



PAK BRUNEI INVESTMENT COMPANY LTD.

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

FOR THE PERIOD ENDED MARCH 31, 2022

DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Condensed Interim Financial Statements of Pak Brunei Investment Company Limited (“the Company”) for the period ended March 31, 2022. These Condensed Interim Financial Statements have been prepared in compliance with the requirements of BPRD Circular No. 05 dated March 22, 2019, and International Accounting Standard (IAS) 34, ‘Interim Financial Reporting’.

ECONOMIC REVIEW

Pakistan’s economy was already stressed due to international commodity price escalations when domestic political turmoil added to the pressure. The final government change in Pakistan as a result of No Confidence Motion against ousted Prime Minister has addressed uncertainty to some extent and a new cabinet has been sworn in but the challenges of inflation, Balance of Payment risks along with all its corollaries remains the same.

As per Pakistan Bureau of Statistics, during 9MFY22, exports are up by 25% to \$23.298 billion while imports have risen by 49% to \$58.691 billion, which has pushed trade deficit up by 70% to \$35.39billion. State Bank of Pakistan’s report on balance of payment shows the current account deficit in February 2022 declining to \$545million compared to \$2,556 million in January 2022 and eight months deficit at \$12,099 million compared to surplus of \$994 million in the corresponding period of last year. Remittances in February were \$2,190 million, while for 8 months it has shown growth of 7.6% to \$20,142 million compared to \$18,710 million in the same period last year. Foreign exchange reserves fell to \$18.5 billion from \$22.6 billion in March, with most decline in SBP reserves that had reduced to \$12 billion compared to \$16 billion. This led PKR to depreciate to all time low of PKR 186 a dollar, taking cumulative depreciation to 15.3% since start of fiscal year. CPI based inflation for March 2022 clocked at 12.72% increasing by 79 basis points (bps). After getting hit hard by domestic political crises, the rupee slides to 191 in open market and short-term rates to around 13%; in an emergency meeting on April 7, 2022, SBP announced 250 bps hike in the Policy Rate to 12.25%.

Pakistan is undergoing its seventh review under the IMF’s Extended Fund Facility program, which has disbursed USD 3 billion out of the total USD 6 billion. The program which was stalled due to political uncertainty as well as inability to meet given targets is being handled as high priority by the new government. Continuation of the IMF program is imperative for the economy. Besides the financial relief, IMF program would provide the credibility needed to pave the way for inflows from multilateral agencies and to access international bond markets.

The KSE – 100 Index depicted a bullish trajectory during the month of March 2022 increasing by 468 points (up 1.05%MoM) to close at 44,928.83. The average daily traded volume decreased by 8.92% to 206.3 million as compared to 226.5 million recorded during the month of February 2022. Foreigners remained net sellers with outflows of \$23m. Among locals, banks were main buyers with inflows of \$18m followed by individuals at \$9m.

Recent geo-political developments pose new risks to widening of twin deficits which may lead to a slowdown in economic activity. Moving ahead, we expect the economic recovery to continue, albeit at a slower pace. Focus would remain on how the new government strikes a balance between achieving the desired economic growth rate while keeping the external and fiscal accounts in check.

BUSINESS AND FINANCIAL PERFORMANCE OVERVIEW

The Company generated profit before tax (PBT) of PKR 76.50 million during the period under review as compared to PKR 151.90 million in the corresponding period last year. Gross markup income increased by 48.81% to 996.69 million and markup expensed increased by 97.12% to PKR 866.532 million in comparison with corresponding period last year. The Company earned Net Revenue from Funds (NRFF) of PKR 130.16 million which decreased by 43.45% from corresponding period last year. A sharper increase in markup expense depicts the fact that assets are repriced at their due frequency as a result of kibar rate adjustment while rates on short-term borrowings are repriced instantly with very large hikes. Further, the increase in policy rate has negatively impacted the Company's fixed-rate investment portfolio. Respite came from non-markup income which increased by 89.28% to PKR 51.37 million in comparison with PKR 27.14 million mainly on account of dividend income and fee and commission income which remained PKR 37.93 million and PKR 29.73 million respectively as compared to PKR 0.175 million and 16.14 million in corresponding period last year. On sale of securities, there is a loss of PKR 16.28 million as compared to a gain of PKR 10.72 million last year as a result of market dynamics restricting opportunities for capital gains. Non-markup expenses remained well in control and decreased by 13.54% in comparison with corresponding period last year.

Total assets of the Company, on an unconsolidated basis, were reported at PKR 53.90 billion with 4.77% growth from December 31, 2021. Out of this, Investment Portfolio remained at PKR 30.39 billion growing by 15.79%. The investment portfolio consists of Market T-Bills: PKR 12.86 billion (42.32% of total investment portfolio), Pakistan Income Bonds Fixed Rate: PKR 7.19 billion (23.66%), Pakistan Income Bonds Floating Rate: PKR 4.74 billion (15.60%), TFCs & Sukuks PKR 2.53 billion (9.94%) and Investment in Subsidiaries: PKR 2 billion (6.59%). Net Advances portfolio remained at PKR 19.65 billion decreasing by 3.19% during the period. Return on Assets and Return on Equity were reported at 0.94% and 0.58% respectively, whereas the book value per share was reported at PKR 17.12.

ENTITY RATING

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

ACKNOWLEDGEMENT AND APPRECIATION

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

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

For and on behalf of the Board of Directors

Karachi

Date: April 28, 2022

Ayesha Aziz, CFA
Managing Director

Sofian Mohammad Jani, CFA
Chairman

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

(Audited)		(Audited)			(Audited)	
March 31, 2022	December 31, 2021			Note	March 31, 2022	December 31, 2021
----- USD in '000 -----					----- Rupees in '000 -----	
ASSETS						
326	669	Cash and balances with treasury banks		6	59,858	122,751
321	353	Balances with other banks		7	58,868	64,694
5,450	10,900	Lendings to financial institutions		8	1,000,000	2,000,000
165,699	143,050	Investments		9	30,402,063	26,246,638
107,111	110,641	Advances		10	19,652,522	20,300,141
267	297	Fixed assets		11	49,029	54,544
14	14	Intangible assets		12	2,604	2,524
2,994	2,992	Deferred tax assets		13	549,013	549,013
8,733	8,681	Other assets		14	1,602,396	1,592,709
2,880	2,817	Non-current assets classified as held-for-sale		15	528,444	516,768
293,795	280,414				53,904,797	51,449,782
LIABILITIES						
-	-	Bills payable			-	-
231,494	219,562	Borrowings		16	42,474,167	40,284,824
273	273	Deposits and other accounts		17	50,000	50,000
-	-	Liabilities against assets subject to finance lease			-	-
-	-	Subordinated debt			-	-
-	-	Deferred tax liabilities			-	-
6,053	4,811	Other liabilities		18	1,110,529	882,940
237,820	224,646				43,634,696	41,217,764
55,975	55,768	NET ASSETS			10,270,101	10,232,018
REPRESENTED BY						
32,701	32,701	Share capital			6,000,000	6,000,000
11,076	10,466	Reserves			2,031,975	1,920,050
(5,967)	(5,850)	Deficit on revaluation of assets		19	(1,094,839)	(1,073,299)
18,165	18,451	Unappropriated profit			3,332,965	3,385,267
55,975	55,768				10,270,101	10,232,018
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
UNCONSOLIDATED 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 -----					
5,432	3,650	Mark-up / return / interest earned	21	996,694	669,774
4,723	2,396	Mark-up / return / interest expensed	22	866,532	439,607
<u>709</u>	<u>1,254</u>	Net mark-up / interest income		<u>130,162</u>	<u>230,167</u>
Non mark-up / interest income					
162	88	Fee and commission income	23	29,729	16,136
207	1	Dividend income		37,925	175
(89)	58	(Loss) / gain on securities	24	(16,281)	10,719
-	1	Other income	25	-	111
<u>280</u>	<u>148</u>	Total non-markup / interest income		<u>51,373</u>	<u>27,141</u>
<u>989</u>	<u>1,402</u>	Total income		<u>181,535</u>	<u>257,308</u>
Non mark-up / interest expenses					
485	561	Operating expenses	26	88,964	102,899
-	-	Sindh Workers' Welfare Fund	27	-	-
<u>485</u>	<u>561</u>	Total non mark-up / interest expenses		<u>88,964</u>	<u>102,899</u>
<u>504</u>	<u>841</u>	Profit before provisions		<u>92,571</u>	<u>154,409</u>
88	14	Provisions and write offs - net	28	16,074	2,510
-	-	Extraordinary / unusual items		-	-
<u>416</u>	<u>827</u>	Profit before taxation		<u>76,497</u>	<u>151,899</u>
92	246	Taxation	29	16,874	45,171
<u>324</u>	<u>581</u>	Profit after taxation		<u>59,623</u>	<u>106,728</u>
----- USD -----					
<u>0.00054</u>	<u>0.00097</u>	Basic and diluted earnings per share	30	<u>0.10</u>	<u>0.18</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
UNCONSOLIDATED 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 -----				
324	581	Profit after taxation for the year	59,623	106,728
Other comprehensive loss				
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
(117)	(759)	Movement in deficit on revaluation of investments - net of tax	(21,540)	(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>207</u>	<u>(178)</u>	Total comprehensive income / (loss)	<u>38,083</u>	<u>(32,445)</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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Director

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

	Share capital	Reserves		Deficit on revaluation of investments	Unappropriated profit	Total
		Statutory reserve	General reserve			
----- Rupees in '000 -----						
Opening Balance as at January 01, 2021	6,000,000	1,623,782	100,000	(392,920)	3,401,713	10,732,575
Comprehensive income for the year						
Profit after taxation for the period ended March 31, 2021	-	-	-	-	106,728	106,728
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)	106,728	(32,445)
Transfer to statutory reserve	-	21,346	-	-	(21,346)	-
Opening Balance as at April 01, 2021	<u>6,000,000</u>	<u>1,645,127</u>	<u>100,000</u>	<u>(532,093)</u>	<u>3,487,096</u>	<u>10,700,130</u>
Comprehensive income for the year						
Profit after taxation (December 31, 2021)	-	-	-	-	374,611	374,611
Other comprehensive loss						
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	(1,517)	(1,517)
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(541,206)	-	(541,206)
	-	-	-	(541,206)	373,094	(168,112)
Transfer to statutory reserve	-	74,923	-	-	(74,923)	-
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 January 01, 2022	<u>6,000,000</u>	<u>1,720,050</u>	<u>200,000</u>	<u>(1,073,299)</u>	<u>3,385,267</u>	<u>10,232,018</u>
Comprehensive income for the year						
Profit after taxation for the period ended March 31, 2022	-	-	-	-	59,623	59,623
Other comprehensive loss						
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(21,540)	-	(21,540)
	-	-	-	(21,540)	59,623	38,083
Transfer to statutory reserve	-	11,925	-	-	(11,925)	-
Transfer to general reserve	-	-	100,000	-	(100,000)	-
Closing Balance as at March 31, 2022	<u>6,000,000</u>	<u>1,731,975</u>	<u>300,000</u>	<u>(1,094,839)</u>	<u>3,332,965</u>	<u>10,270,101</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
UNCONSOLIDATED 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		
417	828	Profit before taxation	76,497	151,899
207	1	Less: Dividend income	37,925	175
<u>210</u>	<u>827</u>		<u>38,572</u>	<u>151,724</u>
		Adjustments:		
31	61	Depreciation	5,688	11,128
-	4	Amortisation	52	680
-	-	Provision for Sindh Workers' Welfare Fund	-	-
88	14	Provision and write-offs	16,074	2,510
-	-	Gain on sale of fixed assets	-	-
4	8	Unrealized loss/(gain) on revaluation of investments classified as held for trading - net	775	1,482
<u>123</u>	<u>87</u>		<u>22,589</u>	<u>15,800</u>
<u>333</u>	<u>914</u>		<u>61,161</u>	<u>167,524</u>
		(Increase) / decrease in operating assets		
5,450	2,729	Lendings to financial institutions	1,000,000	500,800
(16,247)	(11)	Held-for-trading securities	(2,980,961)	(2,042)
3,514	9,167	Advances	644,702	1,681,863
251	1,233	Others assets (excluding advance taxation)	46,037	226,163
<u>(7,032)</u>	<u>13,118</u>		<u>(1,290,222)</u>	<u>2,406,784</u>
		Increase/ (decrease) in operating liabilities		
11,932	43,236	Borrowings from financial institutions	2,189,343	7,932,776
-	(1,799)	Deposits	-	(330,000)
1,240	(347)	Other liabilities (excluding current taxation)	227,589	(63,592)
<u>13,172</u>	<u>41,090</u>		<u>2,416,932</u>	<u>7,539,184</u>
<u>(435)</u>	<u>(435)</u>	Income tax paid	<u>(79,756)</u>	<u>(79,879)</u>
<u>6,038</u>	<u>54,687</u>	Net cash flow generated from operating activities	<u>1,108,115</u>	<u>10,033,613</u>
		CASH FLOWS FROM INVESTING ACTIVITIES		
(6,597)	(53,874)	Net investments in available-for-sale securities	(1,209,936)	(9,884,649)
-	233	Net investments in held-to-maturity securities	-	42,742
182	-	Dividends received	33,407	-
(1)	(12)	Investments in operating fixed assets	(173)	(2,139)
(1)	-	Investments in operating intangible assets	(132)	-
-	-	Proceeds from sale of fixed assets	-	-
<u>(6,417)</u>	<u>(53,653)</u>	Net cash flow (used in) investing activities	<u>(1,176,834)</u>	<u>(9,844,046)</u>
		CASH FLOWS FROM FINANCING ACTIVITIES		
-	(1,635)	Dividend paid	-	(300,000)
-	(1,635)	Net cash flow used in financing activities	-	(300,000)
<u>(379)</u>	<u>(601)</u>		<u>(68,719)</u>	<u>(110,433)</u>
1,022	3,217	Decrease in cash and cash equivalents	187,445	590,211
<u>643</u>	<u>2,616</u>	Cash and cash equivalents at beginning of the year	<u>118,726</u>	<u>479,778</u>
		Cash and cash equivalents at end of the year		

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
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2022

1 STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) is a Development Finance Institution (DFI) which was incorporated in Pakistan as an unlisted public limited company on November 28, 2006 under the (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.

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 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 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 unconsolidated statement of financial position, condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income and condensed interim unconsolidated 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, 2022.

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

The SBP vide its BPRD Circular Letter no. 24 dated July 05, 2021 has notified the effective date of IFRS 9, 'Financial instruments' as January 1, 2022. IFRS 9, 'Financial instruments' has replaced IAS 39, 'Financial instruments: recognition and measurement'. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach. The ECL has impact on all the assets of the Company which are exposed to credit risk. The impact of application of IFRS 9 in Pakistan on the Company's financial statements is being assessed and the final implementation guidelines are awaited.

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.

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	2,227,114	(266,221)	1,040	1,961,933
Commercial paper	186,391	-	284	186,675	49,858	-	-	49,858
	27,185,309	(307,269)	(1,472,036)	25,406,004	25,985,369	(294,112)	(1,450,496)	24,240,761
Subsidiaries	2,013,372	-	-	2,013,372	2,003,372	-	-	2,003,372
Total investments	32,181,368	(307,269)	(1,472,036)	30,402,063	27,991,242	(294,112)	(1,450,492)	26,246,638

9.1.1 Investments given as collateral

Held-for-trading securities

Market Treasury Bills

	March 31, 2022			December 31, 2021		
	Cost / amortised cost	Surplus / (deficit)	Carrying value	Cost / amortised cost	Surplus / (deficit)	Carrying value
----- Rupees in '000 -----						
Market Treasury Bills	2,982,687	-	2,982,687	-	-	-

Available-for-sale securities

Market Treasury Bills

Pakistan Investment Bonds

Pakistan Investment Bonds - Floater

Ordinary shares

Term finance / sukuks certificates

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

Reversal on disposals

21,197	1,998
(8,040)	(54,833)
13,157	(52,835)
307,269	294,112

Closing balance

Particulars of provision against debt securities

Category of classification

Domestic

Loss

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

10 ADVANCES

Note	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.	19,196,067	19,828,288	1,018,942	1,018,878	20,215,009	20,847,166
Advances - gross	19,196,067	19,828,288	1,018,942	1,018,878	20,215,009	20,847,166
Provision against advances						
- Specific	-	-	512,487	497,025	512,487	497,025
- General	50,000	50,000	-	-	50,000	50,000
	50,000	50,000	512,487	497,025	562,487	547,025
Advances - net of provision	19,146,067	19,778,288	506,455	521,853	19,652,522	20,300,141

(Audited)
March 31, 2022 December 31, 2021
----- Rupees in '000 -----

10.1 Particulars of advances (gross)

In local currency	20,215,009	20,847,166
In foreign currencies	-	-
	20,215,009	20,847,166

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
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		1,018,942	512,487	1,018,878	497,025

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

10.3 Particulars of provision against advances

	March 31, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000 -----					
Opening balance	497,025	50,000	547,025	423,442	-	423,442
Charge for the year	8,388	-	8,388	84,982	50,000	134,982
Reversals	(5,470)	-	(5,470)	(11,399)	-	(11,399)
	2,917	-	2,917	73,583	50,000	123,583
Provision due to conversion of investment	12,545	-	12,545	-	-	-
Amounts written off	-	-	-	-	-	-
Closing balance	512,487	50,000	562,487	497,025	50,000	547,025

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

Note	(Audited)	
	March 31, 2022	December 31, 2021
----- Rupees in '000 -----		
11	FIXED ASSETS	
	Property and equipment	16,466
	Right-of-use of asset	19,084
	<u>49,029</u>	<u>35,460</u>
	<u>49,029</u>	<u>54,544</u>
12	INTANGIBLE ASSETS	
	Computer Software	118
	Capital work-in-progress	170
	12.1 <u>2,486</u>	<u>2,354</u>
	<u>2,604</u>	<u>2,524</u>
12.1	Capital work-in-progress	
	Software	2,354
	<u>2,354</u>	<u>2,354</u>
13	DEFERRED TAX ASSETS	
	Deductible temporary differences on	
	- Post retirement employee benefits	
	82,663	82,663
	- Provision for diminution in the value of investments	
	158,637	158,637
	- Provision against advances, other assets, etc.	
	377,197	377,197
	- Deficit on revaluation of investments	
	5,547	5,547
	- Accelerated tax depreciation	
	803	803
	- Lease liability against right-of-use asset	
	49,910	49,910
	- Carry forward of alternate corporate tax	
	-	-
	- Provision for bonus	
	16,776	16,776
	691,533	691,533
	Taxable temporary differences on	
	- Net investment in finance lease	
	(25,036)	(25,036)
	- Post retirement employee benefits	
	(1,921)	(1,921)
	- Right-of-use assets	
	(10,283)	(10,283)
	- Amortization of discount on investments	
	(105,280)	(105,280)
	(142,520)	(142,520)
	<u>549,013</u>	<u>549,013</u>
14	OTHER ASSETS	
	Income/ mark-up accrued in local currency	577,054
	Advances, deposits, advance rent and other prepayments	604,269
	94,284	19,888
	Advance taxation (payments less provisions)	853,239
	Advance against subscription of TFC	790,357
	-	70,500
	Receivable against sale of shares	19,609
	Receivable from related parties	56,317
	14.1 <u>4,207</u>	<u>2,462</u>
	Lease receivable under IFRS-16	933
	Dividend receivable	1,096
	4,518	-
	Receivable from defined benefit plan	8,552
	7,820	-
	Advance against investment in right shares -related party	40,000
	40,000	40,000
	<u>1,602,396</u>	<u>1,592,709</u>
	Less: Provision held against other assets	-
	<u>1,602,396</u>	<u>1,592,709</u>
14.1	Receivable from related parties	
	Receivable from Awwal Modaraba (subsidiary)	914
	837	-
	Receivable from other Modarabas managed by Awwal	
	Modaraba Management Limited (related parties)	
	810	810
	Receivable from Awwal Corporate Restructuring Company Limited (subsidiary)	
	120	120
	Receivable from Primus Leasing Company Limited (subsidiary)	
	2,363	695
	<u>4,207</u>	<u>2,462</u>
15	NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE	
	Non-current assets classified as held-for-sale	528,444
	<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.

		(Audited)	
		March 31, 2022	December 31, 2021
		----- Rupees in '000 -----	
16	BORROWINGS		
	Secured		
	Borrowings from State Bank of Pakistan		
	- Long-Term Finance Facility (LTFF) scheme	16.2	4,762,578
	- Power Plants Using Renewable Energy (PPRE) scheme	16.3	60,878
	- Temporary Economic Refinance Facility (TERF)	16.4	754,534
	- Finance for Storage of Agriculture Produce (FSAP) scheme	16.5	127,342
	- Credit Guarantee (CGS) Scheme	16.6	78,184
	- Special Persons (SP) Scheme	16.7	3,625
	- Working Capital (WCF) Scheme	16.8	428,795
	- COVID - 19 Scheme	16.9	7,500
	- Balancing, Modernization & Replacement (BMR) scheme	16.10	173,178
			6,396,614
	Repurchase agreement borrowings		6,249,822
	Borrowings from banks	16.11	20,960,065
	Total secured		10,262,441
			38,306,681
			36,008,241
	Unsecured		
	Letters of placement:		
	- Awwal Modaraba (subsidiary)		39,000
	- Staff retirement funds (related party)		66,014
	- Other related parties		124,500
	- Others		4,101,472
			4,046,429
			42,474,167
			40,284,824
16.1	Particulars of borrowings with respect to currencies		
	In local currency		42,474,167
	In foreign currencies		40,284,824
			-
			42,474,167
			40,284,824
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 SBP.		
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

	March 31, 2022			(Audited) 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)	-	-	-	-	-	-
	50,000	-	50,000	50,000	-	50,000

18 OTHER LIABILITIES

	(Audited)	
	March 31, 2022	December 31, 2021
	----- Rupees in '000 -----	
Mark-up / return / interest payable in local currency	297,016	200,945
Unearned commission and income on bills discounted	26,199	26,283
Accrued expenses	41,399	81,173
Brokerage / commission payable	1,619	1,266
Payable against purchase of shares	75,508	89,311
Lease liability against right-of-use assets	29,154	29,457
Security deposits against advances	399,748	292,617
Provision for Sindh Worker's Welfare Fund	134,893	134,893
Advance from customers	-	13,293
Payable to related party	-	28
Others	104,993	13,674
	1,110,529	882,940

	Note	March 31, 2022	(Audited) December 2021
----- Rupees in '000 -----			
19 DEFICIT ON REVALUATION OF ASSETS			
Deficit on revaluation of			
- Available-for-sale securities	9.1	(1,472,036)	(1,450,496)
Deferred tax on deficit on revaluation of:			
- Available-for-sale securities		<u>377,197</u>	<u>377,197</u>
		<u>(1,094,839)</u>	<u>(1,073,299)</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
- forward shares		-	43,114
Other commitments		-	-
		<u>26,013,464</u>	<u>20,686,758</u>
20.2.1 Commitments in respect of government securities			
Sale		-	-
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.

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

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.

	Note	March 31, 2022	March 31, 2021
		----- Rupees in '000 -----	
21 MARK-UP / RETURN / INTEREST EARNED			
On:			
a) Loans and advances		403,481	299,988
b) Investments		567,604	357,863
c) Lendings to financial institutions		24,250	10,753
d) Balances with banks		1,359	1,170
		<u>996,694</u>	<u>669,774</u>
22 MARK-UP / RETURN / INTEREST EXPENSED			
Deposits		1,387	12,234
Borrowings		864,851	427,373
Interest expense on lease liability against right-of-use assets		294	-
		<u>866,532</u>	<u>439,607</u>
23 FEE AND COMMISSION INCOME			
Advisory / arrangement fee		8,138	-
Processing fee income		4,862	512
Commitment fee		1,625	1,653
Trustee fee		15,104	13,945
Front end fee		-	26
		<u>29,729</u>	<u>16,136</u>
24 (LOSS) / GAIN ON SECURITIES			
Realised	24.1	(15,506)	9,237
Unrealised - held for trading		(775)	1,482
		<u>(16,281)</u>	<u>10,719</u>
24.1 Realised (loss) / gain on:			
Federal government securities		248	3,571
Shares		(15,754)	1,353
Mutual funds		-	4,307
Non-government debt securities		-	6
		<u>(15,506)</u>	<u>9,237</u>
25 OTHER INCOME			
Immovable property		-	111
Others		-	-
		<u>-</u>	<u>111</u>

March 31, March 31,
2022 2021
----- Rupees in '000 -----

26 OPERATING EXPENSES

Total compensation expense	47,962	62,554
Property expense		
Rent and taxes	-	-
Insurance	1,476	1,310
Security	280	421
Utilities cost	700	660
Repairs and maintenance (including janitorial charges)	2,157	1,370
Depreciation	3,081	8,629
	7,694	12,390
Information technology expenses		
Software maintenance	729	191
Hardware maintenance	340	219
Depreciation	1,084	796
Amortisation	52	680
	2,205	1,886
Other operating expenses		
Directors' fees and allowances	1,200	1,200
Fees and subscription	426	952
Legal and professional charges	7,591	4,546
Outsourced services costs	1,858	1,377
Travelling and conveyance	13,379	10,052
Brokerage commission	2,118	3,736
Depreciation	1,523	1,703
Training and development	164	125
Postage and courier charges	138	157
Communication	779	464
Stationery and printing	288	230
Marketing, advertisement and publicity	30	20
Auditors' remuneration	688	619
Others	921	888
	31,103	26,069
	88,964	102,899

	Note	March 31, 2022	March 31, 2021
		----- Rupees in '000 -----	
27 PROVISION FOR SINDH WORKERS' WELFARE FUND			
Provision for Sindh Workers' Welfare Fund	27.1	-	-
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 134.893 million which includes a provision of Rs Nil for the current year.		
	Note	March 31, 2022	March 31, 2021
		----- Rupees in '000 -----	
28 PROVISIONS AND WRITE OFFS - NET			
Provision / reversal 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		21,535	60,361
Prior years		-	-
Deferred		(4,661)	(15,190)
		<u>16,874</u>	<u>45,171</u>
		March 31, 2022	March 31, 2021
		----- Rupees -----	
30 BASIC EARNINGS PER SHARE			
Profit for the year		<u>59,623</u>	<u>106,728</u>
Weighted average number of ordinary shares		<u>600,000</u>	<u>600,000</u>
Basic earnings per share		<u>0.10</u>	<u>0.18</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 / sukuks certificates	Investments in listed debt securities (comprising term finance certificates, bonds, sukuks 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, 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	-	24,792,645	-	24,792,645
Shares	884,272	-	-	884,272
Non-Government debt securities	-	2,525,099	-	2,525,099
Commercial papers	-	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	-	1,961,933	-	1,961,933
Commercial papers	-	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			Total
	Corporate finance	Trading and sales	Commercial banking	
Profit and Loss Account				
Net mark-up / return / profit	-	70,197	59,965	130,162
Non mark-up / return / interest income	29,728	21,645	-	51,373
Total income	29,728	91,842	59,965	181,535
Segment direct expenses	14,569	45,008	29,387	88,964
Total expenses	14,569	45,008	29,387	88,964
Provisions	-	15,947	127	16,074
Profit before tax	15,159	30,887	30,451	76,497
Statement of Financial Position				
Cash and bank balances	19,443	60,065	39,218	118,726
Lendings to financial institutions	-	1,000,000	-	1,000,000
Investments	-	30,402,063	-	30,402,063
Advances - performing	-	990,754	18,155,313	19,146,067
- non-performing	-	12,355	494,100	506,455
Others	8,456	1,643,461	1,079,569	2,731,486
Total assets	27,899	34,108,698	19,768,200	53,904,797
Borrowings	-	25,696,528	16,777,639	42,474,167
Deposits and other accounts	-	30,250	19,750	50,000
Others	-	671,863	438,666	1,110,529
Total liabilities	-	26,398,641	17,236,055	43,634,696
Equity	27,898	7,710,058	2,532,145	10,270,101
Total equity and liabilities	27,898	34,108,699	19,768,200	53,904,797
Contingencies and commitments	-	20,982,435	4,916,731	25,899,166

	March 31, 2021			Total
	Corporate finance	Trading and sales	Commercial banking	
Profit and Loss Account				
Net mark-up / return / profit	-	130,112	100,055	230,167
Non mark-up / return / interest income	16,136	11,005	-	27,141
Total income	16,136	141,117	100,055	257,308
Segment direct expenses	6,453	56,434	40,012	102,899
Total expenses	6,453	56,434	40,012	102,899
Provisions	-	2,918	(408)	2,510
Profit before tax	9,683	81,765	60,451	151,899

	December 31, 2021			Total
	Corporate finance	Trading and sales	Commercial banking	
Statement of Financial Position				
Cash and bank balances	11,197	134,649	41,599	187,445
Investments	-	26,246,638	-	26,246,638
Lendings to financial institutions	-	2,000,000	-	2,000,000
Advances - performing	-	900,770	18,877,518	19,778,288
- non-performing	-	17,397	504,456	521,853
Others	3,409	2,071,200	640,949	2,715,558
Total assets	14,606	31,370,654	20,064,522	51,449,782
Borrowings	-	24,177,900	16,106,924	40,284,824
Deposits and other accounts	-	30,009	19,991	50,000
Others	-	673,398	209,542	882,940
Total liabilities	-	24,881,307	16,336,457	41,217,764
Equity	14,606	6,489,347	3,728,065	10,232,018
Total equity and liabilities	14,606	31,370,654	20,064,522	51,449,782
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 and its key management personnel.

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. 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. The details of transactions with related parties during the year and balances with them as at year end, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

	March 31, 2022				December 31, 2021			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
(Rupees in '000)								
Investments								
Opening balance	-	-	2,003,372	-	-	-	2,003,372	-
Investment made during the year	-	-	10,000	-	-	-	-	-
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-
Transfer to available-for-sale securities on recharacterisation of investment	-	-	-	-	-	-	-	-
Transfer in / (out)	-	-	-	-	-	-	-	-
Classified as held-for-sale	-	-	-	-	-	-	-	-
Closing balance	-	-	2,013,372	-	-	-	2,003,372	-
Advances								
Opening balance	-	89,209	371,223	150,000	-	94,365	40,792	-
Addition during the year	-	-	486,880	-	-	20,781	358,332	300,000
Repaid during the year	-	(7,333)	(343,023)	-	-	(66,568)	(27,901)	(150,000)
Transfer in / (out) - net	-	(32,038)	-	-	-	40,631	-	-
Closing balance	-	49,838	515,080	150,000	-	89,209	371,223	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	-	-	8,507	57	-	-	4,080	52
Lease receivable under IFRS-16	-	-	933	-	-	-	1,096	-
Receivable from defined benefit plan	-	-	-	8,552	-	-	-	7,820
Preliminary expense	-	-	120	-	-	-	120	-
Advance against investments in right shares	-	-	40,000	-	-	-	40,000	-
Others	-	-	3,277	809	-	-	1,532	7,581
	-	-	52,837	9,417	-	-	46,828	15,453
Borrowings								
Opening balance	-	-	39,000	191,155	-	-	332,982	72,723
Borrowings during the year	-	-	-	-	-	-	535,341	1,240,360
Settled during the year	-	-	(39,000)	(125,140)	-	-	(829,323)	(1,121,928)
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	-	(0)	66,015	-	-	39,000	191,155
Other Liabilities								
Interest / mark-up payable	-	-	-	2,279	-	-	197	2,214
Other liabilities	-	-	28	-	-	-	28	-
	-	-	28	2,279	-	-	225	2,214

	March 31, 2022				March 31, 2021			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
(Rupees in '000)								
Income								
Mark-up / return / interest earned	-	599	12,194	4,648	-	835	3,158	-
Dividend income	-	-	-	-	-	-	-	-
Expense								
Mark-up / return / interest paid	-	-	46	150	-	-	4,950	2,278
Operating expenses	2,000	28,751	-	-	1,200	52,904	-	-
Reimbursement of expenses	-	1,543	-	-	-	2,021	-	-
Expenses charged	33.1	-	5,337	-	-	-	8,174	-

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)	6,000,000	6,000,000
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	7,916,721	8,435,693
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	7,916,721	8,435,693
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	7,916,721	8,435,693
Risk Weighted Assets (RWAs):		
Credit Risk	23,844,759	21,681,140
Market Risk	4,998,249	5,023,295
Operational Risk	1,972,722	1,972,722
Total	30,815,730	28,677,157
Common Equity Tier 1 Capital Adequacy ratio	25.69%	29.42%
Tier 1 Capital Adequacy Ratio	25.69%	29.42%
Total Capital Adequacy Ratio	25.69%	29.42%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	7,916,721	8,435,693
Total Exposures	57,553,390	51,770,833
Leverage Ratio - percentage	13.76%	16.29%
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	9,298,446	11,216,690
Total Net Cash Outflow	9,326,884	11,713,912
Liquidity Coverage Ratio - percentage	99.70%	95.76%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	22,365,836	21,834,760
Total Required Stable Funding	20,738,603	19,904,685
Net Stable Funding Ratio - percentage	107.85%	109.70%

35 GENERAL

- 35.1** Figures in these unconsolidated 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 unconsolidated financial statements, wherever necessary, to facilitate comparison and better presentation.

36 DATE OF AUTHORISATION FOR ISSUE

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

President/Chief Executive

Chief Financial Officer

Director

Director

Director