution (DFI) which was incorporated in Pakistan as an unlisted public limited company on November 28, 2006 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The State Bank of Pakistan (SBP) granted the approval for commencement of business with effect from August 20, 2007. The Holding Company is a joint venture between the Government of Pakistan (GoP) and the Brunei Investment Agency (BIA). The Holding Company's objectives inter alia include making investments in the industrial and agro-based industrial fields in Pakistan on a commercial basis through carrying out industrial and agro-based industrial projects and marketing of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the Holding Company is situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan. The Holding Company is in operation with 3 offices (2024: 2) of which one located in Karachi and the others in Lahore and Multan.

Based on the financial statements of the Holding Company for the year ended December 31, 2025, Pakistan Credit Rating Agency (PACRA) has reaffirmed both the Holding Company's medium to long-term rating as 'AA+' and the short-term rating as 'A1+'.

Subsidiaries

- **Primus Leasing Limited (PLL) - 100% holding**

Primus Leasing Limited ("PLL") was incorporated in Pakistan as a public unlisted company on July 13, 2017 under the Companies Act, 2017. The registered office of PLL is situated at Horizon Vista, Commercial-10, Block-4, Scheme-5, Clifton, Karachi. The PLL is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP). PLL has two offices with one located in Karachi and the other in Lahore.

The principal objective of PLL is to carry on and undertake the business of leasing of movable property for any purpose whatsoever including but not being limited to industrial, commercial, agricultural and other development purposes on such terms, covenants and conditions and at such rentals as may be deemed fit.

- **Awwal Corporate Restructuring Company Limited - 99.78% holding**

Awwal Corporate Restructuring Company Limited (ACRCL) is a public unlisted company incorporated, under the Companies Act 2017, on December 24, 2021. The registered office of Awwal Corporate Restructuring Company Limited is situated at 3rd floor, Horizon Vista, Plot No. Commercial 10, Block No. 4, Scheme No.5, Clifton, Karachi.

The principal activity of ACRCL is to conduct business as per Corporate Restructuring Act 2016 and Corporate Restructuring Rules 2019 notified by the Securities & Exchange Commission of Pakistan (SECP).

2 BASIS OF PRESENTATION

2.1 These consolidated financial statements have been prepared in conformity with the format of financial statements prescribed by the State Bank of Pakistan (SBP) vide BPRD Circular No. 13 of 2024 dated July 01, 2024 effective from the accounting year ended December 31, 2024.

2.2 **Statement of compliance**

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

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

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

2.3 The SBP through its BSD Circular letter No. 11 dated September 11, 2002 has deferred the implementation of IAS 40 'Investment Property' for Non-Banking Financial Institutions (NBFIs) in Pakistan. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

2.4 New amendments that is effective for the year ended December 31, 2025

The following amendments are effective for the year ended December 31, 2025. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of exchangeability

2.5 Standard and amendments to the accounting and reporting standards that are not yet effective:

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

| | Effective from accounting period beginning on or after |
|--|---|
| - Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability | January 01, 2026 |
| - IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) | January 01, 2027 |
| - Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments | January 01, 2026 |
| - Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7) | January 01, 2026 |
| - Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Contracts Referencing Nature-dependent Electricity | January 01, 2026 |
| - IFRS 18 - Presentation and Disclosures in Financial Statements | January 01, 2027 |
| - IFRS 19 - Subsidiaries without Public Accountability: Disclosures | January 01, 2027 |

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – 'First Time Adoption of International Financial Reporting Standards'

2.6 Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires the management to exercise judgment in the application of its accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods. The estimates and judgments that have a significant effect on the consolidated financial statements are in respect of the following:

Significant accounting estimates and areas where judgments were made by the management in the application of accounting policies are as follows:

- Classification, valuation and provisioning of investments (notes 4.2 and 7)
- Classification and expected credit loss against non performing loans and advances (notes 4.2 and 8)
- Provision for defined benefit plan (notes 4.9.1 and 36)
- Lease liability and right-of-use assets (notes 4.6.3, 17 and 10)
- Taxation (notes 4.8 and 32)
- Classification and valuation of non current assets held-for-sale (notes 4.7 and 14)
- Provision against off balance sheet obligations and contingent liabilities (note 18, 18.1 and 21) and
- Depreciation, amortization and residual value of fixed asset and intangibles (note 9 and 11)

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

- Non-current assets classified as held for sale are valued at lower of carrying amount and fair value less cost to sell
- Certain investments are marked to market and carried at fair value;
- Obligation in respect of staff retirement benefit is carried at present value of defined benefit obligation; and
- Lease liability against right-of-use assets is carried at present value of rentals.

3.2 US Dollar equivalent

The US dollar amounts shown in the consolidated statement of financial position, consolidated statement of profit and loss account, consolidated statement of comprehensive income and consolidated cash flow statement are provided as additional information solely for the convenience of users of the consolidated financial statements. For the purpose of conversion to US Dollars, the rate of Rs. 280.55.55 to US Dollars has been used for 2025 and 2024 as it was the prevalent rate on December 31, 2025.

3.3 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. These consolidated financial statements are presented in Pakistan Rupee which is the Group's functional and presentation currency.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with all periods presented.

4.1 Basis of consolidation

Subsidiary is an entity which is controlled by the Holding Company. Control is said to exist when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The consolidated financial statements of the Group incorporate the financial statements of the Holding Company and those of the subsidiaries from the date the control of the subsidiary by the Group commences until the date the control ceases to exist. The assets, liabilities, income and expenses of the subsidiaries have been consolidated with those of the Holding Company on a line by line basis and the carrying values of the Group's investments in subsidiaries are eliminated against the subsidiaries' share capital and pre-acquisition reserves in these consolidated financial statements.

Non-Controlling Interest (NCI) represents that part of the net results of operations and net assets of the subsidiaries that is not owned by the Group and is measured at the proportionate share of net assets of the acquiree.

The financial statements of subsidiaries are prepared for the same reporting period as that of the Holding Company using accounting policies which are consistent with those applied by the Holding Company in the preparation of its consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

4.2 IFRS 9 - 'Financial Instruments'

4.2.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised 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 recognised when funds are transferred to the customers' account or financial institutions. However, for cases, where funds are transferred on deferred payment basis, recognition is completed when underlying asset is purchased. The Group will recognise, due to customer and financial institution balances when these funds reach the Group.

Amortised cost

Financial assets and liabilities under amortised cost category are initially recognised at fair value adjusted for directly attributable transaction costs. These are subsequently measured at amortised cost. An expected credit loss allowance (ECL) is recognised for financial assets in the statement of profit and loss account. Interest income / expense on these assets / liabilities are recognised in the consolidated statement of profit and loss account. On derecognition of these financial assets and liabilities, capital gain / loss will be recognised in the consolidated statement of profit and loss account.

Fair value through other comprehensive income

Financial assets under FVOCI category are initially recognised at fair value adjusted for directly attributable transaction costs. These assets are subsequently measured at fair value with changes recorded in OCI. An expected credit loss allowance (ECL) is recognised for these financial assets in the consolidated statement of profit and loss account. Interest / dividend income on these assets are recognised in the consolidated statement of profit and loss account. On derecognition of these financial assets, capital gain / loss is recognised in the consolidated statement of comprehensive income.

Fair value through profit or loss

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

Interest free / below market rate loans to employees

Initial recognition

The Group recognises interest free/ below market rate loan to employee at its fair value by discounting the future loan repayments using the rate that the employee would pay to an unrelated lender for a loan with similar conditions and accordingly charging differential to the consolidated statement of profit and loss account between nominal value and fair value of loan.

Subsequent measurement

The Group calculates and recognises imputed interest on these loans. Imputed interest represents the forgone interest that employees would have paid if they had borrowed funds from external sources at prevailing market rates. The difference between the actual interest charged, if any and the imputed interest is recognised as interest income by the Group over the term of the loan.

Financial assets

The Group derecognises 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 recognised 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 derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises 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 recognised 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 recognised in the consolidated statement of profit and loss account.

4.2.2 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 recognise a modification gain or loss in the consolidate statement of profit and 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 amortised over the remaining term of the modified financial asset.

4.2.3 Off setting

Financial assets and financial liabilities are only offset and the net amount is reported in the financial statements when there is a legally enforceable right to set-off the recognised amount and the Group intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.



4.2.4 Derivative financial instruments

Derivative financial instruments are initially recognised at their fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. All derivative financial instruments are carried as asset when fair value is positive and liabilities when fair value is negative. Any change in the value of derivative financial instruments is taken to the consolidated statement of profit and loss account.

4.2.5 Restructured Loan

All non-performing restructured exposure shall be subject to a cooling-off period of 6 months from the first date of becoming regular in payment. The status of such loans shall be first upgraded to Stage 2 following the same cooling-off period of 6 months before upgrading to Stage 1.

4.2.6 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 FVTPL, together with letter of credit, guarantees and unutilised financing commitments hereinafter referred to as "Financial Instruments". The Group recognises 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. However, for certain portfolios, the Group may rebut 60 DPD presumption based on behavioural analysis of its borrowers. When estimating ECLs on a collective basis for a group of similar assets, the Group applies the similar principles for assessing whether there has been a significant increase in credit risk since initial recognition.

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 recognised, the Group recognises 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 exposure at default (EAD) and multiplied by the expected loss given default (LGD) and discounted by an approximation to the original effective interest rate (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 probability of defaults (PDs) are applied over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original effective interest rate (EIR).

Stage 3: For financial instruments considered credit-impaired, the Group recognises the lifetime expected credit losses for these instruments. The Group uses a probability of default (PD) of 100% and loss given default (LGD) as computed for each portfolio or as prescribed by the SBP under the Prudential Regulations which ever 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 recognised based on a credit-adjusted EIR. ECLs are only recognised 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 financing is drawn down, based on a probability-weighting of the three scenarios. For revolving facilities that include both a financing and an undrawn commitment, ECLs are calculated and presented within other liabilities.

Guarantee and letters of credit contracts The Group estimates ECLs based on the BASEL driven credit conversion factor (CCF) for Guarantee and letter of credit contracts. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to guarantee and letter of credit contracts are recognised within other liability.

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

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 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 derecognised and is still in the portfolio. PD is estimated based on statistical technique such as Markov's Chain Process – Transition Matrix Approach which are based on the Group's internal risk ratings (i.e. from 1 to 12). PDs for Non advances portfolio, the Group has used PDs prescribed by Standard and Poor's (S&Ps) against each risk rating. PDs are then adjusted using Vasicek Model for IFRS 9 ECL calculations to incorporate forward looking information.

EAD The Exposure at Default 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. The Group's product offering includes a variety of corporate facilities, in which the Group has the right to cancel and / or reduce the facilities with one day notice. However, in case of revolving facilities, the Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behaviour, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

LGD The Loss Given Default 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 realisation 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. In the absence of computation of the effective profit rate (at reporting date), the Group uses an approximation e.g. contractual rate (at reporting date).

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The Group considers only those collaterals as eligible collaterals in the EAD calculation which have the following characteristics:

- History of legal certainty and enforceability
- History of enforceability and recovery.

When estimating the ECLs, the Group considers three scenarios (a base case, an upside, a downside). Each of these is associated with different PDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

Forward looking information

In its ECL models, the Group relies on a range of forward looking information as economic inputs, such as:

- GDP growth
- Consumer price index

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.

Further the following criteria has been determined for assessment of default:

- The Group makes a charge-off or account-specific provision resulting from a perceived decline in credit quality subsequent to the Group taking on the exposure,
- The Group sells the credit obligation at a material credit-related economic loss,
- The Group consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or (where relevant) fees,
- The Group has filed for the obligor's bankruptcy or a similar order in respect of the obligor's credit obligation to the industry group, and
- The obligor has sought or has been placed in Bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation to the industry group.

4.3 Cash and cash equivalents

Cash and cash equivalents for the purpose of consolidated cash flow statement represent cash in hand, balances with treasury banks, balances with other banks in current and deposit accounts and short-term highly liquid investments with original maturities of three months or less.

4.4 Lendings to / borrowings from financial and other institutions

The Group enters into repurchase agreements (repo) and reverse repurchase agreements (reverse repo) at contracted rates for a specified period of time. These are recorded as under:

(a) Sale of securities under repurchase agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the consolidated financial statements and are measured in accordance with accounting policies for investment securities. The counterparty liability for amounts received under these agreements is included in borrowings. The difference between sale and repurchase price is treated as mark-up / return / interest expense and accrued over the life of the repo agreement using effective interest method.

(b) Purchase of securities under resale agreements

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the consolidated financial statements as the Group does not obtain control over the securities. Amounts paid under these agreements are included in lendings to financial institutions. The difference between purchase and resale price is treated as mark-up / return / interest income and accrued over the life of the reverse repo agreement using effective interest method.

4.5 Investments in associates

Associates are entities over which the Group has a significant influence but over which control does not exist.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investments in associates are initially recognised at cost plus investor's share of the profit or loss of the investees subsequent to the date of acquisition less impairment in value (if any). The investor's share of profit or loss of associates is recognised in the consolidated statement of profit and loss account.

4.6 Fixed assets and depreciation

4.6.1 Tangible assets - owned

Operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to the consolidated statement of profit and loss account using the straight line method at the rates stated in note 9 after taking into account residual values, if any. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. Depreciation is charged from the date when the asset is available for use while no depreciation is charged on the date the asset is disposed off.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repair and maintenance expenditure are charged to the consolidated statement of profit and loss account as and when incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain / loss on disposal of fixed assets is recognised in the consolidated statement of profit and loss account in the period in which disposal is made.

4.6.2 Ijarah assets

Ijarah assets are stated at cost less accumulated depreciation and impairment loss (if any). Depreciation is charged to income applying the straight line method whereby the cost of an asset, less its residual value, is written off over its lease period. In respect of additions and disposals during the year, depreciation is charged proportionately to the period of ijarah lease.

4.6.3 Lease liability and right-of-use assets

On initial recognition, right-of-use assets is measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or the site on which it is located.



Right-of-use assets is subsequently stated at cost less any accumulated depreciation / 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 tenure.

Right-of-use assets is depreciated over the expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which leases are entered into. No depreciation is charged from the day on which the leases mature or are terminated.

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also measured to reflect any remeasurement or change in lease terms. These remeasurement of lease liabilities are recognised as an adjustment to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the consolidated statement of profit and loss account as financial charges over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

4.6.4 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditure connected with specific assets incurred during the installation and construction / development period is carried under this head. These are transferred to the relevant categories of assets as and when assets become available for use.

4.6.5 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised using the straight line method at the rate stated in note 11. The residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, at each reporting date. Amortisation is charged from the date the asset is available for use while no amortisation is charged on the date the asset is disposed off.

Subsequent costs are included in the asset's carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Gains and losses on disposals, if any, are taken to the consolidated statement of profit and loss account in the period in which these arise.

4.7 Assets classified as held-for-sale

The Company classifies an 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 immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A held-for-sale asset is carried at the lower of its carrying amount and the fair value less costs to sell. Impairment losses are recognised in the unconsolidated statement of profit and loss account for any initial or subsequent write down of the asset to fair value less costs to sell. Subsequent gains in fair value less costs to sell are recognised to the extent these do not exceed the cumulative impairment losses previously recorded. An asset is not depreciated while classified as held for sale.

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4.8 Taxation

i. Current

Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

ii. Deferred

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes after considering, the average effective rate of tax.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences and carried forward unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilised.

Deferred tax assets and liabilities are measured at average tax rate that are expected to apply to the period when the asset is realised or the liability is settled.

4.8.1 Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

In these consolidated financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid assets'.

i. Revenue taxes

Revenue taxes includes amount representing excess of :

- a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;
- b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'.

ii. Final Taxes

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

4.9 Borrowings / deposits

Borrowings / deposits are recorded at the amount of proceeds received. The cost of borrowings / deposits is recognised as an expense in the period in which it is incurred. Any difference between the proceeds and the redemption value is recognised in the consolidated statement of profit and loss account over the period of the borrowings / deposits using the effective interest rate method.

4.10 Staff retirement benefits

4.10.1 Defined benefit plan - Holding Company

The Holding Company operates a funded gratuity scheme for its eligible permanent employees. The liability recognised in the consolidated statement of financial position in respect of defined benefit gratuity scheme is the present value of the defined benefit obligation as at the reporting date less the fair value of plan assets. Contributions to the fund are made on the basis of actuarial recommendations using the Projected Unit Credit Method under which the cost of providing gratuity is charged to the consolidated statement of profit and loss account so as to spread the cost over the service lives of the employees. Valuations are conducted by an independent actuary with the last valuation conducted on December 31, 2025.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Past service cost is the change in the present value of defined benefit obligation resulting from a plan amendment or curtailment and is recognised as an expense in the consolidated statement of profit and loss account when the plan amendment or curtailment occurs. Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income with no subsequent recycling through the consolidated statement of profit and loss account.

Defined contribution plan - Holding Company

The Holding Company operates a provident fund scheme for its employees. Equal monthly contributions are made into the Fund both by the Holding Company and the employees at the rate of 10% of basic salary.

4.10.2 Staff retirement benefits of the subsidiaries

Defined benefit scheme - subsidiaries

ACRCL and PLL operates a funded gratuity scheme for their employees. The liability recognised in the consolidated statement of financial position in respect of defined benefit gratuity scheme is the present value of the defined benefit obligation as at the reporting date less the fair value of plan assets. Contributions to the fund are made on the basis of actuarial recommendations using the Projected Unit Credit Method under which the cost of providing gratuity is charged to the consolidated statement of profit and loss account so as to spread the cost over the service lives of the employees.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Past service cost is the change in the present value of defined benefit obligation resulting from a plan amendment or curtailment and is recognised as an expense in the consolidated statement of profit and loss account when the plan amendment or curtailment occurs. Actuarial gains and losses that arise out of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income with no subsequent recycling through the consolidated statement of profit and loss account.

Defined Contribution - subsidiaries

The Subsidiaries provides provident fund benefits to its eligible employees. Equal monthly contributions are made to the Fund by the Subsidiaries and the employees respectively in accordance with the rules of the Fund. The Fund is governed under the Trust Act 1882, Trust Deed and Rules of the Fund, the Companies Act, 2017, Income Tax Ordinance, 2001 and Income Tax Rules, 2002. The subsidiaries has no further payment obligation once the contributions have been paid. The contributions either made or due by the subsidiary are recognised as employee benefit expense.



4.10.3 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Group has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable. Contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

4.10.4 Commitments

Commitments for capital expenditure contracted for but not incurred are disclosed in the consolidated financial statements at committed amounts.

4.11 Revenue recognition

Revenue is recognised to the extent that the economic benefits associated with the transaction will flow to the Group and the amount can be measured reliably.

- Mark-up / return / interest income on advances and investments is recognised on a time proportion basis taking into account effective yield on the instruments except in case of advances and investments classified as non-performing under the SBP's Prudential Regulations on which mark-up / return / interest is recognised on a receipt basis.
- Dividend income is recognised when the Group's right to receive dividend is established.
- Fee, commission and brokerage income and remuneration for trustee and advisory services are recognised when services are rendered.
- Premium or discount on debt securities is amortised using the effective interest method.
- Income from Diminishing Musharakah is recognised on an accrual basis.
- Gains and losses on disposal of assets are recognised in the period in which these arise.
- Return on bank deposits is recognised on a time proportion basis using the effective interest method.
- Rental income is recognised on accrual basis.

4.12 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

4.13 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss account.

4.14 Proposed dividends and transfers between reserves

Dividends declared and transfers between reserves made subsequent to the reporting date are considered as non-adjusting events and are recognised in the consolidated financial statements in the period in which such dividends are declared / transfers are made.



4.15 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing product or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Chief Executive Officer of the Holding Company has been identified as the chief operating decision-maker who is responsible for allocating resources and assessing the performance of the operating segments.

4.15.1 Business segments

Corporate finance

Corporate finance includes services provided in connection with mergers and acquisitions, underwriting, privatisation, securitisation, research, debts (government, high yield corporate bonds, etc.), equity, syndication, initial public offering (IPO) and secondary private placements.

Trading and sales

This includes fixed income, equity, foreign exchange, commodities, credit, funding, lending, repos and brokerage activities.

Commercial banking

Commercial banking includes project finance, real estate, export finance, trade finance, factoring, leasing, lending, guarantees, bill of exchange and deposits.

4.15.2 Geographical segments

The operations of the Group are currently based only in Pakistan.

5 CASH AND BALANCES WITH TREASURY BANKS

| Note | 2025 | 2024 |
|--|------------------|----------------|
| | Rupees in '000 | |
| Cash in hand | | |
| Local currency | 9 | 14 |
| Foreign currency | - | - |
| With State Bank of Pakistan in: | | |
| Local currency current account | 5.1 1,245,455 | 796,300 |
| Less: Credit loss allowance held against cash and balances with treasury banks | - | - |
| Cash and balances with treasury banks - net of credit loss allowance | <u>1,245,464</u> | <u>796,314</u> |

5.1 This includes Rs. 877.31 million (2024: Rs. 553.22 million) held as minimum cash reserve required to be maintained with the SBP in accordance with the requirements issued from time to time.

6 BALANCES WITH OTHER BANKS

| Note | 2025 | 2024 |
|--|------------------|------------------|
| | Rupees in '000 | |
| In Pakistan | | |
| In current accounts | 3,949 | 7,063 |
| In deposit accounts | 6.1 1,009,605 | 1,035,429 |
| Less: Credit loss allowance held against balances with other banks | (3) | (1) |
| Balances with other banks - net of credit loss allowance | <u>1,013,551</u> | <u>1,042,491</u> |

6.1 These carry mark-up rates of 4.00% to 10.00% per annum (2024: 5.02% to 9.50% per annum).

7 INVESTMENTS

7.1 Investments by type:

| 2025 | | | | 2024 | | | |
|-----------------------|-----------------------|---------------------|----------------|-----------------------|-----------------------|---------------------|----------------|
| Cost / amortised cost | Credit loss allowance | Surplus / (deficit) | Carrying value | Cost / amortised cost | Credit loss allowance | Surplus / (deficit) | Carrying value |

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

Debt Instruments

Classified / Measured at FVPL

Federal government securities
Non-government debt securities

7.1.1

| | | | | | | | |
|-----------|---|----------|-----------|-----------|---|----------|-----------|
| - | - | - | - | 2,438,340 | - | 10,660 | 2,449,000 |
| 2,188,479 | - | (37,575) | 2,150,904 | 2,188,545 | - | (17,692) | 2,170,853 |
| 2,188,479 | - | (37,575) | 2,150,904 | 4,626,885 | - | (7,032) | 4,619,853 |

Classified / Measured at FVOCI

Federal government securities
Non-government debt securities

7.1.1

| | | | | | | | |
|------------|-----------|-----------|-------------|-------------|-----------|---------|-------------|
| 98,831,116 | - | 1,337,601 | 100,168,717 | 159,681,183 | - | 490,282 | 160,171,465 |
| 865,308 | (185,293) | - | 680,015 | 821,780 | (227,786) | - | 593,994 |
| 99,696,424 | (185,293) | 1,337,601 | 100,848,732 | 160,502,963 | (227,786) | 490,282 | 160,765,459 |

| | | | | | | | |
|-------------|-----------|-----------|-------------|-------------|-----------|---------|-------------|
| 101,884,903 | (185,293) | 1,300,026 | 102,999,636 | 165,129,848 | (227,786) | 483,250 | 165,385,312 |
|-------------|-----------|-----------|-------------|-------------|-----------|---------|-------------|

Equity instruments

- Classified / Measured at FVPL

Ordinary shares

Listed companies

| | | | | | | | |
|---------|---|-------|---------|---|---|---|---|
| 176,492 | - | 6,087 | 182,579 | - | - | - | - |
|---------|---|-------|---------|---|---|---|---|

Classified / Measured at FVOCI (Non - Reclassifiable)

Shares

Listed companies **

| | | | | | | | |
|-----------|---|-----------|-----------|---------|---|---------|-----------|
| 1,144,168 | - | 1,245,931 | 2,390,099 | 979,472 | - | 366,571 | 1,346,043 |
|-----------|---|-----------|-----------|---------|---|---------|-----------|

Total investments

| | | | | | | | |
|-------------|-----------|-----------|-------------|-------------|-----------|---------|-------------|
| 103,205,563 | (185,293) | 2,552,044 | 105,572,314 | 166,109,320 | (227,786) | 849,821 | 166,731,355 |
|-------------|-----------|-----------|-------------|-------------|-----------|---------|-------------|

* The Group has shares of Pakistan Mercantile Exchange Limited which were acquired at a cost of Rs. 21.3 million were fully provided, On adoption of IFRS 9, the cost has been net off by provision.

** This amount represents unlisted non-convertible redeemable preference shares issued by Agritech Limited (AGL) to settle the outstanding principal of Rs. 53.124 million on Term Finance Certificates (TFCs) held by the Company which are fully provided. These shares were issued as part of a rehabilitation plan under a Scheme of Arrangement sanctioned by the Lahore High Court via its order dated June 3, 2022.

7.1.1 This includes privately placed Corporate Sukuks and Term Finance Certificates (TFCs) amounting to Rs. 2,091 million (2024: Rs. 2,061.95 million) which are carried at cost as their market value is not readily available from Mutual Fund Association of Pakistan (MUFAP).

7.2 Investments by segments:

| | 2025 | | | | 2024 | | | |
|---------------------------------------|-----------------------|-----------------------|---------------------|--------------------|-----------------------------|-----------------------|---------------------|--------------------|
| | Cost / amortised cost | Credit loss allowance | Surplus / (deficit) | Carrying value | Fair Value / amortised cost | Credit loss allowance | Surplus / (deficit) | Carrying value |
| ----- Rupees in '000 ----- | | | | | | | | |
| Federal government securities | | | | | | | | |
| Market Treasury Bills | - | - | - | - | 2,844,230 | - | 17,566 | 2,861,796 |
| Pakistan Investment Bonds | 98,831,116 | - | 1,337,601 | 100,168,717 | 159,275,293 | - | 483,376 | 159,758,669 |
| | 98,831,116 | - | 1,337,601 | 100,168,717 | 162,119,523 | - | 500,942 | 162,620,465 |
| Shares | | | | | | | | |
| Listed companies | 1,320,660 | - | 1,252,018 | 2,572,678 | 979,472 | - | 366,571 | 1,346,043 |
| Non-government debt securities | | | | | | | | |
| Listed | 962,736 | (14,361) | (37,575) | 910,800 | 962,736 | (14,361) | - | 948,375 |
| Unlisted | 2,091,051 | (170,932) | - | 1,920,119 | 2,047,589 | (213,425) | (17,692) | 1,816,472 |
| | 3,053,787 | (185,293) | (37,575) | 2,830,919 | 3,010,325 | (227,786) | (17,692) | 2,764,847 |
| Total investments | 103,205,563 | (185,293) | 2,552,044 | 105,572,314 | 166,109,320 | (227,786) | 849,821 | 166,731,355 |

| | 2025 | | | 2024 | | |
|----------------------------|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|
| | Cost / amortised cost | Surplus / (deficit) | Carrying value | Cost / amortised cost | Surplus / (deficit) | Carrying value |
| ----- Rupees in '000 ----- | | | | | | |

7.2.1 Investments given as collateral

| | | | | | | |
|---|-------------------|----------------|-------------------|-------------------|---------------|-------------------|
| Pakistan Investment Bonds | 33,700,960 | 321,640 | 34,022,600 | 18,703,613 | (141,083) | 18,562,530 |
| Term finance certificates / sukuku certificates | 569,790 | - | 569,790 | 569,818 | - | 569,818 |
| Ordinary shares | 225,907 | 246,661 | 472,568 | 149,050 | 156,734 | 305,784 |
| | 34,496,657 | 568,301 | 35,064,958 | 19,422,481 | 15,651 | 19,438,132 |

Above debt securities are pledged against the repurchase borrowings, while shares are pledged with National Clearing Company Pakistan Limited (NCCPL) against ready market exposure.

Market Treasury Bills carry effective yield of 10.5% to 10.6% (2024: 17.69% to 23.10%) per annum and will mature in 12 months. (2024: 12 months). Pakistan Investment Bonds carry mark-up ranging between 7.94% to 13% (2024: 8.75% to 24.79%) per annum on a semi-annual basis and will mature within 14 years (2024: 16 years). Certain government securities are kept with the SBP to meet the statutory liquidity requirement calculated on the basis of demand and time liabilities.

7.2.2 Particlurs of credit loss allowance

7.2.2.1 Investments - exposure

| | 2025 | | | 2024 | | |
|------------------------------------|-----------------|---------|----------|-----------------|---------|----------|
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| ----- Rupees in '000 ----- | | | | | | |
| Opening balance | 165,777,611 | 30,569 | 301,140 | 158,122,420 | - | 340,409 |
| New investments | 2,557,972,189 | - | - | 1,074,359,345 | - | - |
| Investments derecognised or repaid | (2,620,813,718) | (8,734) | (53,494) | (1,066,704,154) | - | (8,700) |
| Transfer to stage 1 | - | - | - | - | - | - |
| Transfer to stage 2 | - | - | - | - | 30,569 | (30,569) |
| Transfer to stage 3 | - | - | - | - | - | - |
| | (62,841,529) | (8,734) | (53,494) | 7,655,191 | 30,569 | (39,269) |
| Amounts written off / charged off | - | - | - | - | - | - |
| Closing balance | 102,936,082 | 21,835 | 247,646 | 165,777,611 | 30,569 | 301,140 |

7.2.2.2 Investments - Credit loss allowance

| | 2025 | | | 2024 | | |
|--------------------------------------|---------|---------|----------|---------|---------|----------|
| | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| ----- Rupees in '000 ----- | | | | | | |
| Gross carrying amount - Current year | 77 | 10,719 | 216,990 | 7 | - | 255,508 |
| New investments | - | - | 16,375 | 70 | - | - |
| Investments derecognised or repaid | (31) | (5,713) | (53,124) | - | - | (8,700) |
| Transfer to stage 1 | - | - | - | - | - | - |
| Transfer to stage 2 | - | - | - | - | 10,719 | (29,818) |
| Transfer to stage 3 | - | - | - | - | - | - |
| | (31) | (5,713) | (36,749) | 70 | 10,719 | (38,518) |
| Amounts written off / charged off | - | - | - | - | - | - |
| Closing balance - Current year | 46 | 5,006 | 180,241 | 77 | 10,719 | 216,990 |

7.2.2.3 Particulars of credit loss allowance against debt securities

| | | 2025 | | 2024 | |
|----------------------------|---------|--------------------|----------------------------|--------------------|----------------------------|
| | | Outstanding amount | Credit loss allowance held | Outstanding amount | Credit loss allowance held |
| ----- Rupees in '000 ----- | | | | | |
| Performing | Stage 1 | 101,615,422 | 46 | 164,798,139 | 77 |
| Underperforming | Stage 2 | 21,835 | 5,006 | 30,569 | 10,719 |
| Non-Performing | Stage 3 | - | - | - | - |
| Substandard | | - | - | - | - |
| Doubtful | | - | - | - | - |
| Loss | | 247,646 | 180,241 | 301,140 | 216,990 |
| | | 101,884,903 | 185,293 | 165,129,848 | 227,786 |

7.3 Quality of securities

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

| 2025 | 2024 |
|----------------------------|------|
| Cost | |
| ----- Rupees in '000 ----- | |

7.3.1 Federal government securities - Government guaranteed

| | | |
|---------------------------|-------------------|--------------------|
| Market Treasury Bills | - | - |
| Pakistan Investment Bonds | 98,831,116 | 159,275,293 |
| | 98,831,116 | 159,275,293 |

7.3.2 Ordinary shares

Listed companies

| | | |
|---|------------------|----------------|
| Oil and gas marketing / exploration companies | - | 152,863 |
| Commercial banks | 493,099 | 469,017 |
| Power generation and distribution | 368,687 | 167,342 |
| Cement | - | 190,250 |
| Fertilizer | 282,382 | - |
| | 1,144,168 | 979,472 |

All shares are ordinary shares of Rs. 10.

| 2025 | | 2024 | |
|----------------------------|---------------|------|---------------|
| Cost | Breakup value | Cost | Breakup value |
| ----- Rupees in '000 ----- | | | |

Unlisted companies

| | | | | |
|---------------------------------------|---------------|----------------|---------------|----------------|
| Pakistan Mercantile Exchange Limited* | 21,331 | 67,785 | 21,331 | 115,873 |
| Agritech Limited | 53,123 | 168,031 | - | - |
| | 74,454 | 235,816 | 21,331 | 115,873 |

*This investment has been fully provided.

| 2025 | 2024 |
|----------------------------|------|
| Cost | |
| ----- Rupees in '000 ----- | |

7.3.3 Non-government debt securities

Unlisted

| | | |
|-----------------|----------------|----------------|
| - AAA | 150,000 | 100,000 |
| - AA+, AA, AA- | 150,000 | 50,000 |
| - A+, A, A- | 363,636 | 425,000 |
| - CCC and below | 96,172 | 141,280 |
| - Unrated | 105,500 | 105,500 |
| | 865,308 | 821,780 |

| 2025 | 2024 |
|----------------------------|------|
| Cost | |
| ----- Rupees in '000 ----- | |

7.3.4 Equity securities

Listed

Oil and gas marketing / exploration companies

Pak Oilfields Limited

Commercial banks

Meezan Bank Limited

National Bank of Pakistan

Bank Al-Falah Limited

United Bank Limited

Bank Al-Habib Limited

BankIslami Pakistan Limited

Power generation and distribution

The Hub Power Company Limited

Kot Addu Power Company Limited

Nishat Power Limited

Fertilizer

Fauji Fertilizer Company Limited

| | |
|------------------|----------------|
| - | 152,863 |
| - | - |
| 82,123 | 82,123 |
| 149,466 | 125,384 |
| 149,050 | 149,050 |
| 112,460 | 112,460 |
| - | - |
| 234,960 | - |
| 133,726 | 133,726 |
| - | 33,616 |
| 282,383 | 190,250 |
| 1,144,168 | 979,472 |

Unlisted

Pakistan Mercantile Exchange Limited

Agritech Limited

| | |
|---------------|---------------|
| 21,331 | 21,331 |
| 53,123 | - |
| 74,454 | 21,331 |

8 ADVANCES

| Performing | | Non-performing | | Total | |
|----------------------------|------|----------------|------|-------|------|
| 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| ----- Rupees in '000 ----- | | | | | |

Loans, cash credits, running

finances, etc.

26,204,831 20,616,503 1,119,825 753,092 27,324,656 21,369,595

Islamic financing and related assets

3,284,590 3,032,113 411,937 711,937 3,696,527 3,744,050

Bills discounted and purchased

- - - - - - - -

Advances - gross

29,489,421 23,648,616 1,531,762 1,465,029 31,021,183 25,113,645

Credit loss allowance against advances

- Stage 1

97,389 68,629 - - 97,389 68,629

- Stage 2

134,298 22,497 - - 134,298 22,497

- Stage 3

- - 1,280,480 1,169,550 1,280,480 1,169,550

231,687 91,126 1,280,480 1,169,550 1,512,167 1,260,676

Advances - net of credit loss allowance

29,257,734 23,557,490 251,282 295,479 29,509,016 23,852,969

8.1 This 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 in '000 ----- | | | | | | | |
| Lease rentals receivable | 950,036 | 1,503,091 | - | 2,453,127 | 929,001 | 1,028,443 | - | 1,957,444 |
| Residual value | 479,204 | 722,849 | - | 1,202,053 | 450,072 | 602,601 | - | 1,052,673 |
| Minimum lease payments | 1,429,240 | 2,225,940 | - | 3,655,180 | 1,379,073 | 1,631,044 | - | 3,010,117 |
| Financial charges for future periods | (103,642) | (307,802) | - | (411,444) | (197,223) | (140,284) | - | (337,507) |
| Present value of minimum lease payments | 1,325,598 | 1,918,138 | - | 3,243,736 | 1,181,850 | 1,490,760 | - | 2,672,610 |

8.1.1 These leases are executed for a term of 1 to 5 years. Security deposits have been obtained within a range of 10% to 50% (2024: 10% to 50%) of the cost of investment at the time of disbursement and have been recorded in other liabilities. The rate of return ranges from 13.50% to 30% per annum (2024: 9.22% to 29.08% per annum). Lease rentals are receivable in monthly / quarterly / half yearly instalments. The assets are pledged in favour of the Group.

| | 2025 | 2024 |
|--|----------------------------|-------------------|
| | ----- Rupees in '000 ----- | |
| 8.2 Particulars of advances (gross) | | |
| In local currency | 31,021,183 | 25,113,645 |
| In foreign currencies | - | - |
| | <u>31,021,183</u> | <u>25,113,645</u> |

8.2.1 Advances to Women, Women-owned and Managed Enterprises

| | | |
|-------------------------------------|----------------|----------------|
| Women | - | - |
| Women Owned and Managed Enterprises | 673,731 | 413,756 |
| | <u>673,731</u> | <u>413,756</u> |

8.2.2 Gross loans disbursed to women, women-owned and managed enterprises during the year Rs. 503.20 million (2024: Rs.293.73 million)

8.3 Particulars of credit loss allowance

8.3.1 Advances - Exposure

| | 2025 | | | | 2024 | | | |
|-----------------------------------|----------------------------|-----------|-----------|--------------|--------------|-----------|-----------|--------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | ----- Rupees in '000 ----- | | | | | | | |
| Gross carrying amount - opening | 22,362,780 | 1,285,836 | 1,465,029 | 25,113,645 | 21,656,732 | 517,886 | 1,424,446 | 23,599,064 |
| New advances | 23,375,458 | 238,256 | - | 23,613,714 | 19,027,728 | 84,949 | 52,552 | 19,165,229 |
| Advances derecognised or repaid | (17,399,530) | (240,137) | (66,508) | (17,706,176) | (17,172,746) | (265,078) | (212,824) | (17,650,648) |
| Transfer to stage 1 | 148,750 | (126,771) | (21,979) | - | 30,500 | (30,500) | - | - |
| Transfer to stage 2 | (208,143) | 211,850 | (3,708) | - | (1,033,760) | 1,033,760 | - | - |
| Transfer to stage 3 | (141,897) | (17,031) | 158,928 | - | (145,674) | (55,181) | 200,855 | - |
| | 5,774,638 | 66,167 | 66,733 | 5,907,538 | 706,048 | 767,950 | 40,583 | 1,514,581 |
| Amounts written off / charged off | - | - | - | - | - | - | - | - |
| Closing balance | 28,137,418 | 1,352,003 | 1,531,762 | 31,021,183 | 22,362,780 | 1,285,836 | 1,465,029 | 25,113,645 |

8.3.2 Advances - Credit loss allowance

| | 2025 | | | | 2024 | | | |
|--|----------------|---------|-----------|-----------|----------|---------|-----------|-----------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | Rupees in '000 | | | | | | | |
| Opening balance | 68,629 | 22,497 | 1,169,550 | 1,260,676 | 81,284 | 24,770 | 1,194,736 | 1,300,790 |
| New Advances | 51,930 | 28,221 | - | 80,151 | 38,859 | 1,477 | 5,111 | 45,447 |
| Advances derecognised or repaid | (32,756) | (3,457) | (34,869) | (71,082) | (33,805) | (2,302) | (137,994) | (174,101) |
| Transfer to stage 1 | 647 | (525) | (122) | - | 185 | (185) | - | - |
| Transfer to stage 2 | (2,285) | 2,405 | (120) | - | (2,875) | 2,875 | - | - |
| Transfer to stage 3 | (3,424) | (362) | 3,786 | - | (10,882) | (9,117) | 19,999 | - |
| | 14,111 | 26,282 | (31,325) | 9,069 | (8,518) | (7,252) | (112,884) | (128,654) |
| Amounts written off / charged off | - | - | - | - | - | - | - | - |
| Changes in risk parameters (PDs/LGDs/EADs) | 14,649 | 85,519 | 142,255 | 242,422 | (4,137) | 4,979 | 87,698 | 88,540 |
| Closing balance | 97,389 | 134,298 | 1,280,480 | 1,512,167 | 68,629 | 22,497 | 1,169,550 | 1,260,676 |

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

| | 2025 | | | | 2024 | | | |
|-----------------------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| | Rupees in '000 | | | | | | | |
| Outstanding gross exposure | | | | | | | | |
| Performing - Stage 1 | 28,137,418 | - | - | 28,137,418 | 22,362,780 | - | - | 22,362,780 |
| Under Performing - Stage 2 | - | 1,352,003 | - | 1,352,003 | - | 1,285,836 | - | 1,285,836 |
| Non-performing - Stage 3 | | | | | | | | |
| Other Assets Especially Mentioned | - | - | 37,213 | 37,213 | - | - | 4,900 | 4,900 |
| Substandard | - | - | 85,845 | 85,845 | - | - | 32,821 | 32,821 |
| Doubtful | - | - | 43,236 | 43,236 | - | - | 8,008 | 8,008 |
| Loss | - | - | 1,365,469 | 1,365,469 | - | - | 1,419,300 | 1,419,300 |
| | - | - | 1,531,762 | 1,531,762 | - | - | 1,465,029 | 1,465,029 |
| Total | 28,137,418 | 1,352,003 | 1,531,762 | 31,021,183 | 22,362,780 | 1,285,836 | 1,465,029 | 25,113,645 |
| Corresponding ECL | | | | | | | | |
| Stage 1 and stage 2 | 97,389 | 134,298 | - | 231,687 | 68,629 | 22,497 | - | 91,126 |
| Stage 3 | - | - | 1,280,480 | 1,280,480 | - | - | 1,169,550 | 1,169,550 |
| | 28,040,029 | 1,217,705 | 251,282 | 29,509,016 | 22,294,151 | 1,263,339 | 295,479 | 23,852,969 |

8.3.3.1 Category of classification in stage 3

| | 2025 | | 2024 | |
|-----------------------------------|----------------------|-----------------------|----------------------|-----------------------|
| | Non performing loans | Credit loss allowance | Non performing loans | Credit loss allowance |
| | Rupees in '000 | | | |
| Domestic | | | | |
| Other Assets Especially Mentioned | 37,213 | 14,062 | 4,900 | 3,114 |
| Substandard | 85,845 | 23,964 | 32,821 | 20,868 |
| Doubtful | 43,236 | 18,456 | 8,008 | 5,090 |
| Loss | 1,365,469 | 1,223,999 | 1,419,300 | 1,140,478 |
| Total | 1,531,762 | 1,280,480 | 1,465,029 | 1,169,550 |

Advances include Rs. 1,531.762 million (2024: Rs. 1,465.029 million) which have been placed under the non-performing status.

8.4 Particulars of credit loss allowance against advances

| | 2025 | | | 2024 | | |
|---------------------|----------------------------|-------------|-----------|-----------|-------------|-----------|
| | Stage 3 | Stage 1 & 2 | Total | Stage 3 | Stage 1 & 2 | Total |
| | ----- Rupees in '000 ----- | | | | | |
| Opening balance | 1,169,550 | 91,126 | 1,260,676 | 1,194,736 | 106,054 | 1,300,790 |
| Charge for the year | 155,974 | 187,781 | 343,755 | 98,289 | 2,740 | 101,029 |
| Reversal | (45,044) | (47,220) | (92,264) | (123,475) | (17,668) | (141,143) |
| | 110,930 | 140,561 | 251,491 | (25,186) | (14,928) | (40,114) |
| Amounts written off | - | - | - | - | - | - |
| Closing balance | 1,280,480 | 231,687 | 1,512,167 | 1,169,550 | 91,126 | 1,260,676 |

8.5 Particulars of credit loss allowance against advances

| | 2025 | | | 2024 | | |
|-----------------------|----------------------------|-----------|-----------|-------------|-----------|-----------|
| | Stage 1 & 2 | Stage 3 | Total | Stage 1 & 2 | Stage 3 | Total |
| | ----- Rupees in '000 ----- | | | | | |
| In local currency | 231,687 | 1,280,480 | 1,512,167 | 91,126 | 1,169,550 | 1,260,676 |
| In foreign currencies | - | - | - | - | - | - |
| | 231,687 | 1,280,480 | 1,512,167 | 91,126 | 1,169,550 | 1,260,676 |

Forced Sale Value (FSV) benefit amounting to Rs. 100.38 million (2024: Rs. 292.44 million) is available with the Company against certain mortgaged properties held as collateral against non-performing advances. However, the same has not been considered while computing credit loss allowance as at year end, as credit loss allowance has been computed under IFRS 9 - Financial Instruments.

9 PROPERTY AND EQUIPMENT

| | Note | 2025 | 2024 |
|--------------------------|------|----------------------------|---------|
| | | ----- Rupees in '000 ----- | |
| Property and equipment | 9.2 | 89,232 | 102,779 |
| Capital work in progress | 9.1 | - | 624 |
| | | 89,232 | 103,403 |

9.1 Capital work-in-progress

| | | | |
|-------------|--|---|-----|
| | | - | 624 |
| Civil works | | - | 624 |

9.2 Property and equipment

| 2025 | | | | | | | | |
|-------------------------------------|------------------------|------------------------|---------------------------------|--------------------|----------|---------------|-------|-----------|
| Ijarah Asset | Leasehold improvements | Furniture and fixtures | Electrical and office equipment | Computer equipment | Vehicles | Mobile phones | Total | |
| Rupees in '000 | | | | | | | | |
| At January 1, 2025 | | | | | | | | |
| Cost | 62,000 | 52,218 | 25,893 | 22,622 | 44,060 | 74,223 | - | 281,016 |
| Accumulated depreciation | (15,705) | (48,511) | (22,992) | (19,126) | (33,435) | (38,468) | - | (178,237) |
| Net book value | 46,295 | 3,707 | 2,901 | 3,496 | 10,625 | 35,755 | - | 102,779 |
| Year ended December 31, 2025 | | | | | | | | |
| Opening net book value | 46,295 | 3,707 | 2,901 | 3,496 | 10,625 | 35,755 | - | 102,779 |
| Additions | - | 4,748 | 3,127 | 3,487 | 5,713 | 160 | 2,350 | 19,585 |
| Disposals | - | - | - | - | - | - | - | - |
| Cost | - | - | - | (793) | (474) | - | - | (1,267) |
| Accumulated depreciation | - | - | - | 793 | 376 | - | - | 1,169 |
| | - | - | - | - | (98) | - | - | (98) |
| Depreciation charge | (9,920) | (1,233) | (1,127) | (1,858) | (6,302) | (12,243) | (351) | (33,034) |
| Closing net book value | 36,375 | 7,222 | 4,901 | 5,125 | 9,938 | 23,672 | 1,999 | 89,232 |
| At December 31, 2025 | | | | | | | | |
| Cost | 62,000 | 56,966 | 29,020 | 26,109 | 49,675 | 74,383 | 2,350 | 300,503 |
| Accumulated depreciation | (25,625) | (49,744) | (24,119) | (20,984) | (39,737) | (50,711) | (351) | (211,271) |
| Net book value | 36,375 | 7,222 | 4,901 | 5,125 | 9,938 | 23,672 | 1,999 | 89,232 |
| Rate of depreciation (percentage) | 20% | 20% | 20% | 20% | 33% | 25% | 33% | - |

| 2024 | | | | | | | | |
|-------------------------------------|------------------------|------------------------|---------------------------------|--------------------|----------|---------------|-------|-----------|
| Ijarah Asset | Leasehold improvements | Furniture and fixtures | Electrical and office equipment | Computer equipment | Vehicles | Mobile phones | Total | |
| Rupees in '000 | | | | | | | | |
| At January 1, 2024 | | | | | | | | |
| Cost | 62,000 | 48,892 | 23,752 | 21,658 | 38,588 | 69,463 | 470 | 264,823 |
| Accumulated depreciation | (5,787) | (48,232) | (22,552) | (17,405) | (28,271) | (23,254) | (470) | (145,971) |
| Net book value | 56,213 | 660 | 1,200 | 4,253 | 10,317 | 46,209 | - | 118,852 |
| Year ended December 31, 2024 | | | | | | | | |
| Opening net book value | 56,213 | 660 | 1,200 | 4,253 | 10,317 | 46,209 | - | 118,852 |
| Additions | - | 3,336 | 2,177 | 987 | 5,536 | 4,760 | - | 16,796 |
| Disposals | - | - | - | - | - | - | - | - |
| Cost | - | (18) | (406) | (1,338) | (640) | - | - | (2,402) |
| Accumulated depreciation | - | 8 | 370 | 1,315 | 576 | - | - | 2,269 |
| | - | (10) | (36) | (23) | (64) | - | - | (133) |
| Depreciation charge | (9,918) | (279) | (440) | (1,721) | (5,164) | (15,214) | - | (32,736) |
| Closing net book value | 46,295 | 3,707 | 2,901 | 3,496 | 10,625 | 35,755 | - | 102,779 |
| At December 31, 2024 | | | | | | | | |
| Cost | 62,000 | 52,218 | 25,893 | 22,622 | 44,060 | 74,223 | 470 | 281,486 |
| Accumulated depreciation | (15,705) | (48,511) | (22,992) | (19,126) | (33,435) | (38,468) | (470) | (178,707) |
| Net book value | 46,295 | 3,707 | 2,901 | 3,496 | 10,625 | 35,755 | - | 102,779 |
| Rate of depreciation (percentage) | 20% | 20% | 20% | 20% | 33% | 25% | 50% | - |

9.2.1 Details of disposals made to related parties

| Particulars of assets | Cost | Accumulated depreciation | Net book value | Sale proceeds | Mode of disposal | Particulars of purchasers |
|-----------------------|------|--------------------------|----------------|---------------|--------------------------------|--|
| Rupees in '000 | | | | | | |
| 2025 | | | | | | |
| Laptop | 71 | 71 | - | - | As per the terms of employment | Haris Hussain (Ex Head Investment Banking) |
| 2024 | | | | | | |
| Laptop | 151 | 151 | - | - | As per the terms of employment | Abdul Jaleel Shaikh (Ex Chief Risk Officer) |

9.2.2 The cost of fully depreciated fixed assets that are still in the Group's use is as follows:

| | 2025 | 2024 |
|---|---|-----------------|
| | ----- Rupees in '000 ----- | |
| Leasehold improvements | 52,431 | 47,799 |
| Furniture and fixtures | 19,037 | 16,907 |
| Electrical, office and computer equipment | 40,888 | 34,261 |
| Vehicles | 1,580 | 176 |
| | <u>113,936</u> | <u>99,143</u> |
| | 2025 | 2024 |
| | ----- Buildings ----- ----- Rupees in '000 ----- | |
| 10 RIGHT-OF-USE ASSETS | | |
| At January 01, | | |
| Cost | 191,166 | 105,972 |
| Accumulated Depreciation | <u>(118,174)</u> | <u>(81,812)</u> |
| Net Carrying amount at January 01, | 72,992 | 24,160 |
| Additions / reassessment during the year | 30,826 | 88,221 |
| Deletions during the year | - | (2,984) |
| Depreciation Charge for the year | <u>(59,843)</u> | <u>(36,406)</u> |
| Net Carrying amount at December 31, | <u>43,975</u> | <u>72,991</u> |
| 11 INTANGIBLE ASSETS | | |
| Intangible assets | 3,377 | 8,020 |
| Capital work-in-progress | - | - |
| | <u>3,377</u> | <u>8,020</u> |
| | 2025 | 2024 |
| | ----- Computer software ----- ----- Rupees in '000 ----- | |
| 11.1 Intangible assets | | |
| At January 1, | | |
| Cost | 43,382 | 43,026 |
| Accumulated amortisation | <u>(35,362)</u> | <u>(30,227)</u> |
| Net book value | 8,020 | 12,799 |
| Year ended December 31, | | |
| Opening net book value | 8,020 | 12,799 |
| Additions | 373 | 356 |
| Amortisation charge | <u>(5,016)</u> | <u>(5,135)</u> |
| Closing net book value | <u>3,377</u> | <u>8,020</u> |
| At December 31, | | |
| Cost | 43,755 | 43,382 |
| Accumulated amortisation | <u>(40,378)</u> | <u>(35,362)</u> |
| Net book value | <u>3,377</u> | <u>8,020</u> |
| Rate of amortisation (percentage) | <u>33.33%</u> | <u>33.33%</u> |
| Useful life (in years) | <u>3</u> | <u>3</u> |

11.1.1 The cost of fully amortised intangible assets still in use amounts to Rs. 39.81 million (2024: Rs. 35.53 million).

12 DEFERRED TAX ASSETS

| 2025 | | | |
|--------------------|---|-------------------|----------------------|
| At January 1, 2025 | Recognised in consolidated statement of profit and loss account | Recognised in OCI | At December 31, 2025 |

Rupees in 000

Deductible temporary differences on:

- Lease liability
- Bonus payable
- Credit loss allowance against debt securities
- Credit loss allowance against advances
- Deficit on debt investment (FVPL) - Listed
- Payable to defined benefit plan - related party
- Provision for off-balance sheet obligations
- Minimum tax liability u/s 113

| | | | |
|---------|---------|---|---------|
| 13,586 | 7,641 | - | 21,227 |
| 33,150 | (3,900) | - | 29,250 |
| 88,838 | 4,145 | - | 92,983 |
| 473,480 | 105,705 | - | 579,185 |
| 2,742 | 11,913 | - | 14,654 |
| 2,241 | 875 | - | 3,115 |
| 5,750 | 10,249 | - | 15,999 |
| - | 92,050 | - | 92,050 |
| 619,786 | 228,677 | - | 848,464 |

Taxable temporary differences on:

- Right-of-use asset
- Net investment in finance lease
- Property and equipment
- Surplus on revaluation of securities measured at FVOCI - Equity
- Surplus on revaluation of securities measured at FVOCI - Debt
- Surplus on equity investment - FVPL
- Amortisation of (discount) / premium on investment
- Remeasurement loss on defined benefit plan

| | | | |
|-----------|-----------|-----------|-----------|
| (21,595) | 5,830 | - | (15,765) |
| 56,549 | (125,411) | - | (68,862) |
| 762 | (1,260) | - | (498) |
| (82,478) | - | (229,005) | (311,483) |
| (191,210) | - | (330,454) | (521,664) |
| - | (1,522) | - | (1,522) |
| (22,312) | 269,276 | - | 246,964 |
| 372 | - | (911) | (539) |
| (259,912) | 146,913 | (560,370) | (673,369) |
| 359,874 | 375,590 | (560,370) | 175,095 |

| 2024 | | | |
|--------------------|--|-------------------|----------------------|
| At January 1, 2024 | Recognised in consolidated profit and loss account | Recognised in OCI | At December 31, 2024 |

Rupees in 000

Deductible temporary differences on:

- Lease liability
- Net investment in finance lease
- Bonus payable
- Credit loss allowance against debt securities
- Credit loss allowance against advances
- Surplus on revaluation of Securities measured at FVOCI - Debt
- Deficit on debt investment (FVPL) - Listed
- Payable to defined benefit plan - related party
- Provision for off-balance sheet obligations

| | | | |
|-----------|----------|-----------|-----------|
| 3,039 | 10,547 | - | 13,586 |
| 2,426 | 54,123 | - | 56,549 |
| 37,831 | (4,681) | - | 33,150 |
| 99,652 | (10,814) | - | 88,838 |
| 496,594 | (23,114) | - | 473,480 |
| 684,223 | - | (875,433) | (191,210) |
| 4,848 | (2,106) | - | 2,742 |
| 172 | 2,069 | - | 2,241 |
| 5,186 | 564 | - | 5,750 |
| 1,333,970 | 26,588 | (875,433) | 485,125 |

Taxable temporary differences on:

- Right-of-use assets
- Property and equipment
- Surplus on revaluation of Securities measured at FVOCI - Equity
- Amortization of (discount) / premium on investment
- Lease receivable against sub lease
- Remeasurement loss on defined benefit plan

| | | | |
|-----------|----------|-----------|-----------|
| (9,712) | (11,883) | - | (21,595) |
| (6,055) | 6,817 | - | 762 |
| (72,502) | - | (9,976) | (82,478) |
| (9,271) | (13,041) | - | (22,312) |
| (170) | 170 | - | - |
| 933 | - | (561) | 372 |
| (96,777) | (17,937) | (10,537) | (125,251) |
| 1,237,193 | 8,651 | (885,970) | 359,874 |

| | | 2025 | 2024 |
|-------------|---|--------------------|--------------------|
| | | Rupees in '000 | |
| 13 | OTHER ASSETS | | |
| | | Note | |
| | Income / mark-up accrued in local currency | | |
| | Advances, deposits, advance rent and other prepayments | | |
| | Advance taxation (payment less provision) | | |
| | Receivable against sale of shares | | |
| | Lease receivable under IFRS-16 | | |
| | | 2,702,763 | 5,252,940 |
| | | 97,507 | 155,928 |
| | | 4,969,159 | 5,369,757 |
| | | 192,945 | 27,261 |
| | | 4,005 | 2,852 |
| | | <u>7,966,379</u> | <u>10,808,738</u> |
| | Less: credit loss allowance against other assets | (5,221) | (32,482) |
| | | <u>7,961,158</u> | <u>10,776,256</u> |
| 13.1 | Credit loss allowance against other assets | | |
| | Opening balance | | |
| | | 32,482 | 25,830 |
| | Charge for the year | | |
| | Reversals | 30 | |
| | | - | 6,652 |
| | | (27,261) | - |
| | | (27,261) | 6,652 |
| | Closing balance | | |
| | | <u>5,221</u> | <u>32,482</u> |
| 14 | ASSETS CLASSIFIED AS HELD-FOR-SALE | | |
| | Land, building and machinery acquired from: | | |
| | Lion Steel Industries (Private) Limited | 14.1 | |
| | | | |
| | | <u>168,904</u> | <u>168,904</u> |
| 14.1 | These represent land, building and machinery which have been classified as 'non-current assets as held for sale' as at December 31, 2021. The Group acquired these assets by settling total outstanding principal and mark-up of Rs. 135 million and Rs. 34 million respectively. It is expected that the process of sale of these assets will be completed in the near future. | | |
| 14.2 | Discontinued Operation | | |
| | During the financial year ended December 31, 2024, the Holding Company disposed of its subsidiary, Awwal Modaraba Management Limited (the former Subsidiary). The former Subsidiary had reported a loss of Rs. 16,456 million in the preceding year. | | |
| 15 | BORROWINGS | | |
| | | Note | |
| | | | |
| | Secured | | |
| | Borrowings from State Bank of Pakistan under: | | |
| | - Long-Term Finance Facility (LTFF) scheme | 15.2 | |
| | | | |
| | | 1,518,989 | 2,274,222 |
| | - Power Plants Using Renewable Energy (PPRE) scheme | 15.3 | |
| | | | |
| | | 96,822 | 135,894 |
| | - Temporary Economic Refinance Facility (TERF) | 15.4 | |
| | | | |
| | | 548,012 | 646,902 |
| | - Finance for Storage of Agriculture Produce (FSAP) scheme | 15.5 | |
| | | | |
| | | 764,260 | 288,355 |
| | - Credit Guarantee (CGS) Scheme | 15.6 | |
| | | | |
| | | 347,645 | 210,852 |
| | - Special Persons (SP) Scheme | 15.7 | |
| | | | |
| | | 1,730 | 2,790 |
| | - Working Capital (WCF) Scheme | 15.8 | |
| | | | |
| | | 1,443,841 | 1,252,279 |
| | - Balancing, Modernisation & Replacement (BMR) scheme | 15.9 | |
| | | | |
| | | 1,456,873 | 866,224 |
| | | <u>6,178,172</u> | <u>5,677,518</u> |
| | Repurchase agreement borrowings | 15.10 | |
| | | | |
| | | 33,980,400 | 18,542,005 |
| | Borrowings from banks | 15.11 | |
| | | | |
| | | 17,343,333 | 107,081,666 |
| | Total secured | | |
| | | <u>57,501,905</u> | <u>131,301,189</u> |
| | Unsecured | | |
| | Letters of placement: | 15.12 | |
| | | | |
| | | 64,566,559 | 53,725,614 |
| | | <u>122,068,464</u> | <u>185,026,803</u> |
| 15.1 | Particulars of borrowings with respect to currencies | | |
| | In local currency | | |
| | | 122,068,464 | 185,026,803 |
| | In foreign currencies | | |
| | | - | - |
| | | <u>122,068,464</u> | <u>185,026,803</u> |

- 15.2 The Group has entered into agreements for financing with the SBP for Long-Term Financing under export oriented projects to customers. According to the terms of the respective agreements, the SBP has the right to receive the outstanding amount from The Group at the due date by directly debiting the current account maintained by The Group with the SBP. The rate of return ranges from 2% to 11% per annum (2024: 2% to 11% per annum). These are secured against demand promissory notes and are repayable within 6 years (2024: 7 years).
- 15.3 These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00% to 3.00% per annum (2024: 2.00% to 5.00% per annum) and are due to mature latest by July, 2029 (2024: June, 2029). As per the terms of the agreement, The Group has granted the SBP a right to recover the outstanding amount from The Group at the respective date of maturity of finances by directly debiting the current account of The Group maintained with the SBP.
- 15.4 These represent borrowings from the SBP under scheme for temporary economic refinance facility. The mark-up rate applicable on these facilities is 1% to 2% per annum (2024: 1% to 2% per annum) payable on quarterly basis, with maturities upto May, 2032 (2024: May 2032). As per the terms of the agreement, The Group has granted the SBP a right to recover the outstanding amount from The Group at the respective date of maturity of finances by directly debiting the current account of The Group maintained with the SBP.
- 15.5 These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at rate of 2% to 4% per annum (2024: 2% to 4% per annum) and are due to be matured by February, 2032 (2024: February, 2030)
- 15.6 These represent borrowings from the SBP under scheme for refinance and credit guarantee schemes. The mark-up rate applicable on these facilities is 0% per annum (2024: 0% to 2% per annum) payable on quarterly basis, with maturities upto November 2030 (2024: November, 2029). As per the terms of the agreement, The Group has granted the SBP a right to recover the outstanding amount from The Group at the respective date of maturity of finances by directly debiting the current account of The Group maintained with the SBP.
- 15.7 These represent financing facilities to special persons to meet credit needs for setting up of new business enterprises or for expansion of existing ones and claim refinance from State Bank of Pakistan up to 100% of finance extended by them. The spread is capped at 5% per annum (2024: 5% per annum) by SBP whereas SBP's refinance rate for this facility is 0% per annum (2024: 0% per annum) with maturities upto September, 2029 (2024: September, 2029). In case of default of the counterparty, upto 60% of principal is covered by SBP. As per the terms of the agreement, The Group has granted the SBP a right to recover the outstanding amount from The Group at the respective date of maturity of finances by directly debiting the current account of The Group maintained with the SBP.
- 15.8 These represent borrowings from the SBP under scheme for working capital facilities. The mark-up rate applicable on these facilities is 2% per annum (2024: 2% per annum) payable on quarterly basis, with maturities upto September, 2030 (2024: May, 2028). As per the terms of the agreement, The Group has granted the SBP a right to recover the outstanding amount from The Group at the respective date of maturity of finances by directly debiting the current account of The Group maintained with the SBP.
- 15.9 These represent borrowings from the SBP under scheme for balancing, modernisation & replacement scheme. The mark-up rate applicable on these facilities is 2% per annum (2024: 2% per annum) payable on quarterly basis, with maturities upto January, 2032 (2024: September, 2030). As per the terms of the agreement, The Group has granted the SBP a right to recover the outstanding amount from The Group at the respective date of maturity of finances by directly debiting the current account of The Group maintained with the SBP.
- 15.10 These represent borrowings from various financial institutions at mark-up rates ranging from 10.50% to 11.00% per annum (2024: 13.06% to 13.50% per annum). Pakistan Investment Bonds having a face value of Rs. 34,000 million (2024: 18,704 million) have been given as collateral against these borrowings respectively.
- 15.11 These borrowings carry mark-up at rates ranging from 10.73% to 11.31% per annum (2024: 11.00% to 19.06% per annum) and are repayable within 3 years (2024: 3 years). These are secured against pari passu, ranking pari passu, hypothecation of current asstes, Floating charge over term finance certificates having a face value of Rs. 569.79 million (2024: Rs. 569.86 million). further this represents term finance facilities extended by Allied Bank Limited, United Bank Limited, Habib Bank Limited and JS Bank Limited under various agreements entered into with PLL between April 20, 2022 and August 29, 2025. The facilities are secured against a pari passu hypothecation charge over PLL's present and future book debts, deposits and receivables and, in certain cases, current assets with 25% margin, for amounts ranging from Rs. 267 million to Rs. 400 million. Mark-up is charged at rates ranging from 3 months KIBOR plus 75 to 100 basis points. Certain facilities matured during the year while the remaining facilities are due to mature between September 30, 2025 and March 12, 2030.

| 2025 | | |
|-------------|-------------|-------|
| Minimum (%) | Maximum (%) | Tenor |

15.12 Particulars of borrowings

Letters of placement:

- Others

9.00 11.25 3 months

| 2024 | | |
|-------------|-------------|-------|
| Minimum (%) | Maximum (%) | Tenor |

Letters of placement:

- Others

11.00 15.00 5 months

16 DEPOSITS AND OTHER ACCOUNTS

| Note | 2025 | | | 2024 | | |
|-------------------------------------|-------------------|-----------------------|-------|-------------------|-----------------------|-----------|
| | In local currency | In foreign currencies | Total | In local currency | In foreign currencies | Total |
| ----- Rupees in '000 ----- | | | | | | |
| Customers | | | | | | |
| - Certificate of investments (COIs) | 16.1 | - | - | 1,165,705 | - | 1,165,705 |
| Financial institutions | | | | | | |
| - Certificate of investments (COIs) | 16.2 | - | - | 1,165,705 | - | 1,165,705 |

16.1 These Certificate of Investments (COIs) carry mark-up rate of nil per annum (2024: 14.50% to 21.50% per annum) with maturities upto nil (2024: June, 2025)

16.2 Composition of deposits

- Public sector entities

- Private sector

| 2025 | 2024 |
|----------------------------|-----------|
| ----- Rupees in '000 ----- | |
| - | - |
| - | 1,165,705 |
| - | 1,165,705 |

17 LEASE LIABILITIES

Outstanding amount at the start of the year

Addition / Reassessment of lease

Modification in lease

Interest expense

Payments of lease rental

Closing balances

61,649 9,527

33,798 88,221

3,967 -

12,458 5,033

(52,748) (41,132)

59,124 61,649

Contractual maturity of lease liabilities

Short-term lease liabilities - within one year

Long-term lease liabilities

- 1 to 5 years

- 5 to 10 years

- More than 10 years

54,184 50,875

4,940 10,774

- -

- -

4,940 10,774

59,124 61,649

Total lease liabilities

20

| | | 2025 | 2024 |
|--------|--|----------------------------|-----------------------------------|
| | | ----- Rupees in '000 ----- | |
| 18 | OTHER LIABILITIES | | |
| | Mark-up / return / interest payable in local currency | 1,336,198 | 3,019,351 |
| | Unearned commission and income on bills discounted | 35,077 | 28,432 |
| | Accrued expenses | 119,686 | 125,865 |
| | Brokerage / commission payable | 6,659 | 6,933 |
| | Payable against purchase of shares | 4,692,920 | - |
| | Payable to related party | - | 1,486 |
| | Payable to defined benefit plan - related party | 9,130 | 18,432 |
| | Security deposits against advances | 1,231,778 | 1,082,218 |
| | Provision for Worker's Welfare Fund | 277,378 | 225,947 |
| | Credit loss allowance against off-balance sheet obligations | 41,023 | 14,744 |
| | Unclaimed dividends | 233 | 211 |
| | Tax payable | 1,494 | 7,266 |
| | Advance from customers | 237 | 237 |
| | Others | 104,337 | 80,879 |
| | | 7,856,150 | 4,612,001 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| 18.1 | Credit loss allowance against off-balance sheet obligations | | |
| | Opening balance | 14,744 | 13,298 |
| | Exchange adjustment | - | - |
| | Charge for the year | 26,278 | 1,446 |
| | Reversals | - | - |
| | | 26,278 | 1,446 |
| | Amount written off | - | - |
| | Closing balance | 41,023 | 14,744 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| 19 | SHARE CAPITAL | | |
| 19.1 | Authorised capital | | |
| | 2024 2023 | 2025 | 2024 |
| | ----- Number of shares ----- | ----- Rupees in '000 ----- | |
| | <u>600,000,000</u> <u>600,000,000</u> | <u>6,000,000</u> | <u>6,000,000</u> |
| 19.2 | Issued, subscribed and paid-up capital | | |
| | 2024 2023 | 2025 | 2024 |
| | ----- Number of shares ----- | ----- Rupees in '000 ----- | |
| | <u>600,000,000</u> <u>600,000,000</u> | <u>6,000,000</u> | <u>6,000,000</u> |
| 19.2.1 | As at December 31, 2025, the Ministry of Finance and Secretary Economic Affairs Division, Government of Pakistan, holds 299,995,999 and 4,001 shares (2024: 299,995,999 and 4,001 shares) respectively on behalf of the Government of Pakistan and remaining 300,000,000 shares (2024: 300,000,000 shares) are held by the Brunei Investment Agency. | 19.2.1 | <u>6,000,000</u> <u>6,000,000</u> |

| | Note | 2025 ----- Rupees in '000 ----- | 2024 ----- Rupees in '000 ----- |
|--|------|------------------------------------|------------------------------------|
| 20 | | | |
| SURPLUS / (DEFICIT) ON REVALUATION OF ASSETS | | | |
| Surplus / (Deficit) on revaluation of | | | |
| - Securities measured at FVOCI-Debt | 7.1 | 1,337,601 | 490,282 |
| - Securities measured at FVOCI-Equity | | 1,245,931 | 366,571 |
| | | <u>2,583,532</u> | <u>856,853</u> |
| Deferred tax on surplus / (deficit) on revaluation of: | | | |
| - Securities measured at FVOCI-Debt | | (521,664) | (191,210) |
| - Securities measured at FVOCI-Equity | | (311,483) | (82,478) |
| | | <u>1,750,385</u> | <u>583,165</u> |

21 CONTINGENCIES AND COMMITMENTS

| | | | |
|---------------|------|-------------------|-------------------|
| - Guarantees | 21.1 | 2,349,295 | - |
| - Commitments | 21.2 | 41,652,944 | 24,878,925 |
| | | <u>44,002,239</u> | <u>24,878,925</u> |

21.1 Guarantees

| | | | |
|----------------------|--|------------------|----------|
| Financial guarantees | | <u>2,349,295</u> | <u>-</u> |
|----------------------|--|------------------|----------|

21.2 Commitments

| | | | |
|---|--|-----------|-----------|
| Documentary credits and short-term trade-related transactions | | | |
| - letters of credit | | 2,390,224 | 1,327,589 |

Commitments in respect of:

| | | | |
|---------------------|--------|-------------------|-------------------|
| - forward lendings | 21.2.1 | 5,233,508 | 4,850,815 |
| - repo transactions | 21.2.2 | 34,029,212 | 18,700,521 |
| | | <u>41,652,944</u> | <u>24,878,925</u> |

21.2.1 Commitments in respect of forward lendings

| | | | |
|---|--|------------------|------------------|
| Undrawn formal standby facilities, credit lines and other commitments to lend | | <u>5,233,508</u> | <u>4,850,815</u> |
|---|--|------------------|------------------|

These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Company without the risk of incurring significant penalty or expense.

| | 2025 ----- Rupees in '000 ----- | 2024 ----- Rupees in '000 ----- |
|---|------------------------------------|------------------------------------|
| 21.2.2 Commitments in respect of repo transactions | | |
| Repurchase of government securities | <u>34,029,212</u> | <u>18,700,521</u> |

21.3 Other contingent liabilities

21.3.1 The returns of income of the Holding Company from tax years 2008 to 2024 had been filed with the tax authorities. From tax year 2008 up to tax year 2020, these returns have been revised and additional tax demands have been raised of which Rs. 782.07 million are outstanding as at December 31, 2025. The matters which have been raised in these demands mainly included allocation of common expenses to dividend income, taxation of discount income, additions on account of concessional loans to employees and deletion of the charge pertaining to the Workers' Welfare Fund. The Holding Company is contesting these demands and appeals have been filed by the Holding Company against the same which are pending adjudication at various legal and appellate forums. The Holding Company has made partial payments against some of these demands which are being shown as refundable from tax authorities. The management is confident that the matters will eventually be decided in favor of the Holding Company and that the Holding Company will be able to adjust amounts in respect of matters decided against the Holding Company (if any) against the tax refunds currently being claimed by it.

21.3.2 In 2018, the Holding Company signed an agreement with Army Welfare Trust (AWT) which included an indemnity in favor of AWT for a period of 3 years from December 14, 2016 against any financial liability which may arise out of any fraudulent act carried out during the tenure of the Holding Company's management of Primus Investment Management Limited (PIML). The Holding Company received a notice of demand for indemnification from AWT Investments Limited (AWTIL) under the aforesaid agreement for an amount of Rs. 34.362 million. The Holding Company also received a notice of demand for indemnification from AWT on December 13, 2019. The Holding Company, through its legal counsel responded to the said notice on January 28, 2020. As per advice of the legal counsel, the Holding Company has a strong case in this matter and chances of any successful claim against the Holding Company appear to be unlikely.

However, in December 2025, a legal suit has been filed by Army Welfare Trust ("AWT") and Army Welfare Trust Investment ("AWTI") against the Holding Company under section 20 of the Arbitration Act, 1940 on the basis that dispute between the Company and AWT and AWTI to be conducted in a manner stipulated in the arbitration agreement. The above matter is now on filing of written statement stage.

| | Note | 2025 | 2024 |
|---|---|----------------------------|-------------------|
| | | ----- Rupees in '000 ----- | |
| 22 | MARK-UP / RETURN / INTEREST EARNED | | |
| On: | | | |
| a) Loans and advances | | 3,018,564 | 3,546,203 |
| b) Investments | | 13,159,916 | 33,555,266 |
| c) Lendings to financial institutions | | 614,905 | 1,296,351 |
| d) Sub-lease of premises | | 2,338 | 1,971 |
| e) Balances with banks | | 79,837 | 43,823 |
| | | <u>16,875,560</u> | <u>38,443,614</u> |
| 22.1 | Interest income (calculated using effective interest rate method) recognised on: | | |
| Financial assets measured at amortised cost; | | 3,715,644 | 4,888,348 |
| Financial assets measured at FVPL | | 1,393,648 | 194,723 |
| Financial assets measured at FVOCI | | 11,766,268 | 33,360,543 |
| | | <u>16,875,560</u> | <u>38,443,614</u> |
| 23 | MARK-UP / RETURN / INTEREST EXPENSED | | |
| Deposits | | 72,867 | 76,816 |
| Interest expense on lease liability against right-of-use assets | 17 | 12,458 | 5,033 |
| Borrowings | | 14,000,547 | 36,760,706 |
| | | <u>14,085,872</u> | <u>36,842,555</u> |
| 24 | FEE AND COMMISSION INCOME | | |
| Trustee fee | | 54,984 | 55,310 |
| Fee on Credit facilities | | 60,320 | 43,518 |
| Participation fee | | 8,511 | 11,670 |
| Commission on guarantees | | 36,774 | 7,580 |
| Advisory and arrangement fee | | 6,000 | 15,938 |
| | | <u>166,589</u> | <u>134,016</u> |
| 25 | GAIN ON SECURITIES | | |
| Realised gain / (loss) | 25.1 | 372,824 | 63,674 |
| Unrealised loss on securities classified as fair value through profit or loss - net | | (24,456) | 5,400 |
| | | <u>348,368</u> | <u>69,074</u> |

| | | 2025 | 2024 |
|------|--|----------------------------|----------------|
| | Note | ----- Rupees in '000 ----- | |
| 25.1 | Realised gain / (loss) on: | | |
| | Federal government securities | 65,849 | (164,134) |
| | Shares | 306,975 | 227,498 |
| | Non-government debt securities | - | 310 |
| | | <u>372,824</u> | <u>63,674</u> |
| 26 | OTHER INCOME | | |
| | Gain / (loss) on sale of assets classified as held-for-sale | 26.1 | - |
| | Gain on sale of fixed assets - net | 41 | 387 |
| | Gain on defined benefit obligation | 3,325 | - |
| | Others | 4,756 | - |
| | | <u>8,122</u> | <u>97,909</u> |
| 26.1 | Gain / (loss) on disposal of assets classified as held-for-sale | | |
| | Disposal proceeds | - | 123,375 |
| | Less: Carry amount | - | (9,988) |
| | Other expenses / adjustments | - | (15,865) |
| | | - | (25,853) |
| | | <u>-</u> | <u>97,522</u> |
| 27 | OPERATING EXPENSES | | |
| | Total compensation expenses | 27.1 | 473,633 |
| | Property expense | | |
| | Rent and taxes | - | 5,773 |
| | Insurance | 11,426 | 11,071 |
| | Utilities cost | 8,279 | 9,959 |
| | Security (including guards) | 4,382 | 3,323 |
| | Repairs and maintenance (including janitorial charges) | 16,339 | 13,534 |
| | Depreciation | 10 | 60,575 |
| | | 101,001 | 80,066 |
| | Information technology expenses | | |
| | Software maintenance | 37,790 | 7,540 |
| | Hardware maintenance | 1,026 | 1,132 |
| | Depreciation | 9.2 | 6,301 |
| | Amortisation | 11.1 | 5,016 |
| | | 50,133 | 18,973 |
| | Other operating expenses | | |
| | Directors' fees and allowances | 14,900 | 9,836 |
| | Fees and subscription | 6,335 | 8,769 |
| | Legal and professional charges | 30,988 | 32,968 |
| | Travelling and conveyance | 58,021 | 59,845 |
| | Brokerage commission | 55,359 | 53,096 |
| | Depreciation | 9.2 | 25,999 |
| | Training and development | 2,284 | 3,224 |
| | Postage and courier charges | 649 | 520 |
| | Communication | 9,311 | 7,451 |
| | Stationery and printing | 2,545 | 2,657 |
| | Marketing, advertisement and publicity | 1,464 | 772 |
| | Donations | 27.3 | 3,750 |
| | Auditors' remuneration | 27.4 | 5,890 |
| | Expenses incurred in relation to assets held for sale | 8,229 | 9,190 |
| | Others | 17,346 | 8,248 |
| | | <u>243,069</u> | <u>230,760</u> |
| | | <u>867,836</u> | <u>729,189</u> |

| | Note | 2025 | 2024 |
|---|--|----------------------------|----------------|
| | | ----- Rupees in '000 ----- | |
| 27.1 Total compensation expenses | | | |
| Fixed | | 236,356 | 205,092 |
| Contractual Staff | | | |
| In-house | | 17,689 | 40,700 |
| Salaried outsourced staff | | 19,061 | 14,558 |
| | | 36,750 | 55,258 |
| Other benefits | | | |
| Cash bonus / awards | | 63,453 | 69,930 |
| Charge for defined benefit plan | | 14,705 | 12,805 |
| Contribution to defined contribution plan | | 14,216 | 11,914 |
| Medical | | 14,701 | 10,819 |
| Vehicle allowance | | 52,553 | 28,348 |
| Leave fare assistance | | 14,978 | 4,706 |
| Leave encashment | | 1,288 | - |
| Shared service cost | | 12,587 | - |
| Director's Fee | | 6,750 | - |
| Others | | 5,296 | 518 |
| | | 200,527 | 139,040 |
| Total compensation expense | | 473,633 | 399,390 |
| 27.2 | The Company does not have any material outsourcing arrangements. | | |
| 27.3 | Details of donations | | |
| | Donations individually not exceeding Rs 500,000 | | |
| | Rising Sun Education & Welfare Society | 500 | - |
| | Akhawat Foundation | 500 | - |
| | The Kidney Center | 500 | - |
| | Family Educational Services Foundation | 500 | - |
| | Child Aid Association | 300 | - |
| | Kiran Foundation | 250 | - |
| | Friends of Burns Centre | 200 | 500 |
| | JDC Foundation Pakistan | - | 200 |
| | Sindh Integrated Emergency and Health Services | - | 300 |
| | IDA-RIEU Welfare Association | 250 | - |
| | NIBD Welfare society | 250 | - |
| | Indus hospital and health network | 500 | - |
| | | 3,750 | 1,000 |
| 27.4 | Auditors' remuneration | | |
| | Audit fee for annual financial statements | 3,015 | 2,901 |
| | Half yearly review fee | 1,024 | 990 |
| | Special certifications and sundry advisory services | 600 | 1,076 |
| | Out-of-pocket expenses | 356 | 647 |
| | Tax Services | 895 | - |
| | | 5,890 | 5,614 |
| 28 | OTHER CHARGES | | |
| | Penalties imposed by the State Bank of Pakistan | - | - |
| 29 | WORKERS' WELFARE FUND | | |
| | Provision for Workers' Welfare Fund | 51,431 | 32,057 |

| | Note | 2025 ----- Rupees in '000 ----- | 2024 |
|--|------|------------------------------------|-----------------|
| 30 CREDIT LOSS ALLOWANCE AND WRITE OFFS - NET | | | |
| Credit loss allowance against balances with other banks | 6 | 3 | (1) |
| Credit loss allowance / Reversal of credit loss allowance against investment | 8.3 | 10,631 | (27,729) |
| Credit loss allowance / Reversal of credit loss allowance against loans and advances | 8.4 | 251,491 | (40,114) |
| Credit loss allowance held against other assets | 13.1 | - | 6,870 |
| Credit loss allowance against off balance sheet obligations | 18.1 | 26,278 | 1,446 |
| | | <u>288,403</u> | <u>(59,528)</u> |
| 31 Levies | | | |
| Final tax | | 128,506 | 62,071 |
| Minimum tax | | 6,012 | 474,728 |
| | | <u>134,518</u> | <u>536,799</u> |

This represents minimum tax differential under section 113 and final tax on dividend income and capital gains under section 5 and 37A respectively of the Income Tax Ordinance, 2001. These has been recognised as levies in these consolidated financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

| | Note | 2025 ----- Rupees in '000 ----- | 2024 |
|--------------------|------|------------------------------------|----------------|
| 32 TAXATION | | | |
| Current | | 604,205 | 178,293 |
| Prior years | | 54,723 | - |
| Deferred | 12 | (375,590) | (8,652) |
| | | <u>283,338</u> | <u>169,641</u> |

32.1 Relationship between tax charge and accounting profit

| | | | |
|---|--|----------------|----------------|
| Profit before taxation | | 2,520,127 | 1,100,579 |
| Effect of: | | | |
| Tax at the applicable rate of 39% (2024: 39%) | | 961,784 | - |
| Permanent differences | | (180,364) | - |
| Prior year | | 55,309 | - |
| Others | | (551,969) | 169,641 |
| Tax charge for the year | | <u>284,760</u> | <u>169,641</u> |

33 BASIC EARNINGS PER SHARE

| | | | |
|---------------------|--|------------------|----------------|
| Profit for the year | | <u>1,911,075</u> | <u>914,443</u> |
|---------------------|--|------------------|----------------|

-----Number of shares in '000-----

| | | | |
|--|--|----------------|----------------|
| Weighted average number of ordinary shares | | <u>600,000</u> | <u>600,000</u> |
|--|--|----------------|----------------|

----- Rupees -----

| | | | |
|--------------------------|--|-------------|-------------|
| Basic earnings per share | | <u>3.19</u> | <u>1.52</u> |
|--------------------------|--|-------------|-------------|

33.1 Diluted earnings per share

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

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| | | 2025 | 2024 |
|-----------|--|----------------------------|------------------|
| | Note | ----- Rupees in '000 ----- | |
| 34 | CASH AND CASH EQUIVALENTS | | |
| | Cash and balance with treasury banks | 5 | 1,245,464 |
| | Balance with other banks | 6 | 796,314 |
| | Credit loss allowance held against balances with other banks | | 1,042,491 |
| | | 3 | 1 |
| | | <u>2,259,018</u> | <u>1,838,806</u> |

| | | 2025 | 2024 |
|-----------|-----------------------|--------------------|------------|
| | | ----- Number ----- | |
| 35 | STAFF STRENGTH | | |
| | Permanent | 99 | 96 |
| | On Company's contract | 12 | 11 |
| | Outsourced | 35.1 | 34 |
| | | <u>145</u> | <u>135</u> |

35.1 This includes 30 (2024: 28) employees of outsourcing services companies who were assigned to perform guarding and janitorial services.

36 DEFINED BENEFIT PLAN

36.1 General description

As mentioned in note 4.11, the Group operates a funded gratuity scheme whereas PLL operates funded gratuity scheme for all its permanent employees. The benefits under the gratuity scheme are payable on retirement at the age of 60 or earlier cessation of service, in lump sum. The benefit is equal to one month's last drawn basic salary for each year of eligible service with the Group subject to a minimum qualifying period of service of five years. The plan assets and defined benefit obligations are based in Pakistan.

| | | 2025 | 2024 |
|-------------|---|--------------------|------------|
| | | ----- Number ----- | |
| 36.2 | Number of employees under the defined benefit plan | | |
| | The number of employees covered under the defined benefit plan as at December 31, | <u>101</u> | <u>101</u> |

36.3 Principal actuarial assumptions

The actuarial valuations were carried out using the following significant assumptions:

| | | 2025 | 2024 |
|----------------------------------|------|-----------------------|---------------------|
| | Note | ----- Per annum ----- | |
| Discount rate | | 15.50% | 15.50% |
| Expected rate of salary increase | | 15.50% | 15.50% |
| Mortality rate | | SLIC 2001 - 2005 | SLIC 2001 - 2005 |
| Retirement assumption | | Setback 1 Year | Setback 1 Year |
| | | Age 60 | Age 60 |

| | | ----- Rupees in '000 ----- | |
|-------------|--|----------------------------|-----------------|
| 36.4 | Reconciliation of payable from defined benefit plan | | |
| | Present value of obligation | 36.6 | 97,205 |
| | Fair value of plan assets | 36.7 | (92,630) |
| | Benefits payable | | 4,555 |
| | Payable | | <u>9,130</u> |
| | | | <u>86,979</u> |
| | | | <u>(68,547)</u> |

PLL

| | Note | 2025 ----- Rupees in '000 ----- | 2024 |
|---|--------|------------------------------------|----------------|
| 36.5 | | | |
| Movement in defined benefit plan | | | |
| At the beginning of the year | | 18,432 | 12,462 |
| Current service cost | 36.8.1 | 12,098 | 13,555 |
| Actual contributions by the Group | | (22,233) | (5,453) |
| Benefits paid by the Group | | - | (719) |
| Re-measurement (gain) / loss | 36.8.2 | 833 | (1,413) |
| At the end of the year | | <u>9,130</u> | <u>18,432</u> |
| 36.6 | | | |
| Movement in payable under defined benefit plan | | | |
| Opening balance | | 86,979 | 69,078 |
| Current service cost | 36.8.1 | 14,173 | 12,205 |
| Interest cost on defined benefit obligation | | 9,917 | 10,080 |
| Re-measurement (gain) / loss recognised in OCI during the year | 36.8.2 | 1,785 | 1,788 |
| Benefits paid by the Group to outgoing members | | (7,499) | (6,172) |
| Benefits due but not paid | | (4,555) | - |
| Gain losses arising on plan settlements | | (3,595) | - |
| Closing balance | | <u>97,205</u> | <u>86,979</u> |
| 36.7 | | | |
| Movement in fair value of plan assets | | | |
| Fair value at the beginning of the year | | 68,547 | 56,616 |
| Interest income on plan assets | | 8,397 | 8,730 |
| Contribution by the Company - net | | 22,233 | 5,453 |
| Actual benefits paid from the fund during the year | | (7,499) | (5,453) |
| Re-measurement gain / (loss) | 36.8.2 | 952 | 3,201 |
| Fair value at the end of the year | | <u>92,630</u> | <u>68,547</u> |
| 36.8 | | | |
| Charge for defined benefit plan | | | |
| 36.8.1 | | | |
| Cost recognised in consolidated statement of profit and loss account | | | |
| Current service cost | | 14,173 | 12,205 |
| Net interest income on plan | | 1,520 | 1,350 |
| Gain arising on plan settlements | | (3,595) | - |
| | | <u>12,098</u> | <u>13,555</u> |
| 36.8.2 | | | |
| Re-measurements recognised in OCI during the year | | | |
| Loss / (gain) on obligation | | | |
| - financial assumptions | | 566 | 605 |
| - experience adjustments | | 1,219 | 1,183 |
| | | <u>1,785</u> | <u>1,788</u> |
| Return on plan assets over interest income | | (952) | (3,201) |
| Total re-measurements recognised in OCI | | <u>833</u> | <u>(1,413)</u> |
| 36.9 | | | |
| Components of plan assets | | | |
| Equity | | - | 52,888 |
| Cash and cash equivalents - net | | 36,593 | - |
| Government securities | | - | 15,659 |
| Bonds | | 56,037 | - |
| | | <u>92,630</u> | <u>68,547</u> |

36.9.1 Description of risks

The defined benefit plan exposes the Group to the following risks:

Withdrawal risks - This is 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.

Mortality risks - This is the risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

Investment risks - This is the risk of the investment underperformance and being not sufficient to meet the liabilities.

Final salary risks - This is the risk that the final salary at the time of cessation of service is greater than what was assumed.

36.10 Sensitivity analysis

A sensitivity analysis for each significant financial assumption as of the reporting date, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date, is as follows:

| | 2025 | 2024 |
|---|----------------------------|--------|
| | ----- Rupees in '000 ----- | |
| Increase / decrease in obligation | | |
| 1% increase in discount rate | 91,220 | 79,772 |
| 1% decrease in discount rate | 103,990 | 92,463 |
| 1% increase in expected rate of salary increase | 104,053 | 92,563 |
| 1% decrease in expected rate of salary increase | 91,054 | 79,575 |

The above sensitivities analysis are based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the unconsolidated statement of financial position.

| | Rupees in '000 |
|---|----------------|
| 36.11 Expected contributions to be paid to the fund in the next financial year | <u>16,641</u> |

The expected charge for the next financial year commencing January 1, 2025 works out to Rs. 16.641 million (2024: Rs. 16.408 million).

36.12 Maturity profile

The weighted average duration of the obligation is 8 years (2024: 8 years).

36.13 Funding policy

An implicit, though not a 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.

Accordingly the contribution to the Fund should remain reasonably stable as a percentage of salaries, under the Actuarial Cost Method employed.

37 DEFINED CONTRIBUTION PLAN

The Group operates a provident fund scheme for all its permanent employees. Equal monthly contributions at the rate of 10% per annum (2024: 10% per annum) of basic salaries are made both by the Group and employees. Contributions made to the provident fund during the year are as follows:

| | 2025 | 2024 |
|--------------------------------|----------------------------|---------------|
| | ----- Rupees in '000 ----- | |
| Contribution made by the Group | 14,216 | 11,914 |
| Contribution made by employees | 14,216 | 11,914 |
| | <u>28,432</u> | <u>23,828</u> |

38 COMPENSATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

38.1 Total Compensation Expense

| Items | 2025 | | | | | |
|---|--------------|-----------------------------|-----------------|-----------------|--------------------------|--|
| | Directors | | | President / CEO | Key Management Personnel | Other Material Risk Takers / Controllers |
| | Chairman | Executives (other than CEO) | Non - Executive | | | |
| Fees and Allowances etc. | 2,400 | 8,906 | 12,500 | - | - | - |
| Managerial Remuneration | | | | | | |
| i) Fixed | - | 19,839 | - | 34,598 | 75,062 | 145,029 |
| ii) Total Variable | - | 6,747 | - | - | - | - |
| of which | | | | | | |
| a) Cash Bonus / Awards | - | - | - | - | 19,527 | 26,863 |
| b) Bonus & Awards in Shares | - | - | - | - | - | - |
| Charge for defined benefit plan | - | 25 | - | 1,930 | 3,211 | 6,377 |
| Contribution to defined contribution plan | - | 373 | - | 2,211 | 3,817 | 7,575 |
| Rent & house maintenance | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - |
| Medical | - | - | - | 769 | 3,900 | 5,884 |
| Conveyance | - | - | - | - | - | - |
| Others | | | | | | |
| - LFA | - | - | - | 2,544 | 3,249 | 7,511 |
| - TDA | - | - | - | 195 | 180 | 400 |
| - Fuel | - | - | - | 1,015 | 8,540 | 12,923 |
| - Leave encashment | - | - | - | 1,388 | - | 1,388 |
| - Mobile reimbursement | - | - | - | 50 | 432 | 599 |
| - Security & Vehicle Maintenance | - | - | - | 1,252 | - | 1,252 |
| - Others | - | 1,631 | - | 379 | 921 | 2,426 |
| Total | 2,400 | 37,521 | 12,500 | 46,331 | 118,839 | 218,227 |
| Number of persons | 1 | 12 | 2 | 1 | 11 | 26 |

| Items | 2024 | | | | | |
|---|--------------|-----------------------------|-----------------|-----------------|--------------------------|--|
| | Directors | | | President / CEO | Key Management Personnel | Other Material Risk Takers / Controllers |
| | Chairman | Executives (other than CEO) | Non - Executive | | | |
| Fees and Allowances etc. | 2,000 | 5,536 | 6,550 | - | - | - |
| Managerial Remuneration | | | | | | |
| i) Fixed | - | 17,985 | - | 29,140 | 66,925 | 110,574 |
| ii) Total Variable | - | - | - | - | - | - |
| of which | | | | | | |
| a) Cash Bonus / Awards | - | 4,976 | - | 11,038 | 26,518 | 34,815 |
| b) Bonus & Awards in Shares | - | - | - | - | - | - |
| Charge for defined benefit plan | - | 645 | - | 1,754 | 2,748 | 5,715 |
| Contribution to defined contribution plan | - | 643 | - | 2,010 | 3,123 | 6,396 |
| Rent & house maintenance | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - |
| Medical | - | - | - | 1,159 | 3,407 | 5,198 |
| Conveyance | - | - | - | - | - | - |
| Others | | | | | | |
| - LFA | - | - | - | 2,313 | 2,616 | 6,389 |
| - TDA | - | - | - | 502 | 979 | 1,445 |
| - Fuel | - | - | - | 1,357 | 8,992 | 13,137 |
| - Leave encashment | - | - | - | - | - | - |
| - Mobile reimbursement | - | - | - | 104 | 294 | 530 |
| - Security & Vehicle Maintenance | - | - | - | 1,095 | - | - |
| - others | - | 2,172 | - | 147 | 753 | 1,429 |
| Total | 2,000 | 31,957 | 6,550 | 50,619 | 116,355 | 185,628 |
| Number of persons | 2 | 9 | 2 | 1 | 14 | 24 |

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

| 2025 | | | | | | |
|---------------------------|------------------------------|----------------------------------|----------------------|-------------------|--------------------------------------|-------------------|
| Sr. No. | Name of Director | Meeting Fees and Allowances Paid | | | | |
| | | For Board Meetings | For Board Committees | | | Total Amount Paid |
| | | | Audit Committee | HR & RC Committee | Credit and Risk Management Committee | |
| -----Rupees in '000'----- | | | | | | |
| 1 | Ms. Dk Noorul Hayati Julaihi | 2,000 | 150 | 100 | 150 | 2,400 |
| 2 | Mr. Nasir Mahmood Khosa | 2,000 | 150 | - | 150 | 2,300 |
| 3 | Ms. Norakerteni Muhammad | 2,000 | 150 | 100 | 150 | 2,400 |
| | Total Amount Paid | 6,000 | 450 | 200 | 450 | 7,100 |

| 2024 | | | | | | |
|---------------------------|------------------------------|----------------------------------|----------------------|-----------------|--------------------------------------|-------------------|
| Sr. No. | Name of Director | Meeting Fees and Allowances Paid | | | | |
| | | For Board Meetings | For Board Committees | | | Total Amount Paid |
| | | | Audit Committee | HR&RC Committee | Credit and Risk Management Committee | |
| -----Rupees in '000'----- | | | | | | |
| 1 | Ms. Dk Noorul Hayati Julaihi | 2,000 | - | - | - | 2,000 |
| 2 | Mr. Nasir Mahmood Khosa | 2,000 | - | - | - | 2,000 |
| 3 | Ms. Norakerteni Muhammad | 2,000 | - | - | - | 2,000 |
| | Total Amount Paid | 6,000 | - | - | - | 6,000 |

39 FAIR VALUE MEASUREMENT

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

39.1 Fair value of financial assets

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

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

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

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

Valuation techniques and inputs used in determination of fair values

| Item | Valuation techniques and input used |
|---|---|
| Fully paid-up ordinary shares | Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange. |
| Pakistan Investment Bonds / Market Treasury Bills | Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV / PKFRV rates (FMA report). |
| Term finance / sukuks certificates | Investments in listed debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the prices announced by the Pakistan Stock Exchange Limited. |

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 | | | | |
|--|-----------|-------------|-------|-------------|
| Level 1 | Level 2 | Level 3 | Total | |
| ----- Rupees in '000 ----- | | | | |
| On balance sheet financial instruments | | | | |
| Financial assets - measured at fair value | | | | |
| Investments | | | | |
| Federal government securities | - | 100,168,717 | - | 100,168,717 |
| Ordinary shares | 2,572,678 | - | - | 2,572,678 |
| Non-government debt securities | - | 2,830,919 | - | 2,830,919 |
| Off-balance sheet financial instruments | | | | |
| Commitments | | | | |
| - future purchase and sale transactions | - | - | - | - |
| ----- Rupees in '000 ----- | | | | |
| On balance sheet financial instruments | | | | |
| Financial assets - measured at fair value | | | | |
| Investments | | | | |
| Federal government securities | - | 162,620,465 | - | 162,620,465 |
| Ordinary shares | 1,346,043 | - | - | 1,346,043 |
| Non-government debt securities | - | 2,764,847 | - | 2,764,847 |
| Off-balance sheet financial instruments | | | | |
| Commitments | | | | |
| - future purchase and sale transactions | - | - | - | - |

40 SEGMENT INFORMATION

40.1 Segment details with respect to business activities

| 2025 | | | | |
|--|-------------------|--------------------|-------------------|--------------------|
| Corporate finance | Trading and sales | Commercial banking | Total | |
| ----- Rupees in '000 ----- | | | | |
| Consolidated statement of Profit and Loss Account | | | | |
| Net Mark-up / return / profit | 8,814 | 2,028,040 | 752,834 | 2,789,688 |
| Non mark-up / return / interest income | 49,267 | 590,426 | 107,219 | 746,912 |
| Total income | 58,081 | 2,618,466 | 860,053 | 3,536,600 |
| Total expenses | 12,855 | 614,677 | 290,313 | 917,845 |
| Credit loss allowance | 1,649 | 10,634 | 276,120 | 288,403 |
| Profit before tax from continuing operations | 43,576 | 1,993,155 | 293,620 | 2,330,352 |
| Income from discontinuing operations | - | - | - | - |
| Expenses from discontinuing operations | - | - | - | - |
| Profit before tax from discontinuing operation | - | - | - | - |
| Consolidated Statement of Financial Position | | | | |
| Cash and bank balances | 27,431 | 1,311,907 | 919,677 | 2,259,015 |
| Investments | 447,076 | 105,125,238 | - | 105,572,314 |
| Lendings to financial institutions | - | - | - | - |
| Advances - performing | 312,397 | - | 28,945,337 | 29,257,734 |
| - non-performing | - | - | 251,282 | 251,282 |
| Others | 139,495 | 6,671,430 | 1,633,310 | 8,444,235 |
| Total assets | 926,399 | 113,108,575 | 31,749,606 | 145,784,580 |
| Borrowings | 759,475 | 98,546,959 | 22,762,030 | 122,068,464 |
| Deposits & other accounts | - | - | - | - |
| Lease liabilities | 713 | 34,119 | 24,292 | 59,124 |
| Others | 121,470 | 5,809,341 | 1,927,833 | 7,858,644 |
| Total liabilities | 881,658 | 104,390,420 | 24,714,155 | 129,986,232 |
| Equity | 44,742 | 8,718,155 | 7,035,452 | 15,798,348 |
| Total equity and liabilities | 926,399 | 113,108,575 | 31,749,606 | 145,784,580 |
| Contingencies and commitments | - | 34,029,212 | 9,973,027 | 44,002,239 |

| 2024 | | | |
|-------------------|-------------------|--------------------|-------|
| Corporate finance | Trading and sales | Commercial banking | Total |

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

Consolidated statement of Profit and Loss Account

| | | | | |
|---|---------|-----------|---------|-----------|
| Net mark-up / return / profit | 136,236 | 856,888 | 607,935 | 1,601,059 |
| Non mark-up / return / interest income | 127,748 | 539,226 | 69,827 | 736,801 |
| Total income | 263,984 | 1,396,114 | 677,762 | 2,337,860 |
| Total expenses | 106,953 | 334,367 | 318,690 | 760,010 |
| Credit loss allowance | 29,866 | (5,856) | 35,518 | 59,528 |
| Profit before tax from continuing operations | 127,165 | 1,067,603 | 323,554 | 1,637,378 |
| Income from discontinuing operations | 1,244 | 7,307 | 5,105 | 13,656 |
| Expenses from discontinuing operations | 3,026 | 17,778 | 12,421 | 33,225 |
| Profit before tax from discontinuing operations | (1,782) | (10,471) | (7,316) | (19,569) |

Consolidated Statement of Financial Position

| | | | | |
|-------------------------------------|------------------|--------------------|-------------------|--------------------|
| Cash and bank balances | 207,644 | 1,098,051 | 533,110 | 1,838,805 |
| Investments | - | 166,731,355 | - | 166,731,355 |
| Lendings to financial institutions | - | - | - | - |
| Advances - performing | 2,660,185 | 14,067,459 | 6,829,846 | 23,557,490 |
| Advances - non-performing | 33,366 | 176,447 | 85,666 | 295,479 |
| Others | 1,297,424 | 6,860,975 | 3,331,049 | 11,489,448 |
| Total assets | 4,198,619 | 188,934,287 | 10,779,671 | 203,912,577 |
| Borrowings | - | 124,554,675 | 60,472,128 | 185,026,803 |
| Deposits and other accounts | 131,635 | 696,106 | 337,964 | 1,165,705 |
| Lease liabilities | 6,962 | 36,814 | 17,873 | 61,649 |
| Others | 520,803 | 2,754,076 | 1,337,122 | 4,612,001 |
| Total liabilities | 659,400 | 128,041,671 | 62,165,087 | 190,866,158 |
| Equity | 3,539,219 | 60,892,616 | (51,385,416) | 13,046,419 |
| Total equity and liabilities | 4,198,619 | 188,934,287 | 10,779,671 | 203,912,577 |
| Contingencies and commitments | - | 23,551,336 | 1,327,589 | 24,878,925 |

40.2 Segment details with respect to geographical location

The operations of the Group are currently based only in Pakistan.

41 TRUST ACTIVITIES

The Holding Company has assumed the role of Trustee to various Term Finance Certificates (TFCs) / sukuk issues and is holding trust properties in fiduciary capacity for and on behalf of the trust beneficiaries. The Holding Company is registered as a Debt Securities Trustee (DST) under the Debt Securities Trustee Regulations, 2017 (DST Regulations, 2017) issued by the SECP.

Presently, the Holding Company is acting as a Trustee and Investment Agent to 49 (forty-nine) debt securities issues of corporate sector and government owned enterprises, including Agha Steel Industries Limited, Agritech Limited, Azgard Nine Limited, Bank Alfalah Limited, Bank Alfalah Limited, Bank Al-Habib Limited, Bank Islami Pakistan Limited, Beacon Impex Limited, Citi Pharma Pvt. Limited, Digital World Pakistan (Private) Limited, Dubai Islami Bank Pakistan Limited, Habib Bank Limited, Javedan Corporation Limited, JS Bank Limited, Kashf Foundation, K-Electric Limited, Khushali Microfinance Bank Limited, Neelum Jehlum Hydro Power Co. Limited, NIMIR - Escrow (Shares) Agreement, Pakistan Microfinance Investment Co. Limited, Pakistan Services Limited, Sindh Nooriabad Power Co. Ph. (II) Pvt. Limited, Sindh Nooriabad Power Co. Pvt. Limited, Soneri Bank Limited, Bank Makramah Limited, Sunridge Food (Private) Limited, Telecard Limited, Thatta Cement Company Limited, The Bank of Punjab and WAPDA DASU Hydro Power Project. The combined value of debt securities as at December 31, 2025 stands at Rs. 390,728 million (2024: Rs. 378,511 million).

42 RELATED PARTY TRANSACTIONS

The Holding Company has related party relationship with subsidiary companies (namely Primus Leasing Limited and Awwal Corporate Restructuring Company Limited), Government Holdings (Private) Limited, Pakistan Tobacco Company Limited, employees' defined benefit and defined contribution plan, its key management personnel and state controlled entities.

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There are no transactions with key management personnel other than those carried out as per their terms of employment. Contributions to approved defined benefit and contribution plans are disclosed in notes 36 and 37 to these consolidated financial statements and are made in accordance with the actuarial valuations / terms of scheme. Remuneration to chief executive, directors and executives is disclosed in note 38 to the consolidated financial statements. Transactions with owners have been disclosed in 'Consolidated Statement of Changes in Equity'. All other transactions between the Group and its related parties are carried out under normal course of business except employee staff loans that are as per terms of employment. The details of transactions with related parties during the year and balances with them as at year end, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

| | 2025 | | | 2024 | | |
|---|-----------|--------------------------|-----------------------|-----------|--------------------------|-----------------------|
| | Directors | Key management personnel | Other related parties | Directors | Key management personnel | Other related parties |
| (Rupees in '000) | | | | | | |
| Advances | | | | | | |
| Opening balance | - | 45,670 | 159,321 | - | 49,810 | 159,775 |
| Addition during the year | - | 20,769 | - | - | 22,824 | - |
| Repaid during the year | - | (14,568) | (3,513) | - | (26,964) | (454) |
| Transfer in / (out) - net | - | - | - | - | - | - |
| Closing balance | - | 51,871 | 155,808 | - | 45,670 | 159,321 |
| Other assets | | | | | | |
| Interest / mark-up accrued | - | - | 14 | - | - | 321 |
| Lease receivable under IFRS-16 | - | - | - | - | - | - |
| Receivable from defined benefit plan | - | - | - | - | - | - |
| Preliminary expense | - | - | - | - | - | - |
| Advance against investments in right shares | - | - | - | - | - | - |
| Others | - | - | - | - | - | - |
| | - | - | 14 | - | - | 321 |
| Assets classified as held-for-sale | | | | | | |
| Opening balance | - | - | - | - | - | - |
| Transfer during the year | - | - | - | - | - | - |
| Disposed off during the year | - | - | - | - | - | - |
| Closing balance | - | - | - | - | - | - |
| Borrowings | | | | | | |
| Opening balance | - | - | - | - | - | 4,827 |
| Borrowings during the year | - | - | - | - | - | 126,755 |
| Settled during the year | - | - | - | - | - | (131,582) |
| Closing balance | - | - | - | - | - | - |
| Other liabilities | | | | | | |
| Interest / mark-up payable | - | - | - | - | - | - |
| Payable to defined benefit plan | - | - | 9,130 | - | - | 18,433 |
| Other liabilities | - | - | - | - | - | - |
| | - | - | 9,130 | - | - | 18,433 |
| Income | | | | | | |
| Mark-up / return / interest earned | - | 1,036 | 982 | - | 1,399 | 34,108 |
| Dividend income | - | - | - | - | - | - |
| Expense | | | | | | |
| Mark-up / return / interest paid | - | - | - | - | - | 1,759 |
| Operating expenses | 14,900 | 118,839 | - | 8,550 | 116,355 | - |
| Reimbursement of expenses | - | 15,784 | - | - | 17,605 | - |
| Expenses charged | - | - | - | - | - | 9,720 |
| | 14,900 | 134,623 | - | 8,550 | 133,960 | 11,479 |

43 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

2025 2024
----- Rupees in '000 -----

Minimum Capital Requirement (MCR):

| | | |
|---------------------------------|-----------|-----------|
| Paid-up capital (net of losses) | 6,000,000 | 6,000,000 |
|---------------------------------|-----------|-----------|

Capital Adequacy Ratio (CAR):

| | | |
|---|-------------------|-------------------|
| Eligible Common Equity Tier 1 (CET 1) Capital | 12,054,316 | 11,095,400 |
| Eligible Additional Tier 1 (ADT 1) Capital | - | - |
| Total Eligible Tier 1 Capital | 12,054,316 | 11,095,400 |
| Eligible Tier 2 Capital | 1,537,394 | 379,641 |
| Total Eligible Capital (Tier 1 + Tier 2) | 13,591,710 | 11,475,041 |

Risk Weighted Assets (RWAs):

| | | |
|------------------|-------------------|-------------------|
| Credit Risk | 32,868,992 | 22,570,490 |
| Market Risk | 9,126,504 | 10,799,974 |
| Operational Risk | 4,736,522 | 3,958,233 |
| Total | 46,732,018 | 37,328,697 |

| | | |
|---|---------------|---------------|
| Common Equity Tier 1 Capital Adequacy ratio | 25.79% | 30.74% |
| Tier 1 Capital Adequacy Ratio | 25.79% | 30.74% |
| Total Capital Adequacy Ratio | 29.08% | 30.74% |

In order to strengthen the solvency of Banks / Development Financial Institutions (DFI), SBP through its BSD Circular No. 19 of 2008 dated September 05, 2008 has asked the DFIs to raise their minimum paid up capital to Rs.6 billion free of losses by the end of financial year 2009.

The paid-up capital and CAR of the Group stands at Rs. 6 billion and 29.08% of its risk weighted exposure as at December 31, 2025.

The Group uses Standardised approach for calculations of Credit and Market Risk Weighted Assets while Basic Indicator approach is used to calculate Operational Risk Weighted assets.

| | 2025 | 2024 |
|---|---------------|---------------|
| Notional minimum capital requirements prescribed by SBP | | |
| CET1 minimum ratio | 6.00% | 6.00% |
| Tier 1 minimum ratio | 7.50% | 7.50% |
| Total capital minimum ratio | 11.50% | 11.50% |

Leverage Ratio (LR):

| | | |
|-------------------------|--------------------|--------------------|
| Eligible Tier-1 Capital | 12,054,316 | 11,095,400 |
| Total Exposures | 145,549,107 | 224,714,554 |
| Leverage Ratio | 8.28% | 4.94% |

Liquidity Coverage Ratio (LCR):

| | | |
|----------------------------------|-------------------|-------------------|
| Total High Quality Liquid Assets | 53,435,857 | 54,535,339 |
| Total Net Cash Outflow | 44,528,301 | 58,002,502 |
| Liquidity Coverage Ratio | 120.00% | 94.02% |

Net Stable Funding Ratio (NSFR):

| | | |
|--------------------------------------|-------------------|-------------------|
| Total Available Stable Funding | 30,190,174 | 24,609,964 |
| Total Required Stable Funding | 25,592,555 | 20,309,254 |
| Net Stable Funding Ratio | 117.96% | 121.18% |

43.1 The full disclosures on the capital adequacy, leverage ratio & liquidity requirements as per SBP instructions issued from time to time shall be placed on the website. The link to the full disclosure is available at <https://pakbrunei.com.pk/wp-content/uploads/2023/03/BaselIII2023Disclosure-Consolidated.pdf>

44 RISK MANAGEMENT

The Risk Management Framework (the Framework) of the Group provides principles for identifying, assessing and monitoring risk within the Group. The Framework specifies the key elements of the risk management process in order to maximise opportunities, to minimise adversity and to achieve improved outcomes and outputs based on informed decision making.

Categories of risk

The Group generates most of its revenues by accepting credit, liquidity and market risk. Effective management of these risks is the decisive factor in the profitability of the Group. In addition, the Group is subject to certain consequential risks that are common to all business undertakings. These risks are grouped under two headings: operational risk and reputational risk. The Framework is organised with reference to these five risk categories as detailed below:

| | |
|-------------------|---|
| Credit risk | This risk is defined as the possibility of loss due to unexpected default or a deterioration of credit worthiness of a counter party. |
| Market risk | The risk of loss generated by adverse changes in the price of assets or contracts currently held by the Group. |
| Liquidity risk | The risk that the Group is unable to meet its payment obligations or fund increases in assets when they fall due without incurring an unacceptable cost the consequences of which may be the failure to meet obligations to repay investors and fulfil commitments to lend. |
| Operational risk | Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events and includes legal risk. |
| Reputational risk | The risk of failing to meet the standards of performance or behaviour required or expected by stakeholders in commercial activities or the way in which business is conducted. |

Risk responsibilities

The Board of Directors (the Board) is accountable for the overall supervision of the risk management process. The Board is responsible for the approval of all risk policies and ensuring that these are properly implemented. Furthermore, the Board approves the appointment of senior management personnel who are capable of managing the risk activities conducted by the Group.

Risk Management comprises of two areas namely Credit Risk Management (CRM) and Enterprise Risk Management (ERM). CRM oversees credit risk taken by the Group while ERM function overviews market, liquidity and operational risks of the Group. The functions of both of these units are subject to the policies and manuals approved by the Board, Prudential Regulations and additional regulatory directives issued from time to time. These units are independent of business generation and risk taking. For all credit exposures taken by the Group, CRM prepares a comprehensive credit advice highlighting business, financial and structural risks for Credit Committee members. CRM monitors the credit portfolio of the Group on a regular basis to ensure prudent lending. Moreover, this department also sets parameters for various risks including i) sectoral concentration, ii) exposure limits for single and group exposures, and iii) monitoring watch list accounts and the entire portfolio. The risk management philosophy is to identify and monitor risk on a portfolio basis and assess the risk taking capacity of the statement of financial position as a whole. ERM is responsible for monitoring and reporting of market and liquidity risk as it arises from our trading, investing and lending activities. ERM also conducts Risk and Self Assessment exercises and maintains Group wide risk registers to monitor operational risks embedded in the Group operations and ensure that sufficient controls are in place against such risks.

Different Management Committees have been set up to review different kinds of risks; mainly being the Assets and Liabilities Committee (ALCO), Credit Committee (CC) and Risk Management Committee (RMC). Comprehensive risk management manuals have been designed which cover all significant risks including credit, liquidity, market and operational risks and provides guidance to management on risk controls, limits, risk measurement tools and a reporting framework.

44.1 Credit risk

Credit risk, i.e. the potential default of one or more debtors, is the largest source of risk for the Group. The Group is exposed to credit risk through its lending and investment activities. The credit risk arising from exposure to corporates is governed by the Credit Risk Management Policy and Credit Administration Frameworks. The counter party credit risk arising from interbank lines are addressed in the Treasury policy framework. The Group has adopted Standardised Approach of Basel II Accord.

The Group manages 3 principal sources of credit risk:

i) Sovereign credit risk

When the Group lends to public sector borrowers, it prefers obtaining a full sovereign guarantee or the equivalent from the Government of Pakistan (GoP). However, certain public sector enterprises have a well defined cash flow stream and appropriate business model based on which the lending is secured through collaterals other than GoP guarantee.

ii) Non-sovereign credit risk

When the Group lends to private sector borrowers it does not benefit from sovereign guarantees or the equivalent. Consequently, each borrower's credit worthiness is analysed on a standalone basis. Two internal rating models are in use to rate (i) Corporate / Commercial customers (ii) SME customers. Frameworks of both these models have been duly approved by the Board.

iii) Counter party credit risk on interbank limits

In the normal course of its business, the Group's Treasury utilises products such as reverse repos and call lendings to meet the needs of the borrowers and manages its exposure to fluctuations in market interest rates and to temporarily invest its liquidity prior to disbursement. All of these financial instruments involve, to varying degrees, the risk that the counterparty in the transaction may be unable to meet its obligation to the Group.

Reflecting a preference for minimising the exposure to counterparty credit risk, the Group maintains eligibility criteria that link the exposure limits to counterparty credit ratings by external rating agencies. For example, the minimum rating for counterparties to be eligible for a financing relationship with the Group is BBB.

Credit administration

Credit Administration Department is involved in minimising losses that could arise due to security and documentation deficiencies.

Risk analytics

To ensure a prudent distribution of asset portfolio, the Group manages its lendings and investment activities within a framework of Borrower, Group, Product, Geographical and Sector exposure limits and risk profile benchmarks.

Stress testing

The Group also conducts stress testing of its existing portfolio, which includes all assets, i.e., advances as well as investments. This exercise is conducted on a quarterly basis through assigning shocks to distressed / non-performing assets of the Group and assessing its resulting effect on capital adequacy.

Regular monitoring

Regular monitoring of the advances portfolio is carried out which focuses on early problem recognition and influences the front office to carry out an assessment of the borrower's ability to rectify the identified problem / weakness within a reasonable time-frame, consider tighter structuring of facilities, confirm that there are no critical deficiencies in the existing security position and, if possible, arrange for strengthening of the same through obtaining additional collateral. It should however, be noted that these actions are taken prior to incurring overdues on the facility.

Portfolio diversification

While expanding the advances and the investment (TFCs) portfolio, efficient portfolio diversification has been a key consideration despite the relatively small size of operations.

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

44.1.2 Investment in debt securities

| | Gross investments | | Non-performing investments | | Credit loss allowance held | | | | | |
|---|--------------------|--------------------|----------------------------|----------------|----------------------------|-----------|--------------|---------------|----------------|----------------|
| | | | | | Stage 1 | | Stage 2 | | Stage 3 | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| (Rupees in '000) | | | | | | | | | | |
| Credit risk by industry | | | | | | | | | | |
| Textile | 171,823 | 29,819 | 21,823 | 84,178 | - | - | 5,006 | 10,719 | - | 28 |
| Chemical and Pharmaceuticals | - | 178,460 | - | 53,460 | - | 10 | - | - | - | 53,460 |
| Steel | - | - | - | - | - | - | - | - | - | - |
| Construction | - | - | - | - | - | - | - | - | - | - |
| Power (Electricity), Gas, Water, Sanitary | - | - | - | - | - | - | - | - | - | - |
| Transport, Storage and Communication | 14,361 | 14,361 | 14,361 | 14,361 | - | - | - | - | 14,361 | 14,361 |
| Financial | 2,702,087 | 2,420,852 | 45,582 | - | 46 | 47 | - | - | - | - |
| Food & Beverages | - | - | - | - | - | - | - | - | - | - |
| Others | 165,516 | 366,833 | 165,880 | 149,141 | - | 20 | - | - | 165,880 | 149,141 |
| | 3,053,787 | 3,010,325 | 247,646 | 301,140 | 46 | 77 | 5,006 | 10,719 | 180,241 | 216,990 |
| Credit risk by public / private sector | | | | | | | | | | |
| Public / Government | 98,831,116 | 162,119,523 | - | - | - | - | - | - | - | - |
| Private | 3,053,787 | 3,010,325 | 247,646 | 301,140 | 46 | 77 | 5,006 | 10,719 | 180,241 | 216,990 |
| | 101,884,903 | 165,129,848 | 247,646 | 301,140 | 46 | 77 | 5,006 | 10,719 | 180,241 | 216,990 |

44.1.3 Advances

| | Gross advances | | Non-performing advances | | Credit loss allowance held | | | | | |
|---|-------------------|-------------------|-------------------------|------------------|----------------------------|---------------|----------------|---------------|------------------|------------------|
| | | | | | Stage 1 | | Stage 2 | | Stage 3 | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| (Rupees in '000) | | | | | | | | | | |
| Credit risk by industry sector | | | | | | | | | | |
| Textile | 3,576,894 | 4,111,447 | 22,296 | 35,194 | 4,921 | 8,009 | - | 2,509 | 22,296 | 32,089 |
| Chemical and Pharmaceuticals | 5,548,532 | 4,871,868 | 4,028 | 8,990 | 10,535 | 10,912 | 299 | 1,820 | 4,028 | 5,557 |
| Cement | - | - | - | - | - | - | - | - | - | - |
| Sugar | 2,310,126 | 1,047,448 | 21,998 | 21,998 | 3,288 | 1,960 | 325 | - | 21,998 | 21,998 |
| Steel | 997,710 | 1,042,653 | 229,384 | 135,653 | 177 | 1,582 | 89,212 | - | 165,801 | 119,960 |
| Footwear and leather garments | 31,667 | 52,500 | - | - | 73 | - | - | - | - | - |
| Automobile and transportation equipment | 656,208 | 592,705 | 65,548 | 1,292 | 1,077 | 1,006 | 7,418 | 474 | 11,392 | 1,932 |
| Electronics and electrical appliances | 2,249,909 | 1,573,164 | 611,937 | 502,732 | 1,152 | 1,118 | 5,527 | 1,006 | 561,937 | 437,516 |
| Construction | 1,972,476 | 791,805 | 9,576 | 5,642 | 605 | 998 | 257 | 3,512 | 3,060 | 4,086 |
| Power (Electricity), Gas, Water, Sanitary | 2,060,064 | 1,891,000 | 138,073 | 411,937 | 6,802 | 7,297 | 16,385 | - | 138,073 | 138,073 |
| Retail | 464,084 | 24,467 | 16,646 | - | 4,808 | 558 | 693 | 388 | 4,761 | 10,363 |
| Exports/Imports | - | - | - | 675 | - | - | - | - | - | - |
| Transport, Storage and Communication | 927,452 | 1,432,874 | 14,187 | 16,568 | 4,047 | 2,241 | - | 874 | 14,187 | 14,921 |
| Financial | 1,422,500 | 715,000 | - | - | 1,704 | 114 | - | - | - | - |
| Insurance | - | - | - | - | - | - | - | - | - | - |
| Services | 1,697,804 | 794,642 | 50,268 | 19,856 | 6,798 | 5,319 | 205 | 852 | 40,838 | 21,631 |
| Individuals | 132,411 | - | - | - | - | 30 | - | - | - | - |
| Education | 23,543 | 16,708 | 3,296 | 3,379 | - | - | - | - | - | - |
| Food and beverages | 4,911,160 | 3,819,165 | 264,751 | 242,937 | 35,478 | 15,112 | 9,652 | 5,561 | 254,506 | 307,165 |
| Others | 2,038,645 | 2,336,198 | 79,775 | 58,176 | 15,924 | 12,373 | 4,325 | 5,501 | 37,603 | 54,259 |
| | 31,021,185 | 25,113,644 | 1,531,763 | 1,465,029 | 97,389 | 68,629 | 134,298 | 22,497 | 1,280,480 | 1,169,550 |
| Credit risk by public / private sector | | | | | | | | | | |
| Public / Government | - | - | - | - | - | - | - | - | - | - |
| Private | 31,021,185 | 25,113,644 | 1,531,763 | 1,465,029 | 97,389 | 68,629 | 134,298 | 22,497 | 1,280,480 | 1,169,550 |
| | 31,021,185 | 25,113,644 | 1,531,763 | 1,465,029 | 97,389 | 68,629 | 134,298 | 22,497 | 1,280,480 | 1,169,550 |

| | 2025 | 2024 |
|---|----------------------------|-------------------|
| | ----- Rupees in '000 ----- | |
| 44.1.4 Contingencies and Commitments | | |
| Credit risk by industry sector | | |
| Agriculture, Forestry, Hunting and Fishing | 9,500 | 65,000 |
| Textile | 1,864,000 | 850,000 |
| Chemical and Pharmaceuticals | 1,047,950 | 389,965 |
| Construction | 106,938 | 145,000 |
| Sugar | - | 150,000 |
| Power (Electricity), Gas, Water, Sanitary | - | 3,278,124 |
| Transport, Storage And Communication | 3,209,270 | 105,390 |
| Financial | 500,000 | 18,964,521 |
| Services | 35,391,431 | 116,000 |
| Packaging | 810,840 | 138,220 |
| Food and beverages | 15,000 | 634,205 |
| Electronics and electrical appliances | 526,500 | |
| Electronics and electrical appliances | 500,000 | - |
| Leather & footwear | - | - |
| Others | 20,810 | 42,500 |
| | <u>44,002,239</u> | <u>24,878,925</u> |
| Credit risk by public / private sector | | |
| Public / Government | 34,029,212 | 18,885,521 |
| Private | 9,515,807 | 5,914,404 |
| | <u>44,002,239</u> | <u>24,799,925</u> |

44.1.5 Concentration of advances

The Group's top 10 exposures on the basis of total funded and non-funded exposures are as following:

| | 2025 | 2024 |
|----------------|----------------------------|-------------------|
| | ----- Rupees in '000 ----- | |
| Funded | 6,784,626 | 6,531,322 |
| Non Funded | 4,739,000 | 3,515,598 |
| Total Exposure | <u>11,523,626</u> | <u>10,046,920</u> |

The sanctioned limits against these top 10 exposures aggregated to Rs. 12,838 million (2024: Rs. 9,718 million).

44.1.6 Advances - Province / Region-wise Disbursement and Utilisation

| Province / Region | 2025 | | | | |
|----------------------------|-------------------|------------------|-------------------|---------------|--------------|
| | Disburse-ments | Utilisation | | | |
| | | Punjab | Sindh | Balochistan | Islamabad |
| ----- Rupees in '000 ----- | | | | | |
| Punjab | 1,946,996 | 1,946,996 | - | - | - |
| Sindh | 21,646,518 | - | 21,646,518 | - | - |
| Balochistan | - | - | - | - | - |
| Islamabad | 16,200 | - | - | 16,200 | - |
| KPK | 4,000 | - | - | - | 4,000 |
| Total | <u>23,613,714</u> | <u>1,946,996</u> | <u>21,646,518</u> | <u>16,200</u> | <u>4,000</u> |

| Province / Region | 2024 | | | | |
|----------------------------|-------------------|------------------|------------------|----------------|------------------|
| | Disburse-ments | Utilisation | | | |
| | | Punjab | Sindh | Balochistan | Islamabad |
| ----- Rupees in '000 ----- | | | | | |
| Punjab | 9,432,058 | 9,432,058 | - | - | - |
| Sindh | 8,064,823 | - | 8,064,823 | - | - |
| Balochistan | 500,000 | - | - | 500,000 | - |
| Islamabad | 1,159,348 | - | - | - | 1,159,348 |
| KPK | 9,000 | - | - | - | - |
| Total | 19,165,229 | 9,432,058 | 8,064,823 | 500,000 | 1,159,348 |
| | | | | | 9,000 |

44.2 Market risk

The market risk is the risk of reductions in earnings, value and / or reserves arising from changes in market rates (such as interest rates, exchange rates, credit spreads) and market prices (such as commodities, equities, property etc.) as well as their correlations and volatilities. The Group is exposed to market risk primarily through its trading activities, which are centered in the Treasury and Capital market groups.

The Group classifies its assets in banking and trading books as per instructions from the SBP. The Group's trading book comprises positions in financial instruments held with trading intent or in order to hedge other elements of the trading book and free of any restrictive covenants on their tradability. In addition, positions need to be frequently and accurately valued and the portfolio should be actively managed. The positions which do not fulfil the criteria of trading book falls under the banking book and are treated as per SBP requirements.

The Group's trading book consists of investments in government securities, listed equities and mutual funds. The Group actively measures, controls and manages market risk in its trading book on a day-to-day basis. Controls are applied to all investment portfolios by setting limits to the exposures taken. This includes stop loss limits on shares in 'Held-for-trading' portfolio, individual and sectoral concentration limits, volatility and value-at-risk limits, etc.

The Group measures market risk using various techniques like duration analysis for interest rate risk in banking book, Value-at-Risk for adverse price movement, sensitivity analysis for investment in government securities, stress testing, etc. The results are communicated to ALCO and Risk Management Committee on monthly and quarterly basis respectively. Results are also communicated to the Board of Directors every quarter and to Board's Risk Management Committee on a half-yearly basis. Market risk is effectively managed at the portfolio level. The Group has adopted Standardised Approach of Basel II Accord.

44.2.1 Consolidated Statement of Financial Position split by trading and banking books - Basel II Specific

| | 2025 | | | 2024 | | |
|---------------------------------------|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | Banking book | Trading book | Total | Banking book | Trading book | Total |
| ----- Rupees in '000 ----- | | | | | | |
| Cash and balances with treasury banks | 1,245,464 | - | 1,245,464 | 796,314 | - | 796,314 |
| Balances with other banks | 1,013,551 | - | 1,013,551 | 1,042,491 | - | 1,042,491 |
| Lendings to financial institutions | - | - | - | - | - | - |
| Investments | 2,016,707 | 105,572,314 | 105,572,314 | 2,764,847 | 163,966,508 | 166,731,355 |
| Advances | 29,509,016 | - | 29,509,016 | 23,852,969 | - | 23,852,969 |
| Property and equipment | 89,232 | - | 89,232 | 103,403 | - | 103,403 |
| Right-of-use assets | 43,975 | - | 43,975 | 72,991 | - | 72,991 |
| Intangible assets | 3,377 | - | 3,377 | 8,020 | - | 8,020 |
| Deferred tax assets | 175,095 | - | 175,095 | 359,874 | - | 359,874 |
| Other assets | 7,961,158 | - | 7,961,158 | 10,776,256 | - | 10,776,256 |
| Assets classified as held-for-sale | 168,904 | - | 168,904 | 168,904 | - | 168,904 |
| | 42,226,479 | 105,572,314 | 145,782,086 | 39,946,069 | 163,966,508 | 203,912,577 |

44.2.2 Foreign exchange risk

Foreign exchange risk is the risk of loss arising from fluctuations of exchange rates. The Group is not exposed to any significant funded or non-funded foreign exchange exposure.

44.2.3 Equity position risk

Equity position risk is the risk that the fair value will fluctuate as a result of changes in prices of individual stocks or the levels of equity indices. The Group's equity investments are either classified as fair value through Other Comprehensive Income (FVOCI) or fair value through profit or loss account (FVPL). The objective of the fair value through OCI portfolio is to maintain a medium term view of capital gains and dividend income while the Group takes advantage of short-term capital gains through its fair value through profit or loss (FVPL) portfolio investments. It is managed by the Group through its internal investment policy which is duly approved by the Board. The policy defines various position limits, portfolio limits and stop loss limits for the equity desk. The Group also applies stress tests on the equity portfolio which is part of the Group's overall market risk exposure limit on the banking book.

| 2025 | | 2024 | |
|--------------|--------------|--------------|--------------|
| Banking book | Trading book | Banking book | Trading book |

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

Impact of 5% change in equity prices on

| | | | | |
|--|---|-----------|---|----------|
| - Consolidated statement profit and loss account | - | - | - | - |
| - Other comprehensive income | - | (128,634) | - | (67,302) |

44.2.4 Yield / interest rate risk in the banking book (IRRBB) - Basel II Specific

Yield / interest rate sensitivity position for on-balance sheet instruments is based on the earlier of contractual re-pricing or maturity dates and for off-balance sheet instruments is based on settlement dates. This also refers to the non-trading market risk. Apart from the gap analysis between the market rate sensitive assets and liabilities as per the table given below, the Group also conducts interest rate sensitivity analysis in the banking book using the Duration Gap analysis based on its interest rate sensitive assets and interest rate sensitive liabilities. The Group also uses parallel shift in interest rates to determine the impact of adverse rate changes on investments in government securities.

- Interest rate sensitivity of assets and liabilities is measured based on actual re-pricing / maturity behaviour of all interest rate sensitive assets and liabilities.
- Duration GAP is calculated based on interest rate re-pricing of assets and liabilities and is used to determine impact of adverse interest rate movements on the Group's equity. Such an analysis is conducted every month and results are reported to the ALCO and RMC on a monthly and quarterly basis respectively.

| 2025 | | 2024 | |
|--------------|--------------|--------------|--------------|
| Banking book | Trading book | Banking book | Trading book |

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

Impact of 1% change in interest rates on

| | | | | |
|--|--------|---------|---------|---------|
| - Unconsolidated profit and loss account | 54,529 | - | 125,364 | - |
| - Other comprehensive income | - | 388,898 | - | 595,950 |

44.2.5 Mismatch of interest rate sensitive assets and liabilities

| Effective yield / interest rate | 2025 | | | | | | | | | | | |
|---|-----------------|---------------------------------------|---------------------|---------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|-------------------|--------------------------------|-------------------|
| | Total | Exposed to yield / interest rate risk | | | | | | | | | Non-interest bearing financial | |
| | | 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 in '000 | | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | |
| <i>Assets</i> | | | | | | | | | | | | |
| Cash and balances with treasury banks | 1,245,464 | - | - | - | - | - | - | - | - | - | - | 1,245,464 |
| Balances with other banks | 5.02% to 20.50% | 1,013,551 | 1,009,602 | - | - | - | - | - | - | - | - | 3,949 |
| Lending to financial institutions | - | - | - | - | - | - | - | - | - | - | - | - |
| Investments | 7.94% to 20.20% | 105,572,314 | 10,098,770 | 9,176,906 | 69,418,872 | 9,773,422 | 1,330,818 | - | 2,938,802 | 155,336 | 106,711 | 2,572,678 |
| Advances | 2.25% to 30% | 29,509,016 | 9,136,842 | 10,170,146 | 2,484,079 | 2,087,003 | 1,684,553 | 1,380,562 | 2,280,160 | 95,230 | - | 190,442 |
| Other assets | - | 7,961,158 | - | - | - | - | - | - | - | - | - | 7,961,158 |
| | | 145,301,503 | 20,245,214 | 19,347,052 | 71,902,951 | 11,860,425 | 3,015,370 | 1,380,562 | 5,218,961 | 250,567 | 106,711 | 11,973,691 |
| <i>Liabilities</i> | | | | | | | | | | | | |
| Borrowings | 0% to 19.06% | 122,068,464 | 67,892,949 | 26,137,875 | 20,515,643 | 5,292,497 | 1,194,203 | 385,123 | 258,886 | 31,925 | - | 359,363 |
| Deposits and other accounts | - | - | - | - | - | - | - | - | - | - | - | - |
| Other liabilities | - | 7,915,274 | - | - | - | - | - | - | - | - | - | 7,915,274 |
| | | 129,983,738 | 67,892,949 | 26,137,875 | 20,515,643 | 5,292,497 | 1,194,203 | 385,123 | 258,886 | 31,925 | - | 8,274,637 |
| On-balance sheet gap | | 15,317,765 | (47,647,736) | (6,790,823) | 51,387,308 | 6,567,928 | 1,821,167 | 995,439 | 4,960,075 | 218,642 | 106,711 | 3,699,054 |
| Non financial net assets | | 480,583 | | | | | | | | | | |
| Total net assets | | 15,798,348 | | | | | | | | | | |
| Off-balance sheet financial instruments | | | | | | | | | | | | |
| Documentary credits and short-term trade-related transactions | | 4,739,519 | 4,739,519 | - | - | - | - | - | - | - | - | - |
| Commitments in respect of: | | | | | | | | | | | | |
| - forward foreign exchange contracts | | - | - | - | - | - | - | - | - | - | - | - |
| - forward lendings | | 5,233,508 | 5,233,508 | - | - | - | - | - | - | - | - | - |
| - forward investments | | - | - | - | - | - | - | - | - | - | - | - |
| - repo transactions | | 34,029,212 | 34,029,212 | - | - | - | - | - | - | - | - | - |
| Other commitment | | - | - | - | - | - | - | - | - | - | - | - |
| Off-balance sheet gap | | 44,002,239 | 44,002,239 | - | - | - | - | - | - | - | - | - |
| Total yield / interest risk sensitivity gap | | | (3,645,497) | (6,790,823) | 51,387,308 | 6,567,928 | 1,821,167 | 995,439 | 4,960,075 | 218,642 | 106,711 | 3,699,054 |
| Cumulative yield / interest risk sensitivity gap | | | (3,645,497) | (10,436,319) | 40,950,989 | 47,518,917 | 49,340,084 | 50,335,523 | 55,295,598 | 55,514,240 | 55,620,951 | 59,320,005 |

| 2024 | | | | | | | | | | | | |
|--|-----------------|---------------------------------------|-----------------------|-----------------------|-------------------------------|----------------------|----------------------|----------------------|-----------------------|-------------------|--|-------------------|
| Effective yield/ interest rate | Total | Exposed to yield / interest rate risk | | | | | | | | | Non- interest bearing financial | |
| | | 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 in '000 | | | | | | | | | | |
| On-balance sheet financial instruments | | | | | | | | | | | | |
| <u>Assets</u> | | | | | | | | | | | | |
| Cash and balances with treasury banks | | 796,314 | 796,314 | - | - | - | - | - | - | - | - | - |
| Balances with other banks | 5.02% to 20.50% | 1,042,491 | 1,042,491 | - | - | - | - | - | - | - | - | - |
| Lending to financial institutions | | - | - | - | - | - | - | - | - | - | - | - |
| Investments | 7.94% to 20.20% | 166,731,355 | 25,026,972 | 40,694,552 | 89,237,936 | - | 1,424,258 | - | 8,004,974 | 744,741 | 251,879 | 1,346,043 |
| Advances | 2.25% to 30% | 23,852,969 | 3,950,841 | 2,971,001 | 299,255 | 4,984,696 | 3,887,764 | 3,106,509 | 3,080,811 | 1,508,082 | - | 64,010 |
| Other assets | | 5,489,442 | - | - | - | - | - | - | - | - | - | 5,489,442 |
| | | 197,912,571 | 30,816,618 | 43,665,553 | 89,537,191 | 4,984,696 | 5,312,022 | 3,106,509 | 11,085,785 | 2,252,823 | 251,879 | 6,899,495 |
| <u>Liabilities</u> | | | | | | | | | | | | |
| Borrowings | 0% to 19.06% | 185,026,803 | 41,885,390 | 51,994,627 | 85,974,393 | 1,210,495 | 2,239,595 | 881,299 | 654,001 | 187,003 | - | - |
| Deposits and other accounts | | 1,165,705 | 20,000 | 500,000 | 633,305 | - | - | - | 12,400 | - | - | - |
| Other liabilities | | 4,612,001 | - | - | - | - | - | - | - | - | - | 4,612,001 |
| | | 190,804,509 | 41,905,390 | 52,494,627 | 86,607,698 | 1,210,495 | 2,239,595 | 881,299 | 666,401 | 187,003 | - | 4,612,001 |
| On-balance sheet gap | | 7,108,062 | (11,088,772) | (8,829,074) | 2,929,493 | 3,774,201 | 3,072,427 | 2,225,210 | 10,419,384 | 2,065,820 | 251,879 | 2,287,494 |
| Net non- financial assets | | 5,938,357 | | | | | | | | | | |
| Net assets | | 13,046,419 | | | | | | | | | | |
| Off-balance sheet financial instruments | | | | | | | | | | | | |
| Documentary credits and short-term trade-related transactions | | 1,327,589 | 1,327,589 | - | - | - | - | - | - | - | - | - |
| Commitments in respect of: | | | | | | | | | | | | |
| - forward foreign exchange contracts | | - | - | - | - | - | - | - | - | - | - | - |
| - forward lendings | | 4,850,815 | 4,850,815 | - | - | - | - | - | - | - | - | - |
| - forward investment | | - | - | - | - | - | - | - | - | - | - | - |
| - repo transactions | | 18,700,521 | 18,700,521 | - | - | - | - | - | - | - | - | - |
| Other commitment | | - | - | - | - | - | - | - | - | - | - | - |
| Off-balance sheet gap | | 24,878,925 | 24,878,925 | - | - | - | - | - | - | - | - | - |
| Total yield / interest risk sensitivity gap | | | 13,790,153 | (8,829,074) | 2,929,493 | 3,774,201 | 3,072,427 | 2,225,210 | 10,419,384 | 2,065,820 | 251,879 | 2,287,494 |
| Cumulative yield / interest risk sensitivity gap | | | 13,790,153 | 4,961,079 | 7,890,572 | 11,664,773 | 14,737,200 | 16,962,410 | 27,381,794 | 29,447,614 | 29,699,493 | 31,986,987 |

44.3 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Group, like all financial institutions, is exposed to many types of operational risks, including the potential losses arising from internal activities or external events caused by breakdowns in information, communication, physical safeguards, business continuity, supervision, transaction processing, settlement systems and procedures and the execution of legal, fiduciary and agency responsibilities.

The Group maintains a system of internal controls designed to keep operational risk at appropriate levels, in view of the Group's financial strength and the characteristics of the activities and market in which it operates. These internal controls are periodically updated to conform to the industry's best practices. The Group also gathers operational risk losses to determine strengths and sufficiency of its internal controls.

The Group has developed a Business Continuity Plan applicable to all its functional areas and the plan is rehearsed at least twice in a year.

Furthermore, the Group's operations are relatively simple as compared to a large scale commercial bank. The Group only operates with its head office in Karachi with a liaison office in Lahore. Given simple operations and small scale, Group uses Basic Indicator Approach (BIA) to determine capital charge under Basel II.

44.4 Liquidity risk

Liquidity risk is the risk that the Group is unable to fund its current obligations and operations in the most cost efficient manner. ALCO is the forum to oversee liquidity management.

Liquidity risk can arise from the Group's activities and can be grouped into three categories:

- Inflows / outflows from on-balance sheet items (other than marketable securities and wholesale borrowings) and off-balance sheet items;
- Marketability of trading securities; and
- Capacity to borrow from the wholesale markets for funding as well as trading activities.

The Group's main funding source is the inter-bank money market. Changes in the government monetary policy and market expectations of interest rate are all important factors that can adversely affect our key funding sources. Efficient and accurate planning plays a critical role in liquidity management. The Group's MIS provides information on expected cash inflows / outflows which allows the Group to take timely decisions based on future requirements. The Group monitors all the possible sources from which liquidity risk can emanate including market reputation, borrowing terms, deterioration in quality of credit portfolio, etc. Other sources are also identified for which early warning indicators have been created and are being monitored for early intervention of management sensing a potential liquidity crunch.

Gap analysis and stress testing is done on a periodic basis to capture any adverse effect of market movements on liquidity position. Based on the results produced, ALCO devises the liquidity management strategy to maintain sufficient liquidity to deal with any related catastrophe.

2011

44.4.1 Maturities of assets and liabilities - based on contractual maturities of assets and liabilities of the Company

| | 2025 | | | | | | | | | | | | | |
|---------------------------------------|----------------|------------|------------------|-------------------|-------------------------|--------------------|--------------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------|
| | Total | 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 in '000 | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | | |
| Cash and balances with treasury banks | 1,245,464 | 1,245,464 | - | - | - | - | - | - | - | - | - | - | - | - |
| Balances with other banks | 1,013,551 | 632,751 | 326,920 | - | 53,880 | - | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investments | 105,572,314 | - | - | - | 4,265,770 | - | 332,571 | 36,074,836 | 8,031,330 | 14,833,415 | 20,634,148 | 12,250,324 | 3,442,428 | 5,707,491 |
| Advances | 29,509,016 | 855,622 | 1,607,406 | 26,948 | 1,020,208 | 811,298 | 1,341,880 | 3,533,539 | 1,758,994 | 3,738,400 | 4,956,572 | 4,345,624 | 3,751,781 | 1,760,743 |
| Property and equipment | 89,232 | - | - | 11 | 1,267 | 1,362 | 1,852 | 4,017 | 4,394 | 4,393 | 31,067 | 30,472 | 10,398 | - |
| Right-of-use assets | 43,975 | - | - | - | 4,695 | 4,695 | 4,695 | 14,085 | 6,019 | 7,405 | 2,381 | - | - | - |
| Intangible assets | 3,377 | - | - | - | 34 | 68 | 86 | 102 | 102 | 2,829 | 156 | - | - | - |
| Deferred tax assets | 175,095 | 56,641 | 169 | 164 | 1,207 | 760 | 958 | 4,010 | 857 | 2,304 | 4,610 | 97,664 | 4,953 | 796 |
| Other assets | 7,961,158 | 149,255 | 224,160 | 3,636 | 325,699 | 24,806 | 96,666 | 2,089,959 | 31,167 | 633,818 | 537,486 | 524,659 | 991,996 | 2,327,850 |
| Assets classified as held-for-sale | 168,904 | - | - | - | - | - | - | - | - | 168,904 | - | - | - | - |
| | 145,782,086 | 2,939,733 | 2,158,656 | 30,759 | 5,672,760 | 842,990 | 1,778,708 | 41,720,549 | 9,832,863 | 19,391,469 | 26,166,419 | 17,248,743 | 8,201,556 | 9,796,880 |
| Liabilities | | | | | | | | | | | | | | |
| Borrowings | 122,068,464 | - | 41,006,852 | 5,464,298 | 19,836,818 | 14,974,863 | 5,334,123 | 16,814,389 | 1,187,393 | 6,256,714 | 7,233,838 | 2,690,281 | 1,175,591 | 93,305 |
| Deposits and other accounts | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Lease liabilities | 59,124 | - | - | - | 1,269 | 1,283 | 6,443 | 39,692 | 2,710 | 2,785 | 4,941 | - | - | - |
| Other liabilities | 7,856,150 | 29,412 | 65,860 | 133,944 | 5,213,941 | 373,832 | 78,145 | 328,132 | 106,838 | 668,772 | 233 | 591,608 | 257,192 | 8,241 |
| | 129,983,738 | 29,412 | 41,072,712 | 5,598,242 | 25,052,028 | 15,349,978 | 5,418,711 | 17,182,213 | 1,296,941 | 6,928,271 | 7,239,012 | 3,281,889 | 1,432,783 | 101,546 |
| Net assets | 15,798,348 | 2,910,321 | (38,914,056) | (5,567,483) | (19,379,266) | (14,506,989) | (3,640,003) | 24,538,336 | 8,535,922 | 12,463,198 | 18,927,407 | 13,966,853 | 6,768,773 | 9,695,334 |
| Share capital | 6,000,000 | | | | | | | | | | | | | |
| Reserves | 2,898,531 | | | | | | | | | | | | | |
| Unappropriated profit | 5,147,203 | | | | | | | | | | | | | |
| Non-controlling interest | 2,229 | | | | | | | | | | | | | |
| Deficit on revaluation of assets | 1,750,385 | | | | | | | | | | | | | |
| | 15,798,348 | | | | | | | | | | | | | |

44.4. Maturities of assets and liabilities - based on expected maturities of the assets and liabilities of the Company

| | | 2025 | | | | | | | | |
|---------------------------------------|--------------------|---------------------|---------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|------------------|----------|
| Total | 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 in '000 ----- | | | | | | | | | | |
| Assets | | | | | | | | | | |
| Cash and balances with treasury banks | 1,245,464 | 1,245,464 | - | - | - | - | - | - | - | - |
| Balances with other banks | 1,013,551 | 1,013,551 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | - | - | - | - | - | - | - | - | - | - |
| Investments | 105,572,314 | 4,265,770 | 332,571 | 36,074,836 | 22,864,745 | 20,634,148 | 12,250,324 | 3,442,428 | 5,707,491 | - |
| Advances | 29,509,016 | 3,510,185 | 2,153,178 | 3,533,539 | 5,497,394 | 4,956,572 | 4,345,624 | 3,751,781 | 1,760,743 | - |
| Property and equipment | 89,232 | 1,278 | 3,214 | 4,017 | 8,787 | 31,067 | 30,472 | 10,398 | - | - |
| Right-of-use assets | 43,975 | 4,695 | 9,390 | 14,085 | 13,424 | 2,381 | - | - | - | - |
| Intangible assets | 3,377 | 34 | 154 | 102 | 2,931 | 156 | - | - | - | - |
| Deferred tax assets | 175,095 | 58,181 | 1,718 | 4,010 | 3,161 | 4,610 | 97,664 | 4,953 | 796 | - |
| Other assets | 7,961,158 | 702,750 | 121,472 | 2,089,959 | 664,985 | 537,486 | 524,659 | 991,996 | 2,327,850 | - |
| Assets classified as held-for-sale | 168,904 | - | - | - | 168,904 | - | - | - | - | - |
| | 145,782,086 | 10,801,908 | 2,621,698 | 41,720,549 | 29,224,332 | 26,166,419 | 17,248,743 | 8,201,557 | 9,796,881 | - |
| Liabilities | | | | | | | | | | |
| Borrowings | 122,068,464 | 66,307,968 | 20,308,986 | 16,814,389 | 7,444,107 | 7,233,838 | 2,690,281 | 1,175,591 | 93,305 | - |
| Deposits and other accounts | - | - | - | - | - | - | - | - | - | - |
| Lease liability | 59,124 | 1,269 | 7,727 | 39,692 | 5,496 | 4,941 | - | - | - | - |
| Other liabilities | 7,856,150 | 5,443,156 | 451,977 | 328,132 | 775,610 | 233 | 591,608 | 257,192 | 8,241 | - |
| | 129,983,738 | 71,752,393 | 20,768,690 | 17,182,213 | 8,225,212 | 7,239,012 | 3,281,889 | 1,432,783 | 101,546 | - |
| Net assets | 15,798,348 | (60,950,485) | (18,146,992) | 24,538,336 | 20,999,120 | 18,927,407 | 13,966,854 | 6,768,774 | 9,695,335 | - |
| Share capital | 6,000,000 | | | | | | | | | |
| Reserves | 2,898,531 | | | | | | | | | |
| Unappropriated profit | 5,147,203 | | | | | | | | | |
| Non-controlling interest | 2,229 | | | | | | | | | |
| Deficit on revaluation of assets | 1,750,385 | | | | | | | | | |
| | 15,798,348 | | | | | | | | | |

| 2024 | | | | | | | | | |
|-------|--------------|--------------------|--------------------|-------------------------|-------------------|-------------------|-------------------|--------------------|----------------|
| Total | 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 in '000 -----

Assets

| | | | | | | | | | | |
|---------------------------------------|-------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|---|
| Cash and balances with treasury banks | 796,314 | 796,314 | - | - | - | - | - | - | - | - |
| Balances with other banks | 1,042,491 | 1,042,491 | - | - | - | - | - | - | - | - |
| Lendings to financial institutions | - | - | - | - | - | - | - | - | - | - |
| Investments | 166,731,355 | - | 269,182 | 289,107 | 30,913,307 | 27,326,026 | 4,706,478 | 81,133,305 | 22,093,950 | - |
| Advances | 23,852,969 | 2,958,608 | 1,666,451 | 3,111,444 | 4,852,413 | 3,535,655 | 3,089,149 | 3,067,156 | 1,572,093 | - |
| Fixed assets | 103,403 | 5,370 | 17,634 | 18,918 | 43,993 | 12,723 | 4,765 | - | - | - |
| Right of use assets | 72,991 | 3,283 | 6,638 | 11,594 | 30,471 | 21,005 | - | - | - | - |
| Intangible assets | 8,020 | 947 | 1,894 | 2,841 | 2,338 | - | - | - | - | - |
| Deferred tax assets | 359,874 | 1,220 | 2,614 | 3,920 | 48,336 | 663 | 250,036 | 53,085 | - | - |
| Other assets | 10,776,256 | 1,041,044 | 1,734,525 | 2,372,504 | 224,904 | 83,783 | 5,287,954 | 31,542 | - | - |
| Assets classified as held-for-sale | 168,904 | - | - | - | 168,904 | - | - | - | - | - |
| | 203,912,577 | 5,849,277 | 3,698,938 | 5,810,328 | 36,284,666 | 30,979,855 | 13,338,382 | 84,285,088 | 23,666,043 | - |

Liabilities

| | | | | | | | | | | |
|-----------------------------|-------------|------------|------------|------------|-----------|-----------|-----------|---------|---------|---|
| Borrowings | 185,026,803 | 41,006,475 | 47,906,375 | 83,597,191 | 3,672,427 | 4,823,509 | 2,869,870 | 946,438 | 204,518 | - |
| Deposits and other accounts | 1,165,705 | 20,000 | 500,000 | 645,705 | - | - | - | - | - | - |
| Lease liability | 61,649 | 1,340 | 2,801 | 4,192 | 51,090 | 2,226 | - | - | - | - |
| Other liabilities | 4,612,001 | 524,093 | 636,973 | 2,746,359 | 615,106 | 53,113 | 11,956 | 24,401 | - | - |
| | 190,866,158 | 41,551,908 | 49,046,149 | 86,993,447 | 4,338,623 | 4,878,848 | 2,881,826 | 970,839 | 204,518 | - |

Net assets

| | | | | | | | | | | |
|--|------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|---|
| | 13,046,419 | (35,702,631) | (45,347,211) | (81,183,119) | 31,946,043 | 26,101,007 | 10,456,556 | 83,314,249 | 23,461,525 | - |
|--|------------|--------------|--------------|--------------|------------|------------|------------|------------|------------|---|

| | |
|----------------------------------|-------------------|
| Share capital | 6,000,000 |
| Reserves | 2,512,190 |
| Unappropriated profit | 3,948,804 |
| Non-controlling interest | 2,260 |
| Deficit on revaluation of assets | 583,165 |
| | <u>13,046,419</u> |

45 EVENTS AFTER THE REPORTING DATE

The Board of Directors have proposed a final dividend for the year ended December 31, 2025 of Re. 0.5 per share (2024: Re. 0.5 per share), amounting to Rs. 300 million (2024: Rs. 300 million) at their meeting held on March 12, 2026, for approval of the members at the annual general meeting to be held on April 09, 2026. The consolidated financial statements for the year ended December 31, 2025 do not include the effect of these appropriations which will be accounted for in the consolidated financial statements for the year ending December 31, 2026.

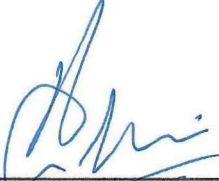




46 GENERAL

46.1 Figures in these consolidated financial statements have been rounded off to the nearest thousand Rupees unless otherwise stated.

47 Date of authorisation

These financial statements were authorised for issue on March 12, 2026 by the Board of Directors of the Holding Company.

J.S.

| | | | | |
|---|---|--|---|---|
|  |  |  |  |  |
| _____ President / Chief Executive | _____ Chief Financial Officer | _____ Director | _____ Director | _____ Director |