



PAK BRUNEI INVESTMENT COMPANY LTD.

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)**

FOR THE PERIOD ENDED MARCH 31, 2022

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

(Audited)		(Audited)			
March 31, 2022	December 31, 2021			March 31, 2022	December 31, 2021
----- USD in '000 -----				Note	----- Rupees in '000 -----
ASSETS					
326	670	Cash and balances with treasury banks	6	59,868	122,856
1,710	1,590	Balances with other banks	7	313,685	291,710
5,450	11,328	Lendings to financial institutions	8	1,000,000	2,078,487
154,725	133,270	Investments	9	28,388,691	24,452,231
118,814	120,954	Advances	10	21,799,749	22,192,370
366	405	Fixed assets	11	67,062	74,321
17	17	Intangible assets	12	3,208	3,075
3,000	3,000	Deferred tax assets	13	550,443	550,449
9,821	9,057	Other assets	14	1,801,970	1,661,731
2,880	2,817	Non-current assets classified as held-for-sale	15	528,444	516,768
297,109	283,108			54,513,120	51,943,998
LIABILITIES					
-	-	Bills payable		-	-
231,494	219,349	Borrowings	16	42,474,167	40,245,824
273	273	Deposits and other accounts	17	50,000	50,000
-	-	Liabilities against assets subject to finance lease		-	-
-	-	Subordinated debt		-	-
-	-	Deferred tax liabilities		-	-
8,721	7,250	Other liabilities	18	1,600,284	1,330,194
240,488	226,872			44,124,451	41,626,018
56,621	56,236	NET ASSETS		10,388,669	10,317,980
REPRESENTED BY					
32,701	32,701	Share capital		6,000,000	6,000,000
11,075	10,465	Reserves		2,031,975	1,920,050
(5,967)	(5,868)	Deficit on revaluation of assets	19	(1,094,839)	(1,076,611)
18,799	18,925	Unappropriated profit		3,449,194	3,472,236
56,608	56,223	Total equity attributable to the equity holders of the holding company		10,386,330	10,315,675
13	13	Non-controlling interest		2,339	2,305
56,621	56,236			10,388,669	10,317,980

CONTINGENCIES AND COMMITMENTS 20

The annexed notes 1 to 36 forms an integral part of these financial statements.

President/Chief Executive

Chief Financial Officer

Director

Director

Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2022

<u>Period Ended</u>			<u>Note</u>	<u>Period Ended</u>	
<u>March 31,</u> <u>2022</u>	<u>March 31,</u> <u>2021</u>			<u>March 31,</u> <u>2022</u>	<u>March 31,</u> <u>2021</u>
----- USD in '000 -----					
5,811	3,812	Mark-up / return / interest earned	21	1,066,201	699,435
4,722	2,362	Mark-up / return / interest expensed	22	866,370	433,415
<u>1,089</u>	<u>1,450</u>	Net mark-up / interest income		<u>199,831</u>	<u>266,020</u>
Non mark-up / interest income					
175	176	Fee and commission income	23	32,153	32,362
207	1	Dividend income		37,925	175
(89)	59	(Loss) / gain on securities	24	(16,281)	10,830
-	-	Other income	25	-	-
<u>293</u>	<u>236</u>	Total non-markup / interest income		<u>53,797</u>	<u>43,367</u>
<u>1,382</u>	<u>1,686</u>	Total income		<u>253,628</u>	<u>309,387</u>
Non mark-up / interest expenses					
629	755	Operating expenses	26	115,415	138,528
2	1	Sindh Workers' Welfare Fund	27	447	143
<u>631</u>	<u>756</u>	Total non mark-up / interest expenses		<u>115,862</u>	<u>138,671</u>
<u>751</u>	<u>930</u>	Profit before provisions		<u>137,766</u>	<u>170,716</u>
88	14	Provisions and write offs - net	28	16,074	2,510
-	-	Extraordinary / unusual items		-	-
<u>663</u>	<u>916</u>	Profit before taxation		<u>121,692</u>	<u>168,206</u>
179	277	Taxation	29	32,775	50,733
<u>484</u>	<u>639</u>	Profit after taxation		<u>88,917</u>	<u>117,473</u>
Attributable to:					
484	640	Equity shareholders of the holding company		88,883	117,458
0.1853	0.0818	Non-controlling interest		34	15
<u>484</u>	<u>639</u>			<u>88,917</u>	<u>117,473</u>
----- USD -----					
<u>0.00081</u>	<u>0.00107</u>	Basic and diluted earnings per share	30	<u>0.15</u>	<u>0.20</u>

The annexed notes 1 to 36 forms an integral part of these financial statements.

President/Chief Executive

Chief Financial Officer

Director

Director

Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2022

Period Ended			Period Ended	
March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
----- USD in '000 -----				
484	639	Profit after taxation for the year	88,917	117,473
Other comprehensive loss				
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
(99)	(759)	Movement in deficit on revaluation of investments - net of tax	(18,228)	(139,173)
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
-	-	Remeasurement loss on defined benefit obligations - net of tax	-	-
<u>385</u>	<u>(120)</u>	Total comprehensive (loss) / income	<u>70,689</u>	<u>(21,700)</u>

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President/Chief Executive

Chief Financial Officer

Director

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PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2022

	Share capital	Statutory reserve	General reserve	Deficit on revaluation of investments	Unappropriated profit	Non-controlling interest	Total
	Rupees in '000						
Opening Balance as at January 01, 2021	6,000,000	1,623,782	100,000	(392,920)	3,520,451	2,345	10,853,658
Comprehensive income for the year							
Profit after taxation for the period ended March 31, 2021	-	-	-	-	117,458	15	117,473
Other comprehensive loss							
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(139,173)	-	-	(139,173)
	-	-	-	(139,173)	117,458	15	(21,700)
Transfer to statutory reserve	-	21,345	-	-	(21,345)	-	-
Transfer to general reserve	-	-	100,000	-	(100,000)	-	-
Final cash dividend paid for the year ended December 31, 2020 @ Re. 0.50 per share	-	-	-	-	(300,000)	-	(300,000)
Opening Balance as at April 01, 2021	6,000,000	1,645,127	200,000	(532,093)	3,216,564	2,360	10,531,958
Comprehensive income for the year							
Profit after taxation (December 31, 2021)	-	-	-	-	330,966	37	331,003
Other comprehensive loss							
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	(371)	(22)	(393)
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(544,518)	-	-	(544,518)
	-	-	-	(544,518)	330,595	15	(213,908)
Transfer to statutory reserve	-	74,923	-	-	(74,923)	-	-
Transactions with owners, recorded directly in equity							
Dividend payout by Awwal Modaraba @ Re. 0.80 per certificate	-	-	-	-	-	(70)	(70)
Opening Balance as at January 01, 2022	6,000,000	1,720,050	200,000	(1,076,611)	3,472,236	2,305	10,317,980
Comprehensive income for the year							
Profit after taxation for the period ended March 31, 2022	-	-	-	-	88,883	34	88,917
Other comprehensive loss							
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(18,228)	-	-	(18,228)
	-	-	-	(18,228)	88,883	34	70,689
Transfer to statutory reserve	-	11,925	-	-	(11,925)	-	-
Transfer to general reserve	-	-	100,000	-	(100,000)	-	-
Closing Balance as at March 31, 2022	6,000,000	1,731,975	300,000	(1,094,839)	3,449,194	2,339	10,388,669

The annexed notes 1 to 36 forms an integral part of these financial statements.

President/Chief Executive

Chief Financial Officer

Director

Director

Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2022

March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
----- USD in '000 -----			----- Rupees in '000 -----	
		CASH FLOWS FROM OPERATING ACTIVITIES		
663	917	Profit before taxation	121,692	168,206
207	1	Less: Dividend income	37,925	175
<u>456</u>	<u>916</u>		<u>83,767</u>	<u>168,031</u>
		Adjustments:		
49	82	Depreciation	8,918	15,116
1	11	Amortisation	146	2,041
2	1	Provision for Sindh Workers' Welfare Fund	447	143
88	14	Provision and write-offs	16,074	2,510
-	-	Gain on sale of fixed assets	-	-
-	-	Unrealized gain on revaluation of investments classified as held for trading - net	775	1,482
<u>144</u>	<u>116</u>		<u>26,360</u>	<u>21,292</u>
<u>600</u>	<u>1,032</u>		<u>110,127</u>	<u>189,323</u>
		(Increase) / decrease in operating assets		
5,878	2,996	Lendings to financial institutions	1,078,487	549,679
(16,247)	(11)	Held-for-trading securities	(2,980,961)	(2,042)
2,124	8,804	Advances	389,704	1,615,427
(455)	1,215	Others assets (excluding advance taxation)	(83,506)	222,992
<u>(8,700)</u>	<u>13,004</u>		<u>(1,596,276)</u>	<u>2,386,056</u>
		Increase/ (decrease) in operating liabilities		
12,145	43,769	Borrowings from financial institutions	2,228,343	8,030,566
-	(1,799)	Deposits	-	(330,000)
1,470	(92)	Other liabilities (excluding current taxation)	269,643	(16,942)
<u>13,615</u>	<u>41,878</u>		<u>2,497,986</u>	<u>7,683,624</u>
<u>(527)</u>	<u>(468)</u>	Income tax paid	<u>(96,656)</u>	<u>(85,797)</u>
<u>4,988</u>	<u>55,446</u>	Net cash flow generated from / (used in) operating activities	<u>915,181</u>	<u>10,173,206</u>
		CASH FLOWS FROM INVESTING ACTIVITIES		
(5,382)	(53,858)	Net investments in available-for-sale securities	(987,663)	(9,881,685)
-	233	Net investments in held-to-maturity securities	-	42,742
182	-	Dividends received	33,407	-
(9)	(21)	Investments in operating fixed assets	(1,659)	(3,873)
(2)	-	Investments in operating intangible assets	(279)	-
-	-	Proceeds from sale of fixed assets	-	-
<u>(5,211)</u>	<u>(53,646)</u>	Net cash flow (used in) / generated from investing activities	<u>(956,194)</u>	<u>(9,842,816)</u>
		CASH FLOWS FROM FINANCING ACTIVITIES		
-	(1,635)	Dividend paid	-	(300,000)
-	(1,635)	Net cash flow used in financing activities	-	(300,000)
<u>(223)</u>	<u>165</u>	Decrease in cash and cash equivalents	<u>(41,013)</u>	<u>30,390</u>
2,259	4,358	Cash and cash equivalents at beginning of the year	414,566	799,654
<u>2,036</u>	<u>4,523</u>	Cash and cash equivalents at end of the year	<u>373,553</u>	<u>830,044</u>

The annexed notes 1 to 36 forms an integral part of these financial statements.

President/Chief Executive

Chief Financial Officer

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PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2022

1 STATUS AND NATURE OF BUSINESS

The "Group" consists of:

Holding Company

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 (now repealed) Companies Ordinance, 1984. 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 2 offices (March 31, 2021: 2) one located in Karachi and the other in Lahore.

Subsidiaries

- **Awwal Modaraba Management Limited (AMML) - 100% holding**

Awwal Modaraba Management Limited (the Company) was incorporated in Pakistan on June 05, 2014 as an unlisted public company under the (now repealed) Companies Ordinance, 1984. Subsequently, it was registered as a Modaraba Management Company with the Registrar of Modaraba Companies and Modarabas under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The Company is a wholly owned subsidiary of Pak Brunei Investment Company Limited (the Holding Company) with its registered office situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan.

The principal activity of the Company is to engage in the business of floatation of Modarabas and to function as a Modaraba Company within the meaning of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. Presently, the Company is managing Awwal Modaraba only the details of which have been provided below.

The Securities and Exchange Commission of Pakistan (SECP) has appointed Awwal Modaraba Management Limited as the Management Company of KASB Modaraba, First Prudential Modaraba and First Pak Modaraba with effect from February 3, 2020 and prescribed certain terms and conditions for Awwal Modaraba Management Limited to fulfill. The implementation of those terms and conditions is under progress and is expected to be completed by the year ending December 31, 2021.

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

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, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan. PLL is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP). PLL has 2 offices (2019: 2 offices) 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 assets 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 Modaraba (AM) - 99.78% holding**

AM has been floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder. AM is managed by the AMML. After receiving certificate of minimum subscription, AM commenced its business operations with effect from February 10, 2016. The registered office is situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan.

AM is a perpetual, multi purpose and multi dimensional Modaraba and is primarily engaged in providing working capital, Term Finance, Ijarah, Musharika, Morabaha and other Shari'ah compliant investments / instruments to credit worthy customers. AM is listed on the Pakistan Stock Exchange Limited.

- **AWWAL Corporate Restructuring Company Limited (ACRCL) - 100% holding**

Pak Brunei Investment Company Limited has set up Awwal Corporate Restructuring Company Limited (ACRCL) in December 2021 as a wholly-owned subsidiary with a capital of PKR 10 Million. As, the Corporate Restructuring Companies (CRC) Act, 2016 and Corporate Restructuring Companies (Amendment) Ordinance 2020 have been promulgated by National Assembly followed by supporting regulations by both the Securities and Exchange Commission (SECP) and the State Bank of Pakistan (SBP). Since it is a more appropriate regulatory structure for revival transactions.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These unconsolidated 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;
- 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 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 IFRS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No.5 dated March 22, 2019 and IAS 34. These condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements for the year ended December 31, 2021.

2.2 US dollar equivalent

The US dollar amounts shown in the condensed interim consolidated statement of financial position, condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income and condensed interim consolidated cash flow statement are stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs. 183.48 to US Dollars has been used as it was the prevalent rate as on March 31, 2021.

2.3 Standards and amendments to existing accounting and reporting standards that are not yet effective

As per the SBP's BPRD Circular Letter no. 4 dated October 23, 2019, the applicability of IFRS 9 to banks/DFIs in Pakistan was deferred to accounting periods beginning on or after January 1, 2021 and detailed guidelines are awaited regarding the same.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2021.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of this condensed interim consolidated financial information is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2021.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2021.

9 INVESTMENTS

9.1 Investments by type:

	March 31, 2022				December 31, 2021			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
----- Rupees in '000 -----								
Held-for-trading securities								
Ordinary shares	-	-	-	-	2,501	-	4	2,505
Market Treasury Bills	2,982,687	-	-	2,982,687	-	-	-	-
	2,982,687	-	-	2,982,687	2,501	-	4	2,505
Available-for-sale securities								
Federal government securities								
Market Treasury Bills	9,924,861	-	(46,179)	9,878,682	9,742,610	-	(117,594)	9,625,016
Pakistan Investment Bonds - Fixed Rate	8,353,627	-	(1,164,204)	7,189,422	8,365,115	-	(1,074,449)	7,290,666
Pakistan Investment Bonds - Floating Rate	4,742,606	-	(753)	4,741,854	4,490,053	-	3,823	4,493,876
Ordinary shares	1,188,774	(42,528)	(261,974)	884,272	1,110,619	(27,891)	(263,316)	819,412
Non-government debt securities	2,789,050	(264,741)	790	2,525,099	2,400,114	(266,221)	7,960	2,141,853
Units of mutual funds	-	-	-	-	39,277	-	(10,232)	29,045
Commercial paper	186,391	-	284	186,675	49,858	-	-	49,858
	27,185,309	(307,269)	(1,472,036)	25,406,004	26,197,646	(294,112)	(1,453,808)	24,449,726
Total investments	30,167,996	(307,269)	(1,472,036)	28,388,691	26,200,147	(294,112)	(1,453,804)	24,452,231

9.1.1 Investments given as collateral

	March 31, 2022			December 31, 2021		
	Cost / amortised cost	Surplus / (deficit)	Carrying value	Cost / amortised cost	Surplus / (deficit)	Carrying value
----- Rupees in '000 -----						
Held-for-trading securities						
Market Treasury Bills	2,982,687	-	2,982,687	-	-	-
Available-for-sale securities						
Market Treasury Bills	9,573,398	(44,348)	9,529,050	8,940,956	(107,852)	8,833,104
Pakistan Investment Bonds	6,727,120	(999,088)	5,728,032	11,591,587	(895,056)	10,696,531
Pakistan Investment Bonds - Floater	4,470,212	(214)	4,469,999	-	-	-
Ordinary shares	161,627	(42,402)	119,225	161,026	(42,402)	118,624
Term finance / sukuks certificates	759,788	-	759,788	759,788	-	759,788
	24,674,832	(1,086,051)	23,588,781	21,453,357	(1,045,310)	20,408,047

9.2 Provision for diminution in value of investments

	(Audited)	
	March 31, 2022	December 31, 2021
----- Rupees in '000 -----		
Opening balance	294,112	346,947
Charge / reversals		
Charge for the year	21,197	1,998
Reversal on disposals	(8,040)	(54,833)
	13,157	(52,835)
Closing balance	307,269	294,112

Particulars of provision against debt securities

Category of classification	Audited			
	March 31, 2022		December 31, 2021	
	Non-performing investments	Provision	Non-performing investments	Provision
----- (Rupees in '000) -----				
Domestic				
Loss	307,269	307,269	294,112	294,112

10 ADVANCES

	Performing		Non-performing		Total	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
	----- Rupees in '000 -----					
Loans, cash credits, running finances, etc.	20,586,840	21,148,462	1,018,942	1,018,878	21,605,782	22,167,340
Islamic financing and related assets	774,211	601,333	-	-	774,211	601,333
Advances - gross	21,361,051	21,749,795	1,018,942	1,018,878	22,379,993	22,768,673
Provision against advances						
- Specific	-	-	512,487	497,025	512,487	497,025
- General	67,757	79,278	-	-	67,757	79,278
	67,757	79,278	512,487	497,025	580,244	576,303
Advances - net of provision	21,293,294	21,670,517	506,455	521,853	21,799,749	22,192,370

(Audited)
March 31, 2022 December 31, 2021

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

10.1 Particulars of advances (gross)

In local currency	22,379,993	22,768,673
In foreign currencies	-	-
	<u>22,379,993</u>	<u>22,768,673</u>

10.2 Advances include Rs. 1,018.942 million (2021: Rs. 1,018.878 million) which have been placed under the non-performing status as detailed below:

Category of classification	Note	(Audited)			
		March 31, 2022		December 31, 2021	
		Non Performing Loans	Provision	Non Performing Loans	Provision
		----- Rupees in '000 -----			
Domestic					
Other Assets Especially Mentioned	10.2.1	3,950	395	1,500	150
Substandard		19,418	7,552	47,356	11,839
Doubtful		14,236	7,118	2,141	1,070
Loss		981,338	497,422	967,881	483,966
Total		<u>1,018,942</u>	<u>512,487</u>	<u>1,018,878</u>	<u>497,025</u>

10.2.1 The 'Other Assets Especially Mentioned' category pertains to small enterprise finance.

10.3 Particulars of provision against advances

	(Audited)					
	March 31, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000 -----					
Opening balance	497,025	79,278	576,303	423,442	18,080	441,522
Charge for the year	8,388	-	8,388	84,982	61,521	146,503
Reversals	(5,470)	(11,521)	(16,991)	(11,399)	(323)	(11,722)
	2,917	(11,521)	(8,604)	73,583	61,198	134,781
Provision due to conversion of investment	12,545	-	12,545	-	-	-
Amounts written off	-	-	-	-	-	-
Closing balance	<u>512,487</u>	<u>67,757</u>	<u>580,244</u>	<u>497,025</u>	<u>79,278</u>	<u>576,303</u>

10.3.2 The Company has availed the benefit of Forced Sale Value (FSV) of certain mortgaged properties held as collateral against non-performing advances as allowed under BSD Circular 1 of 2011. Had the benefit under the said circular not been taken, the specific provision against non-performing advances would have been higher by Rs. 483.915 million (December 31, 2021: Rs. 483.915 million). The FSV benefit availed - net of tax is not available for the distribution as either cash or stock dividend to the shareholders.

		(Audited)	
	Note	March 31, 2022	December 31, 2021
		----- Rupees in '000 -----	
11	FIXED ASSETS		
	Property and equipment	34,499	74,321
	Right-of-use of asset	32,563	-
		<u>67,062</u>	<u>74,321</u>
12	INTANGIBLE ASSETS		
	Computer Software	722	721
	Capital work-in-progress	2,486	2,354
		<u>3,208</u>	<u>3,075</u>
12.1	Capital work-in-progress		
	Software	<u>2,354</u>	<u>2,354</u>
13	DEFERRED TAX ASSETS		
	Deductible temporary differences on		
	- Provision for diminution in the value of investments	82,663	82,569
	- Provision against advances, other assets, etc.	163,786	167,971
	- Deficit on revaluation of investments	377,197	377,197
	- Accelerated tax depreciation	6,498	(144)
	- Lease liability against right-of-use asset	2,518	2,636
	- Tax losses carried forward	-	1,058
	- Carry forward of alternate corporate tax	49,910	49,910
	- Provision for bonus	16,776	16,807
		699,348	698,004
	Taxable temporary differences on		
	- Net investment in finance lease	(29,811)	32,180
	- Post retirement employee benefits	(1,921)	(1,921)
	- Right-of-use assets	(11,893)	(12,005)
	- Amortization of discount on investments	(105,280)	(165,809)
		(148,905)	(147,555)
		<u>550,443</u>	<u>550,449</u>
14	OTHER ASSETS		
	Income/ mark-up accrued in local currency	568,549	656,404
	Advances, deposits, advance rent and other prepayments	163,453	24,141
	Advance taxation (payments less provisions)	870,812	806,925
	Advance against subscription of TFC	-	70,500
	Receivable against sale of shares	19,609	56,317
	Receivable against advisory fee	33,760	34,183
	Receivable from related parties	13,920	7,746
	Lease receivable under IFRS-16	933	-
	Dividend receivable	4,518	-
	Receivable from defined benefit plan	8,653	8,126
	Others	117,763	-
		<u>1,801,970</u>	<u>1,664,342</u>
	Less: Provision held against other assets	-	(2,611)
		<u>1,801,970</u>	<u>1,661,731</u>
15	NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE		
	Non-current assets classified as held-for-sale	<u>528,444</u>	<u>516,768</u>

This relates to land, building and machinery which have been classified as 'Non-current assets held for sale' as at March 31, 2022. The Company has entered into an agreement with a buyer to dispose of these properties. It is expected that the process of sale of these properties will be completed in the near future.

16	BORROWINGS	Note	(Audited)	
			March 31, 2022	December 31, 2021
			----- Rupees in '000 -----	
	Secured			
	Borrowings from State Bank of Pakistan			
	- Long-Term Finance Facility (LTFF) scheme	16.2	4,762,578	5,130,003
	- Power Plants Using Renewable Energy (PPRE) scheme	16.3	60,878	65,567
	- Temporary Economic Refinance Facility (TERF)	16.4	754,534	742,405
	- Finance for Storage of Agriculture Produce (FSAP) scheme	16.5	127,342	148,887
	- Credit Guarantee (CGS) Scheme	16.6	78,184	53,119
	- Special Persons (SP) Scheme	16.7	3,625	3,850
	- Working Capital (WCF) Scheme	16.8	428,795	-
	- COVID - 19 Scheme	16.9	7,500	8,000
	- Balancing, Modernization & Replacement (BMR) scheme	16.10	173,178	97,991
			6,396,614	6,249,822
	Repurchase agreement borrowings		20,960,065	19,495,978
	Borrowings from banks	16.11	10,950,002	10,262,441
	Total secured		<u>38,306,681</u>	<u>36,008,241</u>
	Unsecured			
	Letters of placement:		4,167,486	4,237,583
			<u>42,474,167</u>	<u>40,245,824</u>

16.1 Particulars of borrowings with respect to currencies

In local currency	42,474,167	40,245,824
In foreign currencies	-	-
	<u>42,474,167</u>	<u>40,245,824</u>

16.2 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 6% per annum (2021: 2.00% to 6.00% per annum). These are secured against demand promissory notes and have maturities upto June 2029.

16.3 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 5.00% per annum (2021: 2.00% to 3.00% per annum) and are due to mature latest by June 2026. 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

16.4 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 (2021: 1% to 2% per annum) payable on quarterly basis, with maturities upto February 2032 (2021: December 2031). 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.

16.5 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 rates ranging from 3% to 4% per annum (2021: 3% to 4% per annum) and are due to mature latest by January 2025 (2021: January 2025).

16.6 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 (2021: 0% per annum) payable on quarterly basis, with maturities upto February 2027 (2021: November, 2026). 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.

16.7 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 (2021: 5% per annum) by SBP whereas SBP's refinance rate for this facility is 0% per annum (2021: 0% per annum). 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.

- 16.8** In accordance with the refinance facility for working capital, the Company has entered into agreements for financing with the SBP for extending financing to meet working capital requirements of the customers. The profit rate on this facility is 2% (2021: Nil) payable on quarterly basis with maturities upto March 2023. As per the agreements, the Company has granted the SBP the right to recover the outstanding amounts from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP.
- 16.9** In accordance with the refinance facility for combating COVID-19, the Company has entered into agreements for financing with the SBP for extending medical equipment finances to the customers. The average profit rate on this facility is 0% (2021: Nil) with maturities upto October 2025. As per the agreements, the Company has granted the SBP the right to recover the outstanding amounts from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP.
- 16.10** These represent borrowings from the SBP under scheme for balancing, modernization & replacement scheme. The mark-up rate applicable on these facilities is 1% to 2% per annum (2021: 1% per annum) payable on quarterly basis, with maturities upto August 2027 (2021: December 2026). 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.
- 16.11** These represent borrowings from various financial institutions at mark-up rates ranging from 10.45% to 12.13% per annum (2021: 10.01% to 10.75% per annum) with maturities upto December 2026 (2021: December 2026).

17 DEPOSITS AND OTHER ACCOUNTS

	(Audited)					
	March 31, 2022			December 31, 2021		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- Rupees in '000 -----					
Customers						
- Certificate of investments (COIs)	50,000	-	50,000	50,000	-	50,000
Financial Institutions						
- Certificate of investments (COIs)	-	-	-	-	-	-
	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>

	Note	(Audited)	
		March 31, 2022	December 31, 2021
		----- Rupees in '000 -----	
18 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		290,130	200,945
Unearned commission and income on bills discounted		26,199	26,283
Accrued expenses		63,608	106,364
Brokerage / commission payable		1,619	1,266
Payable against purchase of shares		75,508	89,311
Lease liability against right-of-use assets		39,212	44,361
Security deposits against advances		399,748	663,403
Provision for Sindh Worker's Welfare Fund		147,259	140,581
Sindh sales tax payable on modaraba management fee		9,903	9,835
Tax payable		14,066	19,293
Unclaimed dividend		186	186
Advance from customers		379	13,293
Payable to related party	18.1	17,060	2,226
Others		515,408	12,847
		<u>1,600,284</u>	<u>1,330,194</u>

- 18.1** AMML has recorded a provision in respect of Sindh Sales Tax (SST) on management fee at the rate of 14% per annum from July 1, 2015 to June 30, 2016 and at the rate of 13% subsequently. However, certain other Modaraba Management Companies have filed petitions in the Sindh High Court (SHC) challenging the orders passed by various income tax authorities regarding the applicability of tax on modaraba management company's remuneration which is currently pending adjudication. In view of the pendency of such matter with the SHC, AMML has not recovered from AM and has, hence, not paid / discharged SST on management fee. However, a full provision has been maintained thereagainst in these consolidated financial statements.

	Note	March 31, 2022	(Audited) December 31, 2021
		----- Rupees in '000 -----	
19	DEFICIT ON REVALUATION OF ASSETS		
	Deficit on revaluation of		
	- Available-for-sale securities	9.1 (1,472,036)	(1,453,808)
	Deferred tax on deficit on revaluation of:		
	- Available-for-sale securities	377,197	377,197
		<u>(1,094,839)</u>	<u>(1,076,611)</u>
20	CONTINGENCIES AND COMMITMENTS		
	- Guarantees	20.1 1,098,728	1,098,728
	- Commitments	20.2 26,013,464	20,686,758
	- Other contingent liabilities	20.3 -	-
		<u>27,112,192</u>	<u>21,785,486</u>
20.1	Guarantees		
	Financial guarantees	<u>1,098,728</u>	<u>1,098,728</u>
20.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	362,140	374,020
	Commitments in respect of:		
	- government securities	20.2.1 -	-
	- repo transactions	20.2.2 20,982,435	19,574,994
	- forward lendings	20.2.3 4,668,889	694,630
	- other commitments	-	43,114
		<u>26,013,464</u>	<u>20,686,758</u>
20.2.1	Commitments in respect of government securities		
	Sale	<u>-</u>	<u>-</u>
20.2.2	Commitments in respect of repo transactions		
	Repurchase of government securities	20,982,435	19,574,994
	Reverse repurchase of government securities	-	-
		<u>20,982,435</u>	<u>19,574,994</u>
20.2.3	Commitments in respect of forward lendings		
	Forward repurchase agreement lending	-	-
	Undrawn formal standby facilities, credit lines and other commitments to lend	4,668,889	694,630
		<u>4,668,889</u>	<u>694,630</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.

	March 31, 2022	(Audited) December 31, 2021
		----- Rupees in '000 -----
20.2.4	Commitments in respect of forward shares transactions	<u>-</u> <u>43,114</u>

20.3 Other contingent liabilities

20.3.1 In 2009, Burj Bank Limited (formerly Dawood Islamic Bank Limited) filed a legal suit amounting to Rs 200 million for damages against the Company for alleged non-performance of underwriting commitment in respect of issue of shares at a premium. The legal advisors of the Company are of the opinion that the Company has a strong case and that the matter will most likely be decided in favour of the Company.

20.3.2 The returns of income of the Holding Company from tax years 2008 to 2021 had been filed with the tax authorities. From tax year 2008 upto 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, 2021. 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 (note 13). The management is confident that the matters will eventually be decided in favour 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.

	Note	March 31, 2022	March 31, 2021
----- Rupees in '000 -----			
21	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) Loans and advances	471,948	332,252
	b) Investments	567,604	357,863
	c) Lendings to financial institutions	24,250	7,556
	d) Balances with banks	2,399	1,765
		<u>1,066,201</u>	<u>699,435</u>
22	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	1,387	12,234
	Borrowings	864,416	421,181
	Interest expense on lease liability against right-of-use assets	567	-
		<u>866,370</u>	<u>433,415</u>
23	FEE AND COMMISSION INCOME		
	Advisory / arrangement fee	8,138	15,000
	Processing fee income	5,386	1,029
	Commitment fee	1,625	1,653
	Commission on letters of credit	-	-
	Trustee fee	15,104	13,945
	Front end fee	1,900	735
		<u>32,153</u>	<u>32,362</u>
24	(LOSS) / GAIN ON SECURITIES		
	Realised	(15,506)	9,348
	Unrealised - held for trading	(775)	1,482
		<u>(16,281)</u>	<u>10,830</u>
24.1	Realised (loss) / gain on:		
	Federal government securities	248	3,571
	Shares	(15,754)	1,353
	Mutual funds	-	4,307
	Immovable property	-	111
	Non-government debt securities	-	6
		<u>(15,506)</u>	<u>9,348</u>
25	OTHER INCOME		
	Rent on property	-	-
	Gain on sale of fixed assets - net	-	-
	Others	-	-
		<u>-</u>	<u>-</u>

26 OPERATING EXPENSES	March 31, 2022	March 31, 2021
	----- Rupees in '000 -----	
Total compensation expense	62,474	83,520
Property expense		
Rent and taxes	175	-
Insurance	1,808	1,494
Security	280	421
Utilities cost	749	660
Repairs and maintenance (including janitorial charges)	2,524	2,687
Depreciation	3,081	8,629
	8,617	13,891
Information technology expenses		
Software maintenance	729	191
Hardware maintenance	482	219
Depreciation	1,444	3,135
Amortisation	146	2,041
	2,801	5,586
Other operating expenses		
Directors' fees and allowances	2,780	1,939
Fees and subscription	847	1,567
Legal and professional charges	8,457	5,485
Outsourced services costs	4,255	3,755
Travelling and conveyance	14,510	10,547
Brokerage commission	2,118	3,736
Depreciation	4,393	3,352
Training and development	164	125
Postage and courier charges	139	160
Communication	1,144	842
Stationery and printing	416	285
Marketing, advertisement and publicity	30	61
Auditors' remuneration	1,196	997
Others	1,073	2,680
	41,523	35,531
	<u>115,415</u>	<u>138,528</u>

27 PROVISION FOR SINDH WORKERS' WELFARE FUND

Provision for Sindh Workers' Welfare Fund	27.1	<u>447</u>	<u>143</u>
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- 27.1** As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh in May 2015 as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. Accordingly, as a matter of abundant caution, the management has maintained a provision for SWWF in the unconsolidated financial statements amounting to Rs 125.391 million.

	Note	March 31, 2022	March 31, 2021
----- Rupees in '000 -----			
28	PROVISIONS AND WRITE OFFS - NET		
	Provision for diminution in value of investments - net	9.2 13,157	(6,204)
	Provisions against loans and advances	10.3 2,917	8,714
	Other provisions / write offs	-	-
		<u>16,074</u>	<u>2,510</u>
29	TAXATION		
	Current	37,436	66,298
	Prior years	-	-
	Deferred	(4,661)	(15,565)
		<u>32,775</u>	<u>50,733</u>
30	BASIC EARNINGS PER SHARE		
	Profit for the year	<u>88,917</u>	<u>117,473</u>
	Weighted average number of ordinary shares	<u>600,000</u>	<u>600,000</u>
	Basic earnings per share	<u>0.15</u>	<u>0.20</u>
30.1	Diluted earnings per share		

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

31 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.

31.1 Fair value of financial assets

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

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

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); 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 rates (Reuters page).
Term finance / sukuk 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.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices as at the close of the business day.

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:

	March 31, 2021			
	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	-	24,792,645	-	24,792,645
Shares	884,272	-	-	884,272
Non-Government debt securities	-	2,525,099	-	2,525,099
Units of mutual funds	-	-	-	-
Commercial paper	-	186,675	-	186,675
Off-balance sheet financial instruments - measured at fair value				
Commitments in respect of repo transactions	-	20,982,435	-	20,982,435
Audited				
December 31, 2021				
	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	-	21,409,558	-	21,409,558
Shares	821,917	-	-	821,917
Non-Government debt securities	-	2,141,853	-	2,141,853
Units of mutual funds	-	29,045	-	29,045
Commercial paper	-	49,858	-	49,858
Off-balance sheet financial instruments - measured at fair value				
Commitments in respect of repo transactions	-	19,574,994	-	19,574,994

	March 31, 2022			
	Corporate finance	Trading and sales	Commercial banking	Total
Profit and Loss Account				
Net mark-up / return / profit	-	59,135	140,696	199,831
Non mark-up / return / interest income	32,152	21,645	-	53,797
Total income	32,152	80,780	140,696	253,628
Segment direct expenses	14,569	53,196	48,097	115,862
Total expenses	14,569	53,196	48,097	115,862
Provisions	-	15,947	127	16,074
Profit before tax	17,583	11,637	92,472	121,692
Statement of Financial Position				
Cash and bank balances	19,443	60,065	294,045	373,553
Lendings to financial institutions	-	1,000,000	-	1,000,000
Investments	-	28,388,691	-	28,388,691
Advances - performing	-	990,754	20,302,540	21,293,294
- non-performing	-	12,355	494,100	506,455
Others	8,456	1,643,461	1,299,210	2,951,127
Total assets	27,899	32,095,326	22,389,895	54,513,120
Borrowings	-	25,696,528	16,777,639	42,474,167
Deposits and other accounts	-	30,250	19,750	50,000
Others	-	671,863	928,421	1,600,284
Total liabilities	-	26,398,641	17,725,810	44,124,451
Equity	27,899	5,696,685	4,664,085	10,388,669
Total equity and liabilities	27,899	32,095,326	22,389,895	54,513,120
Contingencies and commitments	-	20,982,435	4,916,731	25,899,166

	March 31, 2021			
	Corporate finance	Trading and sales	Commercial banking	Total
Profit and Loss Account				
Net mark-up / return / profit	-	132,362	133,658	266,020
Non mark-up / return / interest income	32,362	11,005	-	43,367
Total income	32,362	143,367	133,658	309,387
Segment direct expenses	6,453	67,775	64,443	138,671
Total expenses	6,453	67,775	64,443	138,671
Provisions	-	2,918	(408)	2,510
Profit before tax	25,909	72,674	69,623	168,206

	December 31, 2021			
	Corporate finance	Trading and sales	Commercial banking	Total
Statement of Financial Position				
Cash and bank balances	11,197	136,968	266,401	414,566
Investments	-	24,272,311	179,920	24,452,231
Lendings to financial institutions	-	2,000,000	78,487	2,078,487
Advances - performing	-	903,709	20,766,808	21,670,517
- non-performing	-	17,397	504,456	521,853
Others	3,409	2,044,752	758,183	2,806,344
Total assets	14,606	29,375,137	22,554,255	51,943,998
Borrowings	-	24,177,900	16,067,924	40,245,824
Deposits and other accounts	-	30,009	19,991	50,000
Others	-	702,451	627,743	1,330,194
Total liabilities	-	24,910,360	16,715,658	41,626,018
Equity	14,606	4,464,777	5,838,597	10,317,980
Total equity and liabilities	14,606	29,375,137	22,554,255	51,943,998
Contingencies and commitments	-	20,312,738	1,472,748	21,785,486

33 RELATED PARTY TRANSACTIONS

The Company has related party relationship with subsidiary companies (namely Primus Leasing Limited, Awwal Modaraba and Awwal Modaraba Management 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 25 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.

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

	March 31, 2022			December 31, 2021		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
(Rupees in '000)						
Advances						
Opening balance	-	90,277	150,000	-	92,939	-
Addition during the year	-	-	-	-	24,307	300,000
Repaid during the year	-	(8,060)	-	-	(67,600)	(150,000)
Transfer in / (out) - net	-	(32,038)	-	-	40,631	-
Closing balance	-	50,179	150,000	-	90,277	150,000
Lending to financial institutions						
Opening balance	-	-	-	-	-	-
Addition during the year	-	-	4,200	-	-	109,511
Repaid during the year	-	-	(4,200)	-	-	(109,511)
Closing balance	-	-	-	-	-	-
Other Assets						
Interest / mark-up accrued	-	-	57	-	-	52
Receivable from defined benefit plan	-	-	8,552	-	-	8,126
Others	-	-	809	-	-	23,082
	-	-	9,418	-	-	31,260
Borrowings						
Opening balance	-	-	191,155	-	-	72,723
Borrowings during the year	-	-	-	-	-	1,240,360
Settled during the year	-	-	(125,140)	-	-	(1,121,928)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	66,015	-	-	191,155
Other Liabilities						
Interest / mark-up payable	-	-	2,279	-	-	2,214
Other liabilities	-	-	-	-	-	749
	-	-	2,279	-	-	2,963

	March 31, 2022			March 31, 2021		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
(Rupees in '000)						
Income						
Mark-up / return / interest earned	-	599	4,648	-	835	-
Expense						
Mark-up / return / interest paid	-	-	150	-	-	-
Operating expenses	3,580	36,159	-	2,537	68,470	-
Reimbursement of expenses	-	6,066	-	-	2,160	-

33.1 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 Modaraba Management Limited and Awwal Modaraba).

34 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	March 31, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>6,000,000</u>	<u>6,000,000</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>8,992,755</u>	<u>9,368,301</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>-</u>	<u>-</u>
Total Eligible Tier 1 Capital	<u>8,992,755</u>	<u>9,368,301</u>
Eligible Tier 2 Capital	<u>-</u>	<u>-</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>8,992,755</u>	<u>9,368,301</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>24,371,577</u>	<u>21,473,594</u>
Market Risk	<u>5,030,013</u>	<u>5,052,444</u>
Operational Risk	<u>2,290,118</u>	<u>2,290,118</u>
Total	<u>31,691,708</u>	<u>28,816,156</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>28.38%</u>	<u>32.51%</u>
Tier 1 Capital Adequacy Ratio	<u>28.38%</u>	<u>32.51%</u>
Total Capital Adequacy Ratio	<u>28.38%</u>	<u>32.51%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	<u>8,992,755</u>	<u>9,368,301</u>
Total Exposures	<u>59,781,972</u>	<u>53,072,617</u>
Leverage Ratio - percentage	<u>15.04%</u>	<u>17.65%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>9,298,446</u>	<u>11,216,690</u>
Total Net Cash Outflow	<u>9,326,884</u>	<u>11,713,912</u>
Liquidity Coverage Ratio - percentage	<u>99.70%</u>	<u>95.76%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>22,365,836</u>	<u>21,834,760</u>
Total Required Stable Funding	<u>20,738,603</u>	<u>19,904,685</u>
Net Stable Funding Ratio - percentage	<u>107.85%</u>	<u>109.70%</u>

35 GENERAL

35.1 Figures in these consolidated condensed interim financial statements have been rounded off to the nearest thousand Rupees unless otherwise stated.

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

36 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on **April 28, 2022** by the Board of Directors of the Holding Company.

President/Chief Executive

Chief Financial Officer

Director

Director

Director