



PAK BRUNEI INVESTMENT COMPANY LTD.

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

**FOR THE QUARTER AND PERIOD ENDED
SEPTEMBER 30, 2022**

**PAK BRUNEI INVESTMENT COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022**

(Audited)		(Audited)		
September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	
----- US Dollar in '000 -----		----- Rupees in '000 -----		
ASSETS				
590	538	6	134,747	122,856
3,919	1,277	7	895,330	291,710
276	9,098	8	63,054	2,078,487
204,796	107,034	9	46,786,050	24,452,231
97,067	97,142	10	22,175,148	22,192,370
218	326	11	49,833	74,321
13	13	12	3,047	3,075
3,498	2,409	13	799,045	550,449
11,801	7,274	14	2,696,057	1,661,731
1,468	2,262	15	335,384	516,768
323,646	227,373		73,937,695	51,943,998
LIABILITIES				
-	-		-	-
267,464	176,168	16	61,102,639	40,245,824
219	219	17	50,000	50,000
10,941	5,821	18	2,499,555	1,330,194
278,624	182,208		63,652,194	41,626,018
45,022	45,165		10,285,501	10,317,980
NET ASSETS				
REPRESENTED BY				
26,264	26,264		6,000,000	6,000,000
9,072	8,405		2,072,554	1,920,050
14,740	15,199		3,367,432	3,472,236
(5,064)	(4,713)	19	(1,156,826)	(1,076,611)
45,012	45,155		10,283,160	10,315,675
10	10		2,341	2,305
45,022	45,165		10,285,501	10,317,980
CONTINGENCIES AND COMMITMENTS				
		20		

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

President/Chief Executive

Chief Financial Officer

Director

Director

Director

PAK BRUNEI INVESTMENT COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER AND PERIOD ENDED SEPTEMBER 30, 2022

	Sep 30, 2022	Sep 30, 2021		Note	Quarter Ended		Period Ended	
					Sep 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021
----- US Dollar in '000 -----			----- Rupees in '000 -----					
	20,916	11,701	Mark-up / return / interest earned	21	2,252,516	942,502	4,778,191	2,673,148
	17,719	8,157	Mark-up / return / interest expensed	22	1,809,406	676,737	4,047,635	1,863,486
	3,197	3,544	Net mark-up / interest income		443,110	265,765	730,556	809,662
Non mark-up / interest income								
	393	327	Fee and commission income	23	39,073	29,572	89,791	74,671
	236	98	Dividend income		10,559	20,213	53,955	22,391
	(127)	759	Gain on securities	24	28,972	44,008	(28,967)	173,474
	14	11	Other income	25	1,591	72	3,175	2,450
	516	1,195	Total non-markup / interest income / expense		80,195	93,865	117,954	272,986
	3,713	4,739	Total income		523,305	359,630	848,510	1,082,648
Non mark-up / interest expenses								
	1,555	1,743	Operating expenses	26	159,149	134,301	355,447	398,178
	-	48	Other Charges		(1,829)	500	-	10,947
	19	54	Sindh Workers' Welfare Fund	27	4,548	3,220	4,548	12,290
	1,574	1,845	Total non mark-up / interest expenses		161,868	138,021	359,995	421,415
	2,139	2,894	Profit before provisions		361,437	221,609	488,515	661,233
	214	(145)	Provisions and write offs - net	28	13,447	(39,548)	48,837	(33,093)
	1,925	3,039	Profit before taxation		347,990	261,157	439,678	694,326
	402	874	Taxation	29	127,858	82,131	91,942	199,605
	1,523	2,165	Profit after taxation		220,132	179,026	347,736	494,721
Attributable to:								
	1,522	2,165	Equity holders of the Holding Company		347,700	179,056	347,700	494,673
	-	-	Non-controlling interest		36	(30)	36	48
	1,522	2,165			347,736	179,026	347,736	494,721
----- USD -----			----- Rupees -----					
	0.00254	0.00361	Basic and diluted earnings per share	30	0.25	0.30	0.58	0.82

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

President/Chief Executive

Chief Financial Officer

Director

Director

Director

PAK BRUNEI INVESTMENT COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND PERIOD ENDED SEPTEMBER 30, 2022

Sep 30, 2022	Sep 30, 2021		Quarter Ended		Period Ended	
			Sep 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021
----- US Dollar in '000 -----			----- Rupees in '000 -----			
		Profit after taxation for the period attributable to:				
1,522	2,165	Equity holders of the Holding Company	347,700	179,056	347,700	494,673
-	-	Non-controlling interest	36	(30)	36	48
<u>1,522</u>	<u>2,165</u>		<u>347,736</u>	<u>179,026</u>	<u>347,736</u>	<u>494,721</u>
		Other comprehensive loss				
		<i>Items that may be reclassified to consolidated profit and loss account in subsequent periods:</i>				
(1,145)	199	- Movement in deficit on revaluation of investments	66,830	(435,935)	(261,518)	45,398
794	(42)	- Deferred tax on revaluation of investments	24,017	-	181,303	(9,520)
<u>(351)</u>	<u>157</u>		<u>90,848</u>	<u>(435,935)</u>	<u>(80,215)</u>	<u>35,878</u>
-	-				-	-
<u>377</u>	<u>2,364</u>	Total comprehensive (loss) / income	<u>438,584</u>	<u>(256,909)</u>	<u>267,521</u>	<u>530,599</u>

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President/Chief Executive

Chief Financial Officer

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PAK BRUNEI INVESTMENT COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Capital reserve		General Reserve	Capital reserve	Revenue reserve	Non-controlling interest	Total
	Share capital	Statutory reserve (a)		Surplus / (Deficit) on revaluation of investments	Unappropriated profit		
Rupees in '000							
As at January 1, 2021	6,000,000	1,623,782	100,000	(392,920)	3,520,451	2,345	10,853,658
Total comprehensive income for the period							
Profit after taxation for the period ended September 30, 2021	-	-	-	-	315,664	31	315,695
Other comprehensive income / (loss)							
- Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	-	-	-
- Movement in deficit on revaluation of investments - net of tax	-	-	-	35,878	-	-	35,878
	-	-	-	35,878	315,664	31	351,573
Transfer to statutory reserve	-	56,667	-	-	(56,667)	-	-
Transfer to general reserve	-	-	100,000	-	(100,000)	-	-
Transactions with owners, recorded directly in equity							
Final cash dividend paid for the year ended December 31, 2020 @ Re.0.50 per share	-	-	-	-	(300,000)	-	(300,000)
Opening Balance as at July 01, 2021	<u>6,000,000</u>	<u>1,680,449</u>	<u>200,000</u>	<u>(357,042)</u>	<u>3,379,448</u>	<u>2,376</u>	<u>10,905,231</u>
Total comprehensive income for the period							
Profit after taxation for the quarter ended December 31, 2021	-	-	-	-	132,760	21	132,781
Other comprehensive income / (loss)							
- Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	(371)	(22)	(393)
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(719,569)	-	-	(719,569)
	-	-	-	(719,569)	132,389	(1)	(587,181)
Transfer to statutory reserve	-	39,601	-	-	(39,601)	-	-
Dividend payout by Awwal Modaraba @ Rs. 0.80 per certificate	-	-	-	-	-	(70)	(70)
Opening Balance as at January 01, 2022	<u>6,000,000</u>	<u>1,720,050</u>	<u>200,000</u>	<u>(1,076,611)</u>	<u>3,472,236</u>	<u>2,305</u>	<u>10,317,980</u>
Comprehensive income for the period							
Profit after taxation for the period ended September 30, 2022	-	-	-	-	347,700	36	347,736
Other comprehensive loss							
- Re-measurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(80,215)	-	-	(80,215)
	-	-	-	(80,215)	347,700	36	267,521
Transfer to statutory reserve	-	52,504	-	-	(52,504)	-	-
Transfer to general reserve	-	-	100,000	-	(100,000)	-	-
Transactions with owners, recorded directly in equity							
Final cash dividend paid for the year ended December 31, 2021 @ Re. 0.50 per share	-	-	-	-	(300,000)	-	(300,000)
Closing Balance as at September 30, 2022	<u><u>6,000,000</u></u>	<u><u>1,772,554</u></u>	<u><u>300,000</u></u>	<u><u>(1,156,826)</u></u>	<u><u>3,367,432</u></u>	<u><u>2,341</u></u>	<u><u>10,285,501</u></u>

(a) This represents reserve created under section 21(i)(a) of the Banking Companies Ordinance, 1962.

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

President/Chief Executive

Chief Financial Officer

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Director

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PAK BRUNEI INVESTMENT COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

Sep 30, 2022	Sep 30, 2021		Note	Sep 30, 2022	Sep 30, 2021
----- US Dollar in '000 -----				----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES					
1,925	3,039	Profit before taxation		439,678	694,326
236	98	Less: Dividend income		53,955	22,391
<u>1,689</u>	<u>2,941</u>			<u>385,723</u>	<u>671,935</u>
Adjustments:					
146	194	Depreciation	26	33,350	44,401
2	22	Amortisation	26	449	5,138
20	54	Provision for Sindh Workers' Welfare Fund	27	4,548	12,290
214	(145)	Provision and write-offs	28	48,837	(33,093)
(14)	(1)	Gain on sale of fixed assets	25	(3,175)	(235)
-	(6)	Unrealized gain/(loss) on revaluation of investments classified as held for trading - net	24	(6)	(1,388)
<u>368</u>	<u>124</u>			<u>84,003</u>	<u>27,113</u>
<u>2,057</u>	<u>3,065</u>			<u>469,726</u>	<u>699,048</u>
(Increase) / decrease in operating assets					
8,822	(209)	Lendings to financial institutions		2,015,433	(47,621)
(21,771)	(27)	Held-for-trading securities		(4,973,590)	(6,058)
(161)	18,025	Advances		(36,781)	4,117,803
(3,152)	(2,234)	Others assets (excluding advance taxation)		(720,000)	(510,410)
<u>(16,262)</u>	<u>15,555</u>			<u>(3,714,937)</u>	<u>3,553,714</u>
Increase/ (decrease) in operating liabilities					
91,296	12,329	Borrowings from financial institutions		20,856,815	2,816,481
-	(3,633)	Deposits		-	(830,000)
5,099	(48)	Other liabilities (excluding current taxation and SWWF)		1,164,813	(11,039)
<u>96,395</u>	<u>8,648</u>			<u>22,021,628</u>	<u>1,975,442</u>
-	-	Rentals (paid) / received		-	-
(2,140)	(1,046)	Taxes paid		(488,919)	(238,971)
<u>80,050</u>	<u>26,222</u>	Net cash generated from operating activities		<u>18,287,498</u>	<u>5,989,233</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
(77,331)	(26,799)	Net (investments) / divestments in available-for-sale securities		(17,666,433)	(6,122,277)
218	(26)	Net (investments) / divestments in held-to-maturity securities		49,858	(5,846)
220	98	Dividends received		50,196	22,391
(41)	(18)	Investments in operating fixed assets		(9,164)	(3,925)
(1)	(21)	Investments in operating intangible assets		(421)	(4,700)
16	2	Proceeds from sale of fixed assets		3,477	372
878	-	Proceeds from sale of assets classified as held for sale		200,500	-
<u>(76,041)</u>	<u>(26,764)</u>	Net cash used in from investing activities		<u>(17,371,987)</u>	<u>(6,113,985)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
(1,313)	(1,314)	Dividend paid to equity shareholders of the Holding Company		(300,000)	(300,000)
-	-	Dividend paid to non-controlling interests		-	-
<u>(1,313)</u>	<u>(1,314)</u>	Net cash used in financing activities		<u>(300,000)</u>	<u>(300,000)</u>
<u>2,696</u>	<u>(1,856)</u>	Increase in cash and cash equivalents		<u>615,511</u>	<u>(424,752)</u>
1,815	3,500	Cash and cash equivalents at beginning of the year		414,566	799,654
<u>4,511</u>	<u>1,644</u>	Cash and cash equivalents at end of the period		<u>1,030,077</u>	<u>374,902</u>

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

President/Chief Executive

Chief Financial Officer

Director

Director

Director

PAK BRUNEI INVESTMENT COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND PERIOD ENDED SEPTEMBER 30, 2022

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 2 offices (2020: 2) one located in Karachi and the other in Lahore.

Subsidiaries

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

Awwal Modaraba Management Limited (AMML) was incorporated in Pakistan on June 05, 2014 as an unlisted public company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). 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. AMML is a wholly owned subsidiary of Pak Brunei Investment Company Limited (the Holding Company) with its registered office situated at Horizon Vista, 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 Management Company within the meaning of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

The Company is managing the following modarabas:

- Awwal Modaraba;
- KASB Modaraba;
- First Prudential Modaraba; and
- First Pak Modaraba.

The Company floated Awwal Modaraba on January 4, 2016 and has been managing Awwal Modaraba since then. The Securities and Exchange Commission of Pakistan (SECP) via order no. SC/M/PRDD/KASB/2019/36 dated January 31, 2020, 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.

These Modarabas are perpetual in nature and are engaged in providing working capital, term finance, ijarah, musharaka, morabaha and other shariah compliant instruments to credit worthy customers and investment in securities. These Modarabas are listed on the Pakistan Stock Exchange Limited.

- 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). The 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 Modaraba - 99.78% holding**

Awwal Modaraba has been floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder. Awwal Modaraba is managed by the Awwal Modaraba Management Limited (Management Company), a company wholly owned by Pak Brunei Investment Company Limited (Holding Company). After receiving certificate of minimum subscription, the Modaraba commenced its business operations with effect from 10 February 2016. The registered office of Awwal Modaraba is situated at 6th Floor, Horizon Vista, Plot Commercial No. 10, Block No. 4, Scheme No.5, Clifton, Karachi.

Awwal Modaraba is a perpetual, multi purpose and multi dimensional Modaraba and is primarily engaged in providing working capital, term finance, ijarah, musharika, morabaha, advisory services and other shari'ah compliant investment / instrument to clients which include distressed assets with high potential of turnaround, project finance, infrastructure and high growth companies and is listed on Pakistan Stock Exchange Limited (PSX).

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 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 and 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 IFRSs or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.2 US Dollar equivalent

The US dollar amounts shown in the consolidated statement of financial position, consolidated 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 228.4520 to US Dollars has been used for 2022 and 2021 as it was the prevalent rate on September 30, 2022.

2.3 The condensed interim consolidated financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended December 31, 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated 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 annual audited consolidated financial statements for the year ended December 31, 2021.

6	CASH AND BALANCES WITH TREASURY BANKS	Note	Audited	
			September 30, 2022	December 31, 2021
			-----Rupees in '000-----	
	Cash in Hand		90	-
	With State Bank of Pakistan in:			
	Local currency current account	6.1	134,657	122,856
	With National Bank of Pakistan in:			
	Local currency deposit account		-	-
			<u>134,747</u>	<u>122,856</u>

6.1 This includes the minimum cash reserve required to be maintained with the State Bank of Pakistan (SBP) in accordance with the requirement of BSD Circular No. 04 dated May 22, 2004.

7	BALANCES WITH OTHER BANKS	Note	Audited	
			September 30, 2022	December 31, 2021
			-----Rupees in '000-----	
	In Pakistan			
	- In deposit accounts	7.1	895,330	285,006
	- In current account		-	6,704
			<u>895,330</u>	<u>291,710</u>

7.1 These carry mark-up at the rate from 3.00% to 13.51% per annum (December 31, 2021: 2.33% to 8.26% per annum).

8	LENDINGS TO FINANCIAL AND OTHER INSTITUTIONS	Note	Audited	
			September 30, 2022	December 31, 2021
			-----Rupees in '000-----	
	Investments against repurchase agreements	8.1	63,054	78,487
	Term deposits receipts		-	2,000,000
			<u>63,054</u>	<u>2,078,487</u>

8.1 These carry mark-up at the rate from 12.75% to 13.90% per annum (December 31, 2021: 11.75% to 14% per annum) and will mature latest by July 18, 2022 (December 31, 2021: January 06, 2022).

8.2	Particulars of lendings	Audited	
		September 30, 2022	December 31, 2021
		-----Rupees in '000-----	
	In local currency	63,054	2,078,487
	In foreign currencies	-	-
		<u>63,054</u>	<u>2,078,487</u>

9 INVESTMENTS

9.1 Investments by type:

Note	September 30, 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	49,103	-	(1,772)	47,331	2,501	-	4	2,505
	Federal government securities	4,926,994	-	2,809	4,929,802	-	-	-	-
		4,976,097	-	1,037	4,977,133	2,501	-	4	2,505
Available-for-sale securities									
	Federal government securities	39,363,656	-	(1,389,054)	37,974,602	22,597,778	-	(1,188,220)	21,409,558
	Ordinary shares	1,454,118	(25,615)	(301,264)	1,127,239	1,110,619	(27,891)	(263,316)	819,412
	Non-government debt securities	2,758,058	(263,332)	(11,075)	2,483,651	2,400,114	(266,221)	7,960	2,141,853
	Commercial paper	198,081	-	-	198,081	-	-	-	-
	Modaraba Certificates	39,277	-	(13,933)	25,344	39,277	-	(10,232)	29,045
		43,813,190	(288,947)	(1,715,326)	41,808,917	26,147,788	(294,112)	(1,453,808)	24,399,868
Held-to-maturity securities									
	Commercial paper	-	-	-	-	49,858	-	-	49,858
		-	-	-	-	49,858	-	-	49,858
Total investments		<u>48,789,286</u>	<u>(288,947)</u>	<u>(1,714,289)</u>	<u>46,786,050</u>	<u>26,200,147</u>	<u>(294,112)</u>	<u>(1,453,804)</u>	<u>24,452,231</u>

9.2 Investments by segments:

	September 30, 2022				Audited 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 -----								
Federal government securities								
Market Treasury Bills	4,926,994	-	2,809	4,929,802	9,742,610	-	(117,594)	9,625,016
Pakistan Investment Bonds - Fixed Rate	8,327,649	-	(1,408,372)	6,919,277	8,365,115	-	(1,074,449)	7,290,666
Pakistan Investment Bonds - Floater	31,036,007	-	19,318	31,055,325	4,490,053	-	3,823	4,493,876
	44,290,650	-	(1,386,245)	42,904,405	22,597,778	-	(1,188,220)	21,409,558
Ordinary shares								
Listed companies	1,481,890	(4,284)	(303,036)	1,174,570	1,091,789	(6,560)	(263,312)	821,917
Unlisted companies	21,331	(21,331)	-	-	21,331	(21,331)	-	-
	1,503,221	(25,615)	(303,036)	1,174,570	1,113,120	(27,891)	(263,312)	821,917
Non-government debt securities								
Listed	1,247,431	(12,952)	(11,075)	1,223,404	1,274,946	(15,841)	7,960	1,267,065
Unlisted	1,510,627	(250,380)	-	1,260,247	1,125,168	(250,380)	-	874,788
	2,758,058	(263,332)	(11,075)	2,483,651	2,400,114	(266,221)	7,960	2,141,853
Modaraba Certificates	39,277	-	(13,933)	25,344	39,277	-	(10,232)	29,045
Commercial paper	198,081	-	-	198,081	49,858	-	-	49,858
Total investments	48,789,286	(288,947)	(1,714,289)	46,786,050	26,200,147	(294,112)	(1,453,804)	24,452,231

9.2.1 Investments given as collateral

	(Audited)	
	September 30, 2022	December 31, 2021
----- Rupees in '000 -----		
Market Treasury Bills	2,942,688	8,833,104
Pakistan Investment Bonds	35,630,873	10,696,531
Term finance certificates / sukuks certificates	100,870	759,788
Ordinary shares	759,760	118,624
	<u>39,434,191</u>	<u>20,408,047</u>

9.3 Provision for diminution in value of investments

Opening balance	294,112	346,947
Charge / reversals		
Charge for the period	13,067	1,998
Reversal during the period	(18,233)	(54,833)
	(5,166)	(52,835)
Closing balance	<u>288,946</u>	<u>294,112</u>

9.4 Particulars of provision against debt securities

Category of classification	(Audited)			
	June 30, 2022		December 31, 2021	
	Non-performing investments	Provision	Non-performing investments	Provision
Domestic	----- (Rupees in '000) -----			
Loss	<u>263,332</u>	<u>263,332</u>	<u>266,221</u>	<u>266,221</u>

10 ADVANCES

Note	Performing		Non-performing		Total	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
----- Rupees in '000 -----						
Loans, cash credits, running finances, etc.	20,892,179	21,148,462	1,090,985	1,018,878	21,983,164	22,167,340
Islamic financing and related assets	834,835	601,333	-	-	834,835	601,333
Advances - gross	21,727,014	21,749,795	1,090,985	1,018,878	22,817,999	22,768,673
Provision against advances						
- Specific	-	-	552,603	497,025	552,603	497,025
- General	90,248	79,278	-	-	90,248	79,278
	90,248	79,278	552,603	497,025	642,851	576,303
Advances - net of provision	21,636,766	21,670,517	538,382	521,853	22,175,148	22,192,370

Audited
September 30, 2022 December 31, 2021
-----Rupees in '000-----

10.1 Particulars of advances (gross)

In local currency	22,817,999	22,768,673
In foreign currencies	-	-
	<u>22,817,999</u>	<u>22,768,673</u>

10.2 Advances include Rs. 1,090.985 million (2021: Rs. 1,018.878 million) which have been placed under the non-performing status as detailed below:

Category of classification	Note	September 30, 2022		Audited December 31, 2021	
		Non performing loans	Provision	Non performing loans	Provision
----- Rupees in '000 -----					
Domestic					
Other Assets Especially Mentioned	10.2.1	44,346	4,435	1,500	150
Substandard		42,102	10,526	47,356	11,839
Doubtful		1,936	968	2,141	1,070
Loss		1,002,601	536,675	967,881	483,966
Total		<u>1,090,985</u>	<u>552,603</u>	<u>1,018,878</u>	<u>497,025</u>

10.2.1 The 'Other Assets Especially Mentioned' category pertains to small enterprise finance amounting to Rs. 10.245 million (2021: Rs. 1.5 million).

10.3 Particulars of provision against advances

	September 30, 2022			Audited 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 period	50,807	11,522	62,329	84,982	61,521	146,503
Reversals during the period	(7,774)	(552)	(8,326)	(11,399)	(323)	(11,722)
	43,033	10,970	54,003	73,583	61,198	134,781
Amounts written off	-	-	-	-	-	-
Provision due to conversion of investment	12,545	-	12,545	-	-	-
Closing balance	<u>552,603</u>	<u>90,248</u>	<u>642,851</u>	<u>497,025</u>	<u>79,278</u>	<u>576,303</u>

10.3.1 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. 465.926 million (December 31, 2021: Rs. 483.916 million). The FSV benefit availed - net of tax amounting to Rs. 330.807 million (December 31, 2021: Rs. 343.580 million) is not available for the distribution as either cash or stock dividend to the shareholders.

This provision has been booked against the term loan recorded in settlement / restructuring of Company's investment in Privately Placed Term Finance Certificates of Azgard Nine Limited as per the terms of the Honorable Lahore High Court Approved Scheme of Arrangement ("the Approved Scheme"). This term loan shall be settled from proceeds of ANL Muzaffargarh Unit as per the Approved Scheme.

		Audited	Audited
	Note	September 30,	December 31,
		2022	2021
		-----Rupees in '000-----	
11	FIXED ASSETS		
	Property and equipment	49,833	74,321
12	INTANGIBLE ASSETS		
	Intangible assets	420	721
	Capital work-in-progress	2,627	2,354
		<u>3,047</u>	<u>3,075</u>
12.1	Capital work-in-progress		
	Software	2,627	2,354
		<u>2,627</u>	<u>2,354</u>
13	DEFERRED TAX ASSETS		
	Deductible temporary differences on:		
	- Provision for diminution in the value of investments	98,208	82,569
	- Provision against advances, other assets, etc.	191,382	167,971
	- Deficit on revaluation of investments	558,500	377,197
	- Accelerated tax depreciation	1,866	-
	- Net investment in finance lease	-	32,180
	- Tax losses carried forward	8,139	1,058
	- Lease liability against right-of-use asset	9,926	2,636
	- Carry forward of alternate corporate tax	49,910	49,910
	- Provision for bonus	8,250	16,807
		926,181	730,328
	Taxable temporary differences on:		
	- Net investment in finance lease	(50,504)	-
	- Post retirement employee benefits	(1,921)	(1,921)
	- Amortisation of discount on investments	(66,494)	(165,809)
	- Accelerated tax depreciation	-	(144)
	- Right-of-use assets	(8,217)	(12,005)
		<u>(127,136)</u>	<u>(179,879)</u>
		<u>799,045</u>	<u>550,449</u>

14	OTHER ASSETS	Note	Audited	
			September 30, 2022	December 31, 2021
			-----Rupees in '000-----	
	Income / mark-up accrued in local currency		1,316,415	656,404
	Advances, deposits, advance rent and other prepayments		87,546	24,141
	Advance taxation (payments less provisions)		1,136,608	806,925
	Advance against subscription of term finance certificates		-	70,500
	Receivable against sale of shares		90,902	56,317
	Receivable against advisory fee		27,335	34,183
	Receivable from related parties		23,029	7,746
	Lease receivable under IFRS-16		640	-
	Receivable from defined benefit plan - related party		9,821	8,126
	Dividend receivable		3,759	-
	Others		-	-
			<u>2,696,057</u>	<u>1,664,342</u>
	Less: Provision held against other assets			(2,611)
			<u>2,696,057</u>	<u>1,661,731</u>

15 ASSETS CLASSIFIED AS HELD-FOR-SALE

Land, building and machinery acquired from:

	Sufi Steel Industries (Private) Limited		205,525	387,745
	Lion Steel Industries (Private) Limited		129,859	129,023
	Total assets classified as held-for-sale	14.1 & 14.2	<u>335,384</u>	<u>516,768</u>

15.1 These represent land, building and machinery which have been classified as 'non-current assets as held for sale' as at September 30, 2022. The Company acquired these assets by settling total outstanding principal and mark-up of Rs 454 million and Rs 62 million respectively. It is expected that the process of sale of these assets will be completed in the near future.

16	BORROWINGS	Note	Audited	
			September 30, 2022	December 31, 2021
			-----Rupees in '000-----	
	Secured			
	Borrowings from State Bank of Pakistan under:			
	- Long-Term Finance Facility (LTFF) scheme	16.2	4,329,228	4,776,169
	- Power Plants Using Renewable Energy (PPRE) scheme		175,306	65,567
	- Finance for Storage of Agriculture Produce (FSAP) scheme		85,048	148,887
	- Temporary Economic Refinance Facility (TERF)		794,296	742,405
	- COVID - 19 Scheme		6,500	8,000
	- Credit Guarantee (CGS) Scheme		111,999	53,119
	- Special Persons (SP) Scheme		3,175	3,850
	- Balancing, Modernization & Replacement (BMR) scheme		344,008	97,991
	- Working capital (WC) Scheme		750,843	353,834
			<u>6,600,403</u>	<u>6,249,822</u>
	Repurchase agreement borrowings	16.3	34,991,525	19,495,978
	Borrowings from banks	16.4	19,316,666	10,262,441
	Total secured		<u>60,908,594</u>	<u>36,008,241</u>
	Unsecured			
	Letters of placement		194,045	4,237,583
			<u>61,102,639</u>	<u>40,245,824</u>
16.1	Particulars of borrowings with respect to currencies			
	In local currency		61,102,639	40,245,824
	In foreign currencies		-	-
			<u>61,102,639</u>	<u>40,245,824</u>

16.2 The Holding 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 Holding Company at the due date by directly debiting the current account maintained by the Holding Company with the SBP. The rate of return ranges from 0% to 6% per annum (2021: 2.00% to 6.00% per annum). These are secured against demand promissory notes and are repayable within 10 years (2021: 9 years).

16.3 These represent collateralised borrowings against Pakistan investment bonds and market treasury bills. The mark-up rates on these borrowings ranges from 15.11% to 15.20% per annum (2021: 10.01% to 10.75% per annum) and are repayable by December 02, 2022.

16.4 This represents secured borrowings from commercial banks. These borrowings carry mark-up at rates ranging from 11.65% to 16.15% per annum (2021: 7.79% to 11.65% per annum) and are repayable within 5 years (2021: 3 years). These are secured against hypothecation of receivables and floating charge over term finance certificates having a face value of Rs. 760 million (2021: 760 million) and pledge of government securities having a face value of Rs. 3.5 billion.

17	DEPOSITS AND OTHER ACCOUNTS		Audited	
			September 30, 2022	December 31, 2021
			-----Rupees in '000-----	
Customers				
	- Certificate of investments (COIs) - In local currency	17.2	50,000	50,000
Financial Institutions				
	- Certificate of investments (COIs) - In local currency		-	-
			<u>50,000</u>	<u>50,000</u>
17.1 Composition of deposits				
	- Public sector entities		-	-
	- Private sector		50,000	50,000
			<u>50,000</u>	<u>50,000</u>

17.2 These Certificate of Investments (COIs) carry mark-up rate of 11.25% per annum (2021: 11.25% per annum) with maturity on December 23, 2022 (2021: December 23, 2022).

18	OTHER LIABILITIES		Audited	
			September 30, 2022	December 31, 2021
			-----Rupees in '000-----	
	Mark-up / return / interest payable in local currency		1,133,614	200,945
	Unearned commission and income on bills discounted		22,020	26,283
	Accrued expenses		108,022	106,364
	Brokerage / commission payable		2,976	1,266
	Payable against purchase of shares		79,065	89,311
	Lease liability against right-of-use assets		596,350	44,361
	Security deposits against advances		296,266	663,403
	Provision for Worker's Welfare Fund		143,674	140,581
	Sindh sales tax payable on modaraba management fee	18.1	-	9,835
	Taxation payable		21,667	19,293
	Unclaimed dividend		186	186
	Advance from customers		-	13,293
	Payable to related party		19,188	2,226
	Payable to defined benefit plan		308	-
	Others		76,219	12,847
			<u>2,499,555</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 September 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 Awwal modaraba and has, hence, not paid / discharged SST on management fee. However, a full provision has been maintained there against in these consolidated financial statements.

19	DEFICIT ON REVALUATION OF ASSETS	Note	Audited	
			September 30, 2022	December 31, 2021
			-----Rupees in '000-----	
	Deficit on revaluation of			
	- Available-for-sale securities	9.1	(1,715,326)	(1,453,808)
	Deferred tax on deficit on revaluation of:			
	- Available-for-sale securities		558,500	377,197
			<u>(1,156,826)</u>	<u>(1,076,611)</u>

		September 30, 2022	Audited December 2021
		-----Rupees in '000-----	
20	CONTINGENCIES AND COMMITMENTS		
	- Guarantees	20.1	1,000,000
	- Commitments	20.2	44,760,035
	- Other contingent liabilities	20.3	-
			<u>45,760,035</u>
20.1	Guarantees		
	Financial guarantees		<u>1,000,000</u>
20.2	Commitments		
	Documentary credits and short-term trade-related transactions		
	- letters of credit		350,468
	Commitments in respect of:		
	- repo transactions	20.2.1	40,244,146
	- forward lendings	20.2.2	4,165,421
	- forward shares	20.2.3	-
	Other commitments		-
			<u>44,760,035</u>
20.2.1	Commitments in respect of repo transactions		
	Repurchase of government securities		36,794,540
	Reverse repurchase of government securities		3,449,606
			<u>40,244,146</u>
20.2.2	Commitments in respect of forward lendings		
	Undrawn formal standby facilities, credit lines and other commitments to lend		<u>4,165,421</u>
			<u>694,630</u>
	These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Group without the risk of incurring significant penalty or expense.		
20.2.3	Commitments in respect of forward shares transactions		
	Sale		<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 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.		

20.3.3 In 2018, the Company signed an agreement with Army Welfare Trust (AWT) which included an indemnity in favour 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 has 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 has also received a notice of demand for indemnification from AWT on December 13, 2019. The Company, through its legal counsel has 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.

	September 30, 2022	September 30, 2021
	-----Rupees in '000-----	
21 MARK-UP / RETURN / INTEREST EARNED		
On:		
a) Loans and advances	1,739,942	940,783
b) Investments	2,932,769	1,694,904
c) Lendings to financial institutions	94,712	32,976
d) Sub-lease of premises	59	117
e) Balances with banks	10,709	4,369
	<u>4,778,191</u>	<u>2,673,148</u>
22 MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	4,210	16,736
Interest expense on lease liability against right-of-use assets	2,830	6,260
Borrowings	4,040,595	1,840,489
	<u>4,047,635</u>	<u>1,863,486</u>
23 FEE AND COMMISSION INCOME		
Advisory / arrangement fee	18,503	18,271
Processing fee income	17,737	6,266
Commitment fee	6,382	6,802
Trustee fee	42,335	41,407
Front end fee	4,834	1,924
	<u>89,791</u>	<u>74,671</u>
24 GAIN ON SECURITIES		
Realised	24.1 (28,973)	174,862
Unrealised - held for trading	6	(1,388)
	<u>(28,967)</u>	<u>173,474</u>
24.1 Realised gain / (loss) on:		
Federal government securities	5,298	109,730
Shares	(34,271)	48,674
Non-government debt securities	-	16,083
Mutual funds	-	6
Commercial paper	-	368
	<u>(28,973)</u>	<u>174,862</u>
25 OTHER INCOME		
Gain / (loss) on sale of non current asset held for sale	-	
(Loss) / gain on modification of lease liability	-	
Gain on sale of fixed assets - net	3,175	235
Others	-	2,215
	<u>3,175</u>	<u>2,450</u>

26	OPERATING EXPENSES	September 30,	September 30,
		2022	2021
		-----Rupees in '000-----	
	Total compensation expense	197,150	223,976
	Property expense		
	Rent and taxes	425	1,146
	Insurance	5,397	4,998
	Security	2,228	1,137
	Utilities cost	4,488	4,149
	Repairs and maintenance (including janitorial charges)	8,288	5,896
	Depreciation	16,420	31,698
		37,246	49,024
	Information technology expenses		
	Software maintenance	2,866	1,408
	Hardware maintenance	949	546
	Depreciation	3,698	2,984
	Amortisation	449	5,138
		7,962	10,075
	Other operating expenses		
	Directors' fees and allowances	6,221	5,924
	Fees and subscription	1,232	3,171
	Legal and professional charges	17,355	17,330
	Outsourced services costs	5,655	13,275
	Travelling and conveyance	31,519	33,003
	Brokerage commission	6,369	13,425
	Depreciation	13,232	9,719
	Training and development	716	1,236
	Postage and courier charges	350	421
	Communication	3,364	3,434
	Stationery and printing	1,757	1,971
	Marketing, advertisement and publicity	277	64
	Donations	5,000	3,500
	Auditors' remuneration	2,613	2,676
	Expenses incurred in relation to held for sale assets	12,904	-
	Others	4,525	5,954
	Provision for Sindh sales tax on management company's remuneration	-	-
		113,089	115,102
		355,447	398,178
27	PROVISION FOR SINDH WORKERS' WELFARE FUND		
	Provision for Sindh Workers' Welfare Fund	27.1	4,548
			12,290

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 these consolidated financial statements amounting to Rs 143.674 million which includes a provision of Rs 4.548 million for the current period.

	Note	September 30, 2022	September 2021
-----Rupees in '000-----			
28 PROVISIONS AND WRITE OFFS - NET			
(Reversal of provision) / provision against investments - net	9.3	(5,166)	(55,125)
Provisions against loans and advances	10.3	54,003	22,031
Provisions against income / mark-up accrued in local currency		-	-
		<u>48,837</u>	<u>(33,093)</u>

29 TAXATION			
Current		155,183	241,332
Prior years		24,597	-
Deferred		(87,838)	(41,727)
		<u>91,942</u>	<u>199,605</u>

		September 30, 2022	September 30, 2021
-----Rupees in '000-----			
30 EARNINGS PER SHARE - BASIC AND DILUTED			

30.1 Basic earnings per share			
Profit for the period after taxation attributable to equity holders of the Holding Company		<u>347,700</u>	<u>494,721</u>
		Number of shares	
Weighted average number of ordinary shares (in '000)		<u>600,000</u>	<u>600,000</u>
		----- Rupees -----	
Basic earnings per share		<u>0.58</u>	<u>0.82</u>

30.2 Diluted earnings per share			
Diluted earnings per share has not been presented separately as the Holding 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, 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 Group 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 (FMA report).
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:

September 30, 2022			
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	-	42,904,405	-	42,904,405
Shares	1,174,570	-	-	1,174,570
Non-Government debt securities	-	2,483,651	-	2,483,651
Modaraba certificates	-	25,344	-	25,344
Commercial paper	-	198,081	-	198,081

Off-balance sheet financial instruments - measured at fair value

Commitments in respect of repo transactions	-	40,244,146	-	40,244,146
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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
Modaraba certificates	-	29,045	-	29,045

Off-balance sheet financial instruments - measured at fair value

Commitments in respect of repo transactions	-	19,574,994	-	19,574,994
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32 SEGMENT INFORMATION

32.1 Segment details with respect to business activities

	September 30, 2022			
	Corporate finance	Trading and sales	Commercial banking	Total
Consolidated Profit and Loss Account				
Net mark-up / return / profit	-	365,479	365,077	730,556
Non mark-up / return / interest income	78,686	39,268	-	117,954
Total income	78,686	404,747	365,077	848,510
Total expenses	32,447	227,637	99,912	359,995
Provisions	-	12,279	36,558	48,837
Profit before tax	46,239	164,831	228,608	439,678
Consolidated Statement of Financial Position				
Cash and bank balances	60,561	387,888	581,628	1,030,077
Investments	-	46,786,050	-	46,786,050
Lendings to financial institutions	-	-	63,054	63,054
Advances - performing	-	1,031,967	20,604,799	21,636,766
- non-performing	-	50,359	488,023	538,382
Others	4,307	2,911,796	967,263	3,883,366
Total assets	64,868	51,168,060	22,704,767	73,937,695
Borrowings	-	46,329,493	14,773,146	61,102,639
Deposits and other accounts	-	38,451	11,549	50,000
Others	-	1,509,365	990,190	2,499,555
Total liabilities	-	47,877,309	15,774,885	63,652,194
Equity	64,868	3,290,750	6,929,881	10,285,500
Total equity and liabilities	64,868	51,168,060	22,704,767	73,937,694
Contingencies and commitments	-	41,594,614	4,165,421	45,760,035

	September 30, 2021			
	Corporate finance	Trading and sales	Commercial banking	Total
Consolidated Profit and Loss Account				
Net mark-up / return / profit	-	498,674	310,988	809,662
Non mark-up / return / interest income	74,671	198,315	-	272,986
Total income	74,671	696,989	310,988	1,082,648
Total expenses	17,777	267,227	136,411	421,415
Provisions	-	(45,903)	12,810	(33,093)
Profit before tax	56,894	475,665	161,767	694,326

	December 31, 2021			
	Corporate finance	Trading and sales	Commercial banking	Total
Consolidated 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
Advances - 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

32.2 Segment details with respect to geographical location

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

33 RELATED PARTY TRANSACTIONS

The Group has related party relationship with associates, employees' defined benefit and defined contribution plans, 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. 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 period and balances with them as at period end, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

	September 30, 2022			December 31, 2021		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
(Rupees in '000)						
Lendings						
Opening balance	-	-	-	-	-	-
Addition during the period	-	-	8,300	-	-	109,511
Repaid during the period	-	-	(8,300)	-	-	(109,511)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Investments						
Opening balance	-	-	-	-	-	-
Investments made during the period	-	-	-	-	-	39,277
Investments redeemed / disposed off during the period	-	-	-	-	-	(39,277)
Transfer to available-for-sale securities on recharacterisation of investment	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-
Advances						
Opening balance	-	90,277	150,000	-	92,939	-
Addition during the period	-	39,736	-	-	24,307	300,000
Repaid during the period	-	(9,844)	-	-	(67,600)	(150,000)
Transfer in / (out) - net	-	(41,613)	-	-	40,631	-
Closing balance	-	78,557	150,000	-	90,277	150,000
Other assets						
Interest / mark-up accrued	-	-	73	-	-	52
Receivable from define benefit plan	-	-	10,153	-	-	8,126
Others	-	-	9,764	-	-	23,082
	-	-	19,989	-	-	31,259
Borrowings						
Opening balance	-	-	191,155	-	-	72,723
Borrowings during the period	-	-	20,118	-	-	1,240,360
Settled during the period	-	-	(158,339)	-	-	(1,121,928)
Closing balance	-	-	52,934	-	-	191,155
Other liabilities						
Interest / mark-up payable	-	-	5,543	-	-	2,214
Others	-	-	754	-	-	749
	-	-	6,297	-	-	2,963
(Rupees in '000)						
	September 30, 2022			September 30, 2021		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
Income						
Mark-up / return / interest earned	-	2,912	16,227	-	3,281	376
Reverse repo	-	-	-	-	-	-
Expense						
Mark-up / return / interest paid	-	-	1,289	-	-	8,423
Operating expenses	8,111	110,874	8,197	3,200	108,582	6,649
Reimbursement of expenses	-	6,767	-	-	6,541	-
Expenses charged	-	-	7,349	-	-	-

34 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Audited
September 30, **December**
2022 **2021**
-----Rupees in '000-----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)	6,000,000	6,000,000
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital	8,938,258	9,368,301
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	8,938,258	9,368,301
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	8,938,258	9,368,301

Risk Weighted Assets (RWAs):

Credit Risk	23,984,696	21,473,594
Market Risk	5,592,744	5,052,444
Operational Risk	2,290,118	2,290,118
Total	31,867,558	28,816,156

Common Equity Tier 1 Capital Adequacy ratio	28.05%	32.51%
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Tier 1 Capital Adequacy Ratio	28.05%	32.51%
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Total Capital Adequacy Ratio	28.05%	32.51%
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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 32.51% of its risk weighted exposure as at December 31, 2021.

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.

Audited
September 30, **December**
2022 **2021**
-----Rupees in '000-----

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	8,938,258	9,368,301
Total Exposures	78,241,205	53,072,617
Leverage Ratio - percentage	11.42%	17.65%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	6,933,542	11,216,690
Total Net Cash Outflow	6,092,452	11,713,912
Liquidity Coverage Ratio - percentage	113.81%	95.76%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	28,699,954	21,834,760
Total Required Stable Funding	22,238,699	19,904,685
Net Stable Funding Ratio - percentage	129.05%	109.70%

35 GENERAL

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

36 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 20, 2022 by the Board of Directors of the Holding Company.

President/Chief Executive

Chief Financial Officer

Director

Director

Director