



PAK BRUNEI INVESTMENT COMPANY LTD.

CONSOLIDATED CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2022

PAK BRUNEI INVESTMENT COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

(Audited)
June 30, 2022 December 31, 2021
----- US Dollar in '000 -----

(Audited)
June 30, 2022 December 31, 2021
Note ----- Rupees in '000 -----

ASSETS					
1,101	600	Cash and balances with treasury banks	6	225,607	122,856
1,440	1,424	Balances with other banks	7	294,988	291,710
19,664	10,147	Lendings to financial and other institutions	8	4,028,108	2,078,487
176,420	119,368	Investments	9	36,138,982	24,452,231
113,058	108,336	Advances	10	23,159,479	22,192,370
293	363	Fixed assets	11	60,036	74,321
16	15	Intangible assets	12	3,199	3,075
4,272	2,687	Deferred tax assets	13	875,003	550,449
10,259	8,112	Other assets	14	2,101,621	1,661,731
1,637	2,523	Assets classified as held-for-sale	15	335,384	516,768
<u>328,160</u>	<u>253,575</u>			<u>67,222,408</u>	<u>51,943,998</u>
LIABILITIES					
-	-	Bills payable		-	-
270,156	196,468	Borrowings	16	55,340,529	40,245,824
245	244	Deposits and other accounts	17	50,000	50,000
8,712	6,494	Other liabilities	18	1,784,877	1,330,194
<u>279,113</u>	<u>203,206</u>			<u>57,175,406</u>	<u>41,626,018</u>
<u>49,047</u>	<u>50,369</u>	NET ASSETS		<u>10,047,002</u>	<u>10,317,980</u>
REPRESENTED BY					
29,290	29,290	Share capital		6,000,000	6,000,000
9,992	9,373	Reserves		2,046,754	1,920,050
15,844	16,951	Unappropriated profit		3,245,538	3,472,236
(6,091)	(5,256)	Deficit on revaluation of assets	19	(1,247,673)	(1,076,611)
<u>49,035</u>	<u>50,358</u>	Total equity attributable to the equity holders of the Holding Company		<u>10,044,619</u>	<u>10,315,675</u>
12	11	Non-controlling interest		2,383	2,305
<u>49,047</u>	<u>50,369</u>			<u>10,047,002</u>	<u>10,317,980</u>
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

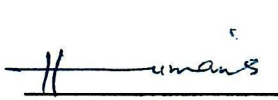

Director


PAK BRUNEI INVESTMENT COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED JUNE 30, 2022

Half Year Ended			Quarter Ended		Half Year Ended		
Jun 30, 2022	Jun 30, 2021		Jun 30, 2022	Jun 30, 2021	Jun 30, 2022	Jun 30, 2021	
----- US Dollar in '000 -----			----- Rupees in '000 -----				
13,251	8,448	Mark-up / return / interest earned	21	1,648,180	1,031,211	2,714,381	1,730,646
10,963	5,793	Mark-up / return / interest expensed	22	1,379,152	753,334	2,245,522	1,186,749
2,288	2,655	Net mark-up / interest income		269,028	277,877	468,859	543,897
		Non mark-up / interest income					
266	220	Fee and commission income	23	22,328	12,737	54,481	45,099
212	11	Dividend income		5,471	2,003	43,396	2,178
(283)	632	Gain / loss on sale of securities	24	(41,658)	118,636	(57,939)	129,466
38	12	Other income	25	7,818	2,378	7,818	2,378
233	875	Total non-markup / interest income / expense		(6,041)	135,754	47,756	179,121
2,521	3,530	Total income		262,987	413,631	516,615	723,018
		Non mark-up / interest expenses					
1,253	1,288	Operating expenses	26	141,431	125,349	256,846	263,877
-	51	Other Charges		-	10,447	-	10,447
22	44	Sindh Workers' Welfare Fund	27	4,153	8,927	4,600	9,070
1,275	1,383	Total non mark-up / interest expenses		145,584	144,723	261,446	283,394
1,246	2,147	Profit before provisions		117,403	268,908	255,169	439,624
308	32	Provisions and write offs - net	28	47,029	3,945	63,103	6,455
938	2,115	Profit before taxation		70,374	264,963	192,066	433,169
(39)	573	Taxation	29	(40,793)	66,741	(8,018)	117,474
977	1,542	Profit after taxation		111,167	198,222	200,084	315,695
		Attributable to:					
977	1,541	Equity holders of the Holding Company		111,123	198,206	200,006	315,664
1	-	Non-controlling interest		44	16	78	31
978	1,541			111,167	198,222	200,084	315,695
		USD					
0.00163	0.00257	Basic and diluted earnings per share	30	0.18	0.33	0.33	0.53


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 STATEMENT OF COMPREHENSIVE INCOME
 FOR THE HALF YEAR ENDED JUNE 30, 2022


Half Year Ended			Quarter Ended		Half Year Ended	
Jun 30,	Jun 30,		Jun 30,	Jun 30,	Jun 30,	Jun 30,
2022	2021		2022	2021	2022	2021
----- US Dollar in '000 -----			----- Rupees in '000 -----			
		Profit after taxation for the year attributable to:				
977	1,541	Equity holders of the Holding Company	111,123	198,206	200,006	315,664
1	-	Non-controlling interest	44	16	78	31
978	1,541		111,167	198,222	200,084	315,695
		Other comprehensive loss				
		<i>Items that may be reclassified to consolidated profit</i>				
(1,603)	222	- Movement in deficit on revaluation of investments	(310,120)	184,571	(328,348)	45,398
768	(46)	- Deferred tax on revaluation of investments	157,286	(9,520)	157,286	(9,520)
(835)	176		(152,834)	175,051	(171,062)	35,878
<u>(625)</u>	<u>1,763</u>	Total comprehensive (loss) / income	<u>(41,668)</u>	<u>373,273</u>	<u>29,021</u>	<u>351,573</u>

The annexed notes 1 to 38 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 STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Capital reserve	General Reserve	Capital reserve	Revenue reserve	Non-controlling interest	Total	
	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 half year							
Profit after taxation for the period ended June 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	6,000,000	1,680,449	200,000	(357,042)	3,379,448	2,376	10,905,231
Total comprehensive income for the year							
Profit after taxation for the year 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	6,000,000	1,720,050	200,000	(1,076,611)	3,472,236	2,305	10,317,980
Comprehensive income for the year							
Profit after taxation for the period/half year ended June 30, 2022	-	-	-	-	200,006	78	200,084
Other comprehensive loss							
- Re-measurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(171,062)	-	-	(171,062)
	-	-	-	(171,062)	200,006	78	29,021
Transfer to statutory reserve	-	26,704	-	-	(26,704)	-	-
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 June 30, 2022	6,000,000	1,746,754	300,000	(1,247,673)	3,245,538	2,383	10,047,001

(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


Director


Director

PAK BRUNEI INVESTMENT COMPANY LIMITED AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED JUNE 30, 2022

Half year ended		Half year ended			
June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	Note	
----- US Dollar in '000 -----		----- Rupees in '000 -----			
CASH FLOWS FROM OPERATING ACTIVITIES					
938	2,115				192,066
212	11				43,396
726	2,104				148,670
Profit before taxation					
Less: Dividend income					
Adjustments:					
108	143	26	22,123		29,205
7	18	26	1,466		3,625
22	45	27	4,600		9,070
308	32	28	63,103		6,455
(8)	(1)	25	(1,584)		(163)
		24	2,022		(80)
			91,730		48,112
437	237		240,400		479,103
1,163	2,341				
(Increase) / decrease in operating assets					
(9,517)	2,681		(1,949,621)		549,029
(19,350)	(46)		(3,963,831)		(9,258)
(4,930)	16,458		(1,009,976)		3,371,358
(1,518)	(1,602)		(310,951)		(328,130)
(35,315)	17,491		(7,234,380)		3,582,999
Increase/ (decrease) in operating liabilities					
73,688	111,143		15,094,705		22,767,217
-	(4,052)		-		(830,000)
2,217	(138)		454,212		(28,222)
75,905	106,953		15,548,917		21,908,995
Borrowings from financial institutions					
Deposits					
Other liabilities (excluding current taxation)					
(1,546)	(853)		(316,655)		(174,801)
40,207	125,932		8,238,283		25,796,296
Taxes paid					
Net cash generated from / (used in) operating activities					
CASH FLOWS FROM INVESTING ACTIVITIES					
(39,630)	(125,171)		(8,118,164)		(25,640,777)
243	209		49,858		42,742
212	11		43,396		2,178
(39)	(14)		(7,989)		(2,690)
(7)	(23)		(1,590)		(4,710)
9	1		1,735		211
979	-		200,500		-
(38,233)	(124,987)		(7,832,254)		(25,603,046)
Net (investments) / divestments in available-for-sale securities					
Net (investments) / divestments in held-to-maturity securities					
Dividends received					
Investments in operating fixed assets					
Investments in operating intangible assets					
Proceeds from sale of fixed assets					
Proceeds from sale of non-banking assets					
Net cash (used in) / generated from investing activities					
CASH FLOWS FROM FINANCING ACTIVITIES					
(1,465)	(1,465)		(300,000)		(300,000)
-	-		-		-
(1,465)	(1,465)		(300,000)		(300,000)
Dividend paid to equity shareholders of the Holding Company					
Dividend paid to non-controlling interests					
Net cash used in financing activities					
509	(520)		106,029		(106,750)
2,024	3,904		414,566		799,654
Increase in cash and cash equivalents					
Cash and cash equivalents at beginning of the year					
2,533	3,384		520,595		692,904
Cash and cash equivalents at end of the year					

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 FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED JUNE 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 (2021: 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 204.8476 to US Dollars has been used for 2022 and 2021 as it was the prevalent rate on June 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	
			June 30, 2022	December 31, 2021
			-----Rupees in '000-----	
	Cash in hand		90	-
	With State Bank of Pakistan in:			
	Local currency current account	6.1	225,517	122,856
	With National Bank of Pakistan in:			
	Local currency deposit account		-	-
			<u>225,607</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	
			June 30, 2022	December 31, 2021
			-----Rupees in '000-----	
	In Pakistan			
	- In deposit accounts	7.1	294,801	285,006
	- In current account		187	6,704
			<u>294,988</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	
			June 30, 2022	December 31, 2021
			-----Rupees in '000-----	
	Investments against repurchase agreements	8.1	4,028,108	78,487
	Term deposits receipts		-	2,000,000
			<u>4,028,108</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	
		June 30, 2022	December 31, 2021
		-----Rupees in '000-----	
	In local currency	4,028,108	2,078,487
	In foreign currencies	-	-
		<u>4,028,108</u>	<u>2,078,487</u>

9 INVESTMENTS

9.1 Investments by type:

Note	Audited							
	June 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	-	-	-	-	2,501	-	4	2,505
Federal government securities	3,964,310	-	(992)	3,963,318	-	-	-	-
	<u>3,964,310</u>	<u>-</u>	<u>(992)</u>	<u>3,963,318</u>	<u>2,501</u>	<u>-</u>	<u>4</u>	<u>2,505</u>
Available-for-sale securities								
Federal government securities	29,831,714	-	(1,459,757)	28,371,957	22,597,778	-	(1,188,220)	21,409,558
Ordinary shares	1,344,397	(44,386)	(297,271)	1,002,740	1,110,619	(27,891)	(263,316)	819,412
Non-government debt securities	2,859,534	(264,741)	(11,251)	2,583,542	2,400,114	(266,221)	7,960	2,141,853
Commercial paper	192,026	-	-	192,026	-	-	-	-
Modaraba Certificates	39,277	-	(13,877)	25,399	39,277	-	(10,232)	29,045
	<u>34,266,948</u>	<u>(309,127)</u>	<u>(1,782,156)</u>	<u>32,175,664</u>	<u>26,147,788</u>	<u>(294,112)</u>	<u>(1,453,808)</u>	<u>24,399,868</u>
Held-to-maturity securities								
Commercial paper	-	-	-	-	49,858	-	-	49,858
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,858</u>	<u>-</u>	<u>-</u>	<u>49,858</u>
Total investments	<u>38,231,258</u>	<u>(309,127)</u>	<u>(1,783,148)</u>	<u>36,138,982</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:

	June 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	3,964,310	-	(992)	3,963,318	9,742,610	-	(117,594)	9,625,016
Pakistan Investment Bonds - Fixed Rate	8,345,051		(1,442,265)	6,902,786	8,365,115	-	(1,074,449)	7,290,666
Pakistan Investment Bonds - Floater	21,486,663	-	(17,492)	21,469,171	4,490,053	-	3,823	4,493,876
	33,796,024	-	(1,460,749)	32,335,275	22,597,778	-	(1,188,220)	21,409,558
Ordinary shares								
Listed companies	1,323,066	(23,055)	(297,271)	1,002,740	1,091,789	(6,560)	(263,312)	821,917
Unlisted companies	21,331	(21,331)	-	-	21,331	(21,331)	-	-
	1,344,397	(44,386)	(297,271)	1,002,740	1,113,120	(27,891)	(263,312)	821,917
Non-government debt securities								
Listed	1,348,907	(14,361)	(11,251)	1,323,295	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
	2,859,534	(264,741)	(11,251)	2,583,542	2,400,114	(266,221)	7,960	2,141,853
Modaraba Certificates	39,277	-	(13,877)	25,399	39,277	-	(10,232)	29,045
Commercial paper	192,026	-	-	192,026	49,858	-	-	49,858
Total investments	38,231,258	(309,127)	(1,783,148)	36,138,982	26,200,147	(294,112)	(1,453,804)	24,452,231

9.2.1 Investments given as collateral

	(Audited) June 30, 2022	December 31, 2021
----- Rupees in '000 -----		
Market Treasury Bills	3,665,719	8,833,104
Pakistan Investment Bonds	21,669,949	10,696,531
Term finance certificates / sukuks certificates	759,760	759,788
Ordinary shares	96,085	118,624
	<u>26,191,513</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 year	31,186	1,998
Reversal during the year	(16,171)	(54,833)
	<u>15,015</u>	<u>(52,835)</u>
Closing balance	<u>309,127</u>	<u>294,112</u>

9.4 Particulars of provision against debt securities

Category of classification	(Un-audited) June 30, 2022		(Audited) December 31, 2021	
	Non-performing investments	Provision	Non-performing investments	Provision
Domestic	----- (Rupees in '000) -----			
Loss	<u>264,740</u>	<u>264,740</u>	<u>266,221</u>	<u>266,221</u>

10 ADVANCES

Note	Performing		Non-performing		Total	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
----- Rupees in '000 -----						
Loans, cash credits, running finances, etc.	21,924,002	21,148,462	1,029,330	1,018,878	22,953,332	22,167,340
Islamic financing and related assets	826,339	601,333	-	-	826,339	601,333
Advances - gross	22,750,341	21,749,795	1,029,330	1,018,878	23,779,671	22,768,673
Provision against advances						
- Specific	-	-	529,945	497,025	529,945	497,025
- General	90,248	79,278	-	-	90,248	79,278
	90,248	79,278	529,945	497,025	620,193	576,303
Advances - net of provision	22,660,094	21,670,517	499,385	521,853	23,159,479	22,192,370
Audited						
June 30, 2022 December 31, 2021						
-----Rupees in '000-----						

10.1 Particulars of advances (gross)

In local currency	23,779,671	22,768,673
In foreign currencies	-	-
	<u>23,779,671</u>	<u>22,768,673</u>

10.2 Advances include Rs. 1,029,330 million (2021: Rs. 1,018.878 million) which have been placed under the non-performing status as detailed below:

Category of classification	Note	June 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	10,524	1,052	1,500	150
Substandard		13,961	3,490	47,356	11,839
Doubtful		27,036	13,518	2,141	1,070
Loss		977,810	511,885	967,881	483,966
Total		<u>1,029,330</u>	<u>529,945</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. 10.524 million (2021: Rs. 1.5 million).

10.3 Particulars of provision against advances

	June 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 year	28,180	23,043	51,223	84,982	61,521	146,503
Reversals during the year	(7,805)	(551)	(8,356)	(11,399)	(323)	(11,722)
	20,375	22,492	42,867	73,583	61,198	134,781
Amounts written off	-	-	-	-	-	-
Provision due to conversion of investment	12,545	-	12,545	-	-	-
Closing balance	<u>529,945</u>	<u>101,770</u>	<u>631,715</u>	<u>497,025</u>	<u>79,278</u>	<u>576,303</u>

10.3.1 The Group 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 01 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 (2021: Rs. 483.915 million). The FSV benefit availed - net of tax amounting to Rs. 330.807 million (2021: 343.580 million) is not available for the distribution as either cash or stock dividend to the shareholders.

10.3.2 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.

	Note	Audited June 30, 2022	Audited December 31, 2021
-----Rupees in '000-----			
11	FIXED ASSETS		
	Property and equipment	60,036	74,321
12	INTANGIBLE ASSETS		
	Intangible assets	572	721
	Capital work-in-progress	2,627	2,354
		<u>3,199</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	534,482	377,197
	- Net investment in finance lease	-	32,180
	- Tax losses carried forward	8,207	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
	- Amortisation of premium on investments	27,524	-
	- Accelerated tax depreciation	1,866	-
		929,755	730,328
	Taxable temporary differences on:		
	- Post retirement employee benefits	(1,921)	(1,921)
	- Amortisation of discount on investments	-	(165,809)
	- Accelerated tax depreciation	-	(144)
	- Right-of-use assets	(8,217)	(12,005)
	- Net investment in finance lease	(44,614)	-
		(54,752)	(179,879)
		<u>875,003</u>	<u>550,449</u>

			Audited June 30, 2022	Audited December 31, 2021
	Note		-----Rupees in '000-----	
14 OTHER ASSETS				
Income / mark-up accrued in local currency			1,050,357	656,404
Advances, deposits, advance rent and other prepayments			17,862	24,141
Advance taxation (payments less provisions)			960,200	806,925
Advance against subscription of term finance certificates			-	70,500
Receivable against sale of shares			-	56,317
Receivable against advisory fee			33,760	34,183
Receivable from related parties			19,446	7,746
Receivable from defined benefit plan - related party			11,093	8,126
Others			14,123	-
			<u>2,106,842</u>	<u>1,664,342</u>
Less: Provision held against other assets			<u>(5,221)</u>	<u>(2,611)</u>
			<u>2,101,621</u>	<u>1,661,731</u>
15 ASSETS CLASSIFIED AS HELD-FOR-SALE				
<i>Land, building and machinery acquired from:</i>				
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	15.1		<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 June 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				
Secured				
Borrowings from State Bank of Pakistan under:				
- Long-Term Finance Facility (LTFF) scheme	16.2		4,524,363	4,776,169
- Power Plants Using Renewable Energy (PPRE) scheme			56,189	65,567
- Finance for Storage of Agriculture Produce (FSAP) scheme			105,791	148,887
- Temporary Economic Refinance Facility (TERF)			794,296	742,405
- COVID - 19 Scheme			7,000	8,000
- Credit Guarantee (CGS) Scheme			100,549	53,119
- Special Persons (SP) Scheme			3,400	3,850
- Balancing, Modernization & Replacement (BMR) scheme			227,891	97,991
- Working capital (WC) Scheme			659,340	353,834
			<u>6,478,819</u>	<u>6,249,822</u>
Repurchase agreement borrowings	16.3		27,441,482	19,495,978
Borrowings from banks	16.4		21,254,167	10,262,441
Total secured			<u>55,174,468</u>	<u>36,008,241</u>
Unsecured				
Letters of placement			166,061	4,237,583
			<u>55,340,529</u>	<u>40,245,824</u>
16.1 Particulars of borrowings with respect to currencies				
In local currency			55,340,529	40,245,824
In foreign currencies			-	-
			<u>55,340,529</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 13.00% to 14.10% per annum (2021: 10.01% to 10.75% per annum).		

16.4 This represents secured borrowings from commercial banks. These borrowings carry mark-up at rates ranging from 11.01% to 15.78% 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. 2 billion.

		Audited	
		June 30, 2022	December 31, 2021
		-----Rupees in '000-----	
17	DEPOSITS AND OTHER ACCOUNTS		
	Customers		
	- Certificate of investments (COIs) - In local currency	17.2	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).

		Audited	
		June 30, 2022	December 31, 2021
		-----Rupees in '000-----	
18	OTHER LIABILITIES		
	Mark-up / return / interest payable in local currency	545,429	200,945
	Unearned commission and income on bills discounted	24,063	26,283
	Accrued expenses	65,203	106,364
	Brokerage / commission payable	1,489	1,266
	Payable against purchase of shares	55,884	89,311
	Lease liability against right-of-use assets	37,985	44,361
	Security deposits against advances	808,115	663,403
	Provision for Worker's Welfare Fund	143,553	140,581
	Sindh sales tax payable on modaraba management fee	18.1	10,833
	Taxation payable	15,164	19,293
	Unclaimed dividend	186	186
	Advance from customers	-	13,293
	Payable to related party	15,837	2,226
	Others	61,136	12,847
		<u>1,784,877</u>	<u>1,330,194</u>

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

		Audited	
		June 30, 2022	December 2021
		-----Rupees in '000-----	
19	DEFICIT ON REVALUATION OF ASSETS		
	Deficit on revaluation of		
	- Available-for-sale securities	9.1	(1,782,156)
	Deferred tax on deficit on revaluation of:		
	- Available-for-sale securities	534,483	377,197
		<u>(1,247,673)</u>	<u>(1,076,611)</u>

20 CONTINGENCIES AND COMMITMENTS

- Guarantees	20.1	1,426,000	1,098,728
- Commitments	20.2	35,198,942	20,686,758
- Other contingent liabilities	20.3	-	-
		<u>36,624,942</u>	<u>21,785,486</u>

20.1 Guarantees

Financial guarantees		<u>1,426,000</u>	<u>1,098,728</u>
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20.2 Commitments

Documentary credits and short-term trade-related transactions			
- letters of credit		61,468	374,020
Commitments in respect of:			
- repo transactions		32,003,530	19,574,994
- forward lendings	20.2.2	3,133,944	694,630
- forward shares	20.2.3	-	43,114
Other commitments		-	-
		<u>35,198,942</u>	<u>20,686,758</u>

Note

Audited
December
2021

June 30,
2022

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

Commitments in respect of repo transactions

Repurchase of government securities		28,033,878	19,574,994
Reverse repurchase of government securities		3,969,652	-
		<u>32,003,530</u>	<u>19,574,994</u>

20.2.2 Commitments in respect of forward lendings

Undrawn formal standby facilities, credit lines and other commitments to lend		<u>3,133,944</u>	<u>694,630</u>
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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>
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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

		June 30, 2022	June 30, 2021
-----Rupees in '000-----			
21	MARK-UP / RETURN / INTEREST EARNED		
	On:		
	a) Loans and advances	1,070,830	646,487
	b) Investments	1,565,011	1,051,146
	c) Lendings to financial institutions	59,828	15,711
	d) Sub-lease of premises	262	81
	e) Balances with banks	18,450	17,221
		<u>2,714,381</u>	<u>1,730,646</u>
22	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	2,792	16,750
	Interest expense on lease liability against right-of-use assets	1,920	4,180
	Borrowings	2,240,810	1,165,820
		<u>2,245,522</u>	<u>1,186,750</u>
23	FEE AND COMMISSION INCOME		
	Advisory / arrangement fee	8,358	8,138
	Processing fee income	12,381	3,818
	Commitment fee	4,601	4,564
	Trustee fee	29,141	26,955
	Front end fee		1,624
		<u>54,481</u>	<u>45,099</u>
24	GAIN ON SECURITIES		
	Realised	24.1 (55,917)	129,386
	Unrealised - held for trading	(2,022)	80
		<u>(57,939)</u>	<u>129,466</u>
24.1	Realised gain / (loss) on:		
	Federal government securities	7,279	47,076
	Shares	(63,196)	67,273
	Non-government debt securities	-	368
	Mutual funds	-	14,663
	Commercial paper	-	6
		<u>(55,917)</u>	<u>129,386</u>
25	OTHER INCOME		
	Gain / (loss) on sale of non current asset held for sale	-	2,215
	(Loss) / gain on modification of lease liability	4,004	-
	Gain on sale of fixed assets - net	1,584	163
	Others	2,230	-
		<u>7,818</u>	<u>2,378</u>

	June 30, 2022	June 30, 2021
	-----Rupees in '000-----	
26 OPERATING EXPENSES		
Total compensation expense	138,760	147,592
Property expense		
Rent and taxes	233	1,060
Insurance	3,981	3,545
Security	1,282	857
Utilities cost	2,289	2,077
Repairs and maintenance (including janitorial charges)	6,650	3,889
Depreciation	14,218	16,687
	28,653	28,114
Information technology expenses		
Software maintenance	1,488	829
Hardware maintenance	585	403
Depreciation	2,640	1,975
Amortisation	1,466	3,625
	6,179	6,832
Other operating expenses		
Directors' fees and allowances	4,871	3,910
Fees and subscription	3,429	2,258
Legal and professional charges	15,017	12,111
Outsourced services costs	3,744	3,682
Travelling and conveyance	24,652	21,343
Brokerage commission	4,422	9,340
Depreciation	5,265	10,543
Training and development	427	1,136
Postage and courier charges	318	273
Communication	2,825	2,123
Stationery and printing	946	1,367
Marketing, advertisement and publicity	101	65
Donations	-	2,000
Pre-incorporation expenses	122	-
Auditors' remuneration	2,438	2,029
Expenses incurred in relation to held for sale assets	10,201	-
Others	3,889	9,160
Provision for Sindh sales tax on management company's remuneration	587	-
	83,254	81,339
	<u>256,846</u>	<u>263,877</u>
27 PROVISION FOR SINDH WORKERS' WELFARE FUND		
Provision for Workers' Welfare Fund	27.1	<u>4,600</u> <u>9,070</u>

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 143.553 million which includes a provision of Rs 4.6 million for the current year.

	Note	June 30, 2022	June 30, 2021
-----Rupees in '000-----			
28 PROVISIONS AND WRITE OFFS - NET			
(Reversal of provision) / provision against investments - net	9.3	15,015	(6,500)
Provisions against loans and advances	10.3	42,867	12,955
Provisions against income / mark-up accrued in local currency	14	5,221	-
		<u>63,103</u>	<u>6,455</u>
29 TAXATION			
Current		155,710	154,663
Prior years		-	-
Deferred		(163,728)	(37,189)
		<u>(8,018)</u>	<u>117,474</u>

	June 30, 2022	June 30, 2021
-----Rupees in '000-----		
30 EARNINGS PER SHARE - BASIC AND DILUTED		
30.1 Basic earnings per share		
Profit for the year after taxation attributable to equity holders of the Holding Company	<u>200,006</u>	<u>315,695</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>0.33</u>	<u>0.53</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

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 / sukuks certificates	Investments in listed debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the prices announced by the Pakistan Stock Exchange Limited.
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:

June 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	-	32,335,275	-	32,335,275
Shares	1,002,740	-	-	1,002,740
Non-Government debt securities	-	2,583,542	-	2,583,542
Modaraba certificates	-	25,399	-	25,399
Commercial paper	-	192,026	-	192,026

Off-balance sheet financial instruments - measured at fair value

Commitments in respect of repo transactions	-	32,003,530	-	32,003,530
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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

Consolidated Profit and Loss Account

June 30, 2022				
Corporate finance	Trading and sales	Commercial banking	Total	
----- Rupees in '000 -----				
Net mark-up / return / profit	-	180,624	288,235	468,859
Non mark-up / return / interest income	54,480	(6,724)	-	47,756
Total income	54,480	173,900	288,235	516,616
Total expenses	30,899	110,600	119,947	261,446
Provisions	-	18,204	44,899	63,103
Profit before tax	23,581	45,096	123,389	192,066

Consolidated Statement of Financial Position

Cash and bank balances	49,739	164,950	305,905	520,595
Investments	-	36,138,982	-	36,138,982
Lendings to financial institutions	-	3,949,621	78,487	4,028,108
Advances - performing	-	1,264,902	21,395,192	22,660,094
- non-performing	-	13,408	485,977	499,385
Others	7,377	2,009,311	1,358,555	3,375,243
Total assets	57,116	43,541,175	23,624,116	67,222,407
Borrowings	-	33,462,634	21,877,895	55,340,529
Deposits and other accounts	-	30,593	19,407	50,000
Others	-	744,269	1,040,608	1,784,877
Total liabilities	-	34,237,496	22,937,910	57,175,406
Equity	57,116	9,303,679	686,206	10,047,001
Total equity and liabilities	57,116	43,541,175	23,624,116	67,222,407
Contingencies and commitments	-	32,003,530	4,621,411	36,624,941

Consolidated Profit and Loss Account

June 30, 2021				
Corporate finance	Trading and sales	Commercial banking	Total	
Net mark-up / return / profit	-	303,431	240,465	543,896
Non mark-up / return / interest income	40,981	138,140	-	179,121
Total income	40,981	441,571	240,465	723,017
Total expenses	12,261	174,447	96,685	283,393
Provisions	-	(1,539)	7,994	6,455
Profit before tax	28,720	268,663	135,786	433,169

Consolidated Statement of Financial Position

December 31, 2021				
Corporate finance	Trading and sales	Commercial banking	Total	
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. Contributions to approved defined benefit and contribution plans are disclosed in notes 34 and 35 to these consolidated financial statements and are made in accordance with the actuarial valuations / terms of scheme. Remuneration to chief executive, directors and executives is disclosed in note 36 to the consolidated financial statements. Transactions with owners have been disclosed in 'Consolidated Statement of Changes in Equity'. All other transactions between the Group and its related parties are carried out under normal course of business except employee staff loans that are as per terms of employment. The details of transactions with related parties during the year and balances with them as at year end, other than those which have been disclosed elsewhere in these consolidated financial statements, are as follows:

	June 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 year	-	-	8,300	-	-	109,511
Repaid during the year	-	-	(4,200)	-	-	(109,511)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	4,100	-	-	-
Investments						
Opening balance	-	-	-	-	-	-
Investments made during the year	-	-	-	-	-	39,277
Investments redeemed / disposed off during the year	-	-	-	-	-	(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 year	-	11,343	-	-	24,307	300,000
Repaid during the year	-	(9,616)	-	-	(67,600)	(150,000)
Transfer in / (out) - net	-	(37,028)	-	-	40,631	-
Closing balance	-	54,977	150,000	-	90,277	150,000
Other assets						
Interest / mark-up accrued	-	-	5,278	-	-	52
Receivable from define benefit plan	-	-	9,901	-	-	8,126
Others	-	-	6,349	-	-	23,082
	-	-	21,529	-	-	31,259
Borrowings						
Opening balance	-	-	191,155	-	-	72,723
Borrowings during the year	-	-	20,119	-	-	1,240,360
Settled during the year	-	-	(145,259)	-	-	(1,121,928)
Closing balance	-	-	66,015	-	-	191,155
Other liabilities						
Interest / mark-up payable	-	-	4,358	-	-	2,214
Others	-	-	-	-	-	749
	-	-	4,358	-	-	2,963
(Rupees in '000)						
	June 30, 2022			June 30, 2021		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
Income						
Mark-up / return / interest earned	-	2,049	9,893	-	2,195	5,379
Reverse repo	-	-	-	-	-	352
Expense						
Mark-up / return / interest paid	-	-	150	-	-	5,395
Operating expenses	7,311	86,485	2,171	3,910	107,410	897
Reimbursement of expenses	-	4,610	4,859	-	-	737
Expenses charged	-	-	-	-	-	4,124

34 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Audited
June 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	8,641,642	9,368,301
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	8,641,642	9,368,301
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	8,641,642	9,368,301

Risk Weighted Assets (RWAs):

Credit Risk	25,475,815	21,473,594
Market Risk	5,018,036	5,052,444
Operational Risk	2,290,118	2,290,118
Total	32,783,969	28,816,156

Common Equity Tier 1 Capital Adequacy ratio	26.36%	32.51%
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Tier 1 Capital Adequacy Ratio	26.36%	32.51%
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Total Capital Adequacy Ratio	26.36%	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
June 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	8,641,642	9,368,301
Total Exposures	70,141,597	53,072,617
Leverage Ratio - percentage	12.32%	17.65%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets	8,099,774	11,216,690
Total Net Cash Outflow	8,238,378	11,713,912
Liquidity Coverage Ratio - percentage	98.32%	95.76%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding	27,029,345	21,834,760
Total Required Stable Funding	21,265,250	19,904,685
Net Stable Funding Ratio - percentage	127.11%	109.70%

35 GENERAL


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

36 DATE OF AUTHORISATION FOR ISSUE

These consolidated 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