

PAK BRUNEI INVESTMENT COMPANY LIMITED
CAPITAL ADEQUACY, LEVERAGE AND LIQUIDITY DISCLOSURES ON CONSOLIDATED BASIS
AS AT DECEMBER 31, 2022

CAPITAL ADEQUACY RETURN

Scope of Applications

The Basel Framework is applicable to Pak Brunei Investment Company both at the consolidated level and also on a stand alone basis. The Company has three subsidiaries namely Primus Leasing Limited, Awwal Modaraba and Awwal Modaraba Management Limited. All subsidiaries are consolidated as per International Financial Reporting Standards (IFRS).

Detail of the Company's eligible capital (on consolidated basis) is as follows:

	Note	December 31, 2022	December 31, 2021
		----- (Rupees in '000) -----	
Common Equity Tier 1 capital (CET1): Instruments and reserves			
Fully paid-up capital / capital deposited with SBP		6,000,000	6,000,000
Balance in share premium account		-	-
Reserve for issue of bonus shares		-	-
Discount on Issue of shares		-	-
General / statutory reserves		2,120,621	1,920,050
Gain / (losses) on derivatives held as cash flow hedge		-	-
Unappropriated / unremitted profits / (losses)		3,508,752	3,472,236
Minority Interests arising from CET1 capital instruments consolidated Company subsidiaries (amount allowed in CET1 capital of the consolidation group)		253	291
CET 1 before regulatory adjustments		11,629,626	11,392,577
Total regulatory adjustments applied to CET1		(2,796,412)	(2,024,275)
Common Equity Tier 1	a	8,833,214	9,368,302
Additional Tier 1 (AT 1) Capital			
Qualifying Additional Tier-1 instruments plus any related share premium of which: Classified as equity		-	-
of which: Classified as liabilities		-	-
Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1) of which: instrument issued by subsidiaries subject to phase out		45	51
AT1 before regulatory adjustments		45	51
Total regulatory adjustment applied to AT1 capital		(1,234,082)	(850,755)
Additional Tier 1 capital recognized for capital adequacy	b	-	-
Tier 1 Capital (CET1 + admissible AT1)	(c=a+b)	8,833,214	9,368,302
Tier 2 Capital			
Qualifying Tier 2 capital instruments under Basel III plus any related share premium		-	-
Tier 2 capital instruments subject to phase out arrangement issued under Pre-Basel III rules		-	-
Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2) of which: instruments issued by subsidiaries subject to phase out		74	86
General Provisions or general reserves for loan losses - up to maximum of 1.25% of Credit Risk Weighted Assets		28,313	79,278
Revaluation reserves		-	-
of which: Revaluation reserves on property		-	-
of which: Unrealised gains / losses on AFS		-	-
Foreign exchange translation reserves		-	-
Undisclosed / other reserves (if any)		-	-
T2 before regulatory adjustments		28,387	79,364
Total regulatory adjustment applied to T2 capital		(142,719)	(55,462)
Tier 2 capital (T2) after regulatory adjustments		-	-

Note	December 31,	December 31,
	2022	2021
	----- (Rupees in '000) -----	
Tier 2 capital recognized for capital adequacy	-	-
Portion of Additional Tier 1 capital recognized in Tier 2 capital	-	-
Total Tier 2 capital admissible for capital adequacy	<u>-</u>	<u>-</u>
TOTAL CAPITAL (T1 + admissible T2)	8,833,214	9,368,302
Total Risk Weighted Assets (RWA)	34,586,402	28,816,155
Capital ratios and buffers (in percentage of risk weighted assets)		
CET1 to total RWA	25.54%	32.51%
Tier-1 capital to total RWA	25.54%	32.51%
Total capital to RWA	25.54%	32.51%
Company specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	12.50%	12.50%
of which: capital conservation buffer requirement	2.50%	2.50%
of which: countercyclical buffer requirement	0.00%	0.00%
of which: D-SIB or G-SIB buffer requirement	0.00%	0.00%
CET1 available to meet buffers (as a percentage of risk weighted assets)	14.04%	22.51%
National 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%

December 31,	Amounts	December 31,
	subject to Pre	
2022	- Basel III	2021
	treatment	
----- (Rupees in '000) -----		

Common Equity Tier 1 capital: Regulatory adjustments

Goodwill (net of related deferred tax liability)	-	-	-
All other intangibles (net of any associated deferred tax liability)	3,659	-	3,075
Shortfall of provisions against classified assets	-	-	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-
Defined-benefit pension fund net assets	-	-	-
Reciprocal cross holdings in CET1 capital instruments	-	-	-
Cash flow hedge reserve	-	-	-
Investment in own shares / CET1 instruments	-	-	-
Securitization gain on sale	-	-	-
Capital shortfall of regulated subsidiaries	-	-	-
Deficit on account of revaluation from Company's holdings of property / AFS	1,516,623	-	1,076,611
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Company does not own more than 10% of the issued share capital (amount above 10% threshold)	13,660	-	14,471
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	-
Amount exceeding 15% threshold of which: significant investments in the common stocks of financial entities of which: deferred tax assets arising from temporary differences	-	-	-
National specific regulatory adjustments applied to CET1 capital	-	-	-
Investment in TFCs of other banks exceeding the prescribed limit	-	-	-
Any other deduction specified by SBP	-	-	-
Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions	-	-	-
	1,262,514	-	930,169
Total regulatory adjustments applied to CET1	2,796,457	-	2,024,326

	December 31, 2022	Amounts subject to Pre - Basel III treatment (Rupees in '000)	December 31, 2021
Additional Tier 1 Capital: regulatory adjustments			
Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	-	-	-
Investment in own AT1 capital instruments	-	-	-
Reciprocal cross holdings in Additional Tier 1 capital instruments	-	-	-
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Company does not own more than 10% of the issued share capital (amount above 10% threshold)	1,119,795	-	874,708
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital	-	-	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	142,719	-	55,462
Total of Regulatory Adjustment applied to AT1 capital	1,262,514	-	930,169

Tier 2 Capital: regulatory adjustments

Portion of deduction applied 50:50 to core capital and supplementary capital based on Pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital	-	-	-
Reciprocal cross holdings in Tier 2 instruments	-	-	-
Investment in own Tier 2 capital instrument	-	-	-
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Company does not own more than 10% of the issued share capital (amount above 10% threshold)	171,106	-	134,825
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	-
Total regulatory adjustment applied to T2 capital	171,106	-	134,825

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

Additional information**Total Risk Weighted Assets subject to pre-Basel III treatment**

Risk weighted assets in respect of amounts subject to Pre-Basel III Treatment	-	-
of which: recognised portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	-	-
of which: deferred tax assets	-	-
of which: Defined-benefit pension fund net assets	-	-
of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is less than 10% of the issued common share capital of the entity	-	-
of which: Recognized portion of investment in capital of banking, financial and insurance entities where holding is more than 10% of the issued common share capital of the entity	-	-

Amounts below the thresholds for deduction (before risk weighting)

Non-significant investments in the capital of other financial entities	1,304,562	1,024,004
Significant investments in the common stock of financial entities	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	884,825	550,449

Applicable caps on the inclusion of provisions in Tier 2

Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	-	-
Cap on inclusion of provisions in Tier 2 under standardized approach	-	-
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-

Leverage Ratio

The Company calculates leverage ratio in line with SBP's issued guidelines on Basel III. Pak Brunei's leverage ratio on Consolidated basis, as on December 31, 2022 is 10.90%. The same was 17.65% as on December 31, 2021.

Capital Structure Reconciliation

Step 1

	December 31, 2022	
	Balance sheet as in published financial statements ----- (Rupees in '000) -----	Under regulatory scope of consolidation
Assets		
Cash and balances with treasury banks	336,735	336,735
Balances with other banks	499,887	499,887
Lendings to financial institutions	6,588,721	6,588,721
Investments	42,816,258	42,816,258
Advances	27,074,496	27,074,496
Operating fixed assets	69,099	69,099
Deferred tax assets	884,825	884,825
Other assets	3,033,633	3,033,633
Total assets	81,303,654	81,303,654
Liabilities and equity		
Bills payable	-	-
Borrowings	68,886,902	68,886,902
Deposits and other accounts	54,768	54,768
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	2,246,874	2,246,874
Total liabilities	71,188,544	71,188,544
Common Equity Tier 1 capital (CET1): Instruments and reserves		
Fully paid-up capital / capital deposited with SBP	6,000,000	6,000,000
Reserves	2,120,621	2,120,621
Unappropriated / unremitted profit / (losses)	3,508,752	3,508,752
Minority interest	-	-
Surplus/(Deficit) on revaluation of assets	(1,516,623)	(1,516,623)
Total liabilities and equity	81,301,294	81,301,294

Step 2

	December 31, 2022	
	Balance sheet as in published financial statements ----- (Rupees in '000) -----	Under regulatory scope of consolidation
Assets		
Cash and balances with treasury banks	336,735	336,735
Balance with other banks	499,887	499,887
Lending to financial institutions	6,588,721	6,588,721
Investments	42,816,258	42,816,258
of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold	1,304,562	1,304,562
of which: significant capital investments in financial sector entities exceeding regulatory threshold	-	-
of which: Mutual Funds exceeding regulatory threshold	-	-
of which: Reciprocal cross holdings in CET1	-	-
of which: Reciprocal cross holdings in Tier2	-	-
of which: others	-	-
Advances	27,074,496	27,074,496
shortfall in provisions / excess of total EL amount over eligible provisions under IRB	-	-
general provisions reflected in Tier 2 capital	28,313	28,313
Fixed Assets	69,099	69,099
of which: Intangibles	3,659	3,659
Deferred tax assets	884,825	884,825
of which: DTAs excluding those arising from temporary differences	-	-
of which: DTAs arising from temporary differences exceeding regulatory threshold	-	-
Other assets	3,033,633	3,033,633
of which: Goodwill	-	-
of which: Intangibles	-	-
of which: Defined-benefit pension fund net assets	-	-
Total assets	81,303,654	81,303,654

		December 31, 2022	
Reference	Balance sheet as in published financial statements ----- (Rupees in '000) -----	Under regulatory scope of consolidation	
Liabilities and equity			
	Bills payable	-	-
	Borrowings	68,886,902	68,886,902
	Deposits and other accounts	54,768	54,768
	Sub-ordinated loans	-	-
	of which: eligible for inclusion in AT1	-	-
	of which: eligible for inclusion in Tier 2	-	-
	Liabilities against assets subject to finance lease	-	-
	Deferred tax liabilities	-	-
	of which: DTLs related to goodwill	-	-
	of which: DTLs related to intangible assets	-	-
	of which: DTLs related to defined pension fund net assets	-	-
	of which: other deferred tax liabilities	-	-
	Other liabilities	2,246,874	2,246,874
	Total liabilities	71,188,544	71,188,544
	Share capital	6,000,000	6,000,000
	of which: amount eligible for CET1	6,000,000	6,000,000
	of which: amount eligible for AT1	-	-
	Reserves	2,120,621	2,120,621
	of which: portion eligible for inclusion in CET1: Share premium	-	-
	of which: portion eligible for inclusion in CET1 general / statutory reserve	2,120,621	2,120,621
	of which: portion eligible for inclusion in Tier 2	-	-
	Unappropriated profit / (losses)	3,508,752	3,508,752
	Minority Interest	-	-
	of which: portion eligible for inclusion in CET1	253	253
	of which: portion eligible for inclusion in AT1	45	45
	of which: portion eligible for inclusion in Tier 2	74	74
	Surplus on revaluation of assets	(1,516,623)	(1,516,623)
	of which: Revaluation reserves on fixed assets	-	-
	of which: Unrealised gains / losses on AFS	(1,516,623)	(1,516,623)
	In case of deficit on revaluation (deduction from CET1)	-	-
	Total liabilities and equity	81,301,294	81,301,294

Step 3

	Source based on reference number from step 2	Component of regulatory capital reported by Company (Rupees in '000)
Common Equity Tier 1 capital (CET1): Instruments and reserves		
Fully paid-up capital / capital deposited with SBP	(t)	6,000,000
Balance in share premium account		-
Reserve for issue of Bonus Shares		-
General / statutory reserves	(v)	2,120,621
Gain / (losses) on derivatives held as cash flow hedge		-
Unappropriated/unremitted profits / (losses)	(y)	3,508,752
Minority interests arising from CET1 capital instruments issued to third party by consolidated Company subsidiaries (amount allowed in CET1 capital of the consolidation group)	(z)	253
CET 1 before regulatory adjustments		11,629,626

	Source based on reference number from step 2	Component of regulatory capital reported by Company (Rupees in '000)
Common Equity Tier 1 capital: Regulatory adjustments		
Goodwill (net of related deferred tax liability)	(l) - (p)	-
All other intangibles (net of any associated deferred tax liability)	(m) - (q)	3,659
Shortfall of provisions against classified assets	(g)	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	{(h) - (r)} * x%	-
Defined-benefit pension fund net assets	{(l) - (q)} * x%	-
Reciprocal cross holdings in CET1 capital instruments	(d)	-
Cash flow hedge reserve		-
Investment in own shares / CET1 instruments		-
Securitization gain on sale		-
Capital shortfall of regulated subsidiaries		-
Deficit on account of revaluation from Company's holdings of property / AFS	(ab)	1,516,623
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Company does not own more than 10% of the issued share capital (amount above 10% threshold)	(a) - (ac) - (ae)	13,660
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	(b) - (ad) - (af)	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	(i)	-
Amount exceeding 15% threshold		-
of which: significant investments in the common stocks of financial entities		-
of which: deferred tax assets arising from temporary differences		-
National specific regulatory adjustments applied to CET1 capital		-
Investment in TFCs of other banks exceeding the prescribed limit		-
Any other deduction specified by SBP (mention details)		-
Regulatory adjustment applied to CET1 due to insufficient AT1 and Tier 2 to cover deductions		1,262,514
Total regulatory adjustments applied to CET1 (sum of 9 to 25)		2,796,457
Common Equity Tier 1		8,833,169
Additional Tier 1 (AT 1) Capital		
Qualifying Additional Tier-1 instruments plus any related share premium		-
of which: Classified as equity	(t)	-
of which: Classified as liabilities	(m)	-
Additional Tier-1 capital instruments issued by consolidated subsidiaries and held by third parties (amount allowed in group AT 1)	(y)	45
of which: instrument issued by subsidiaries subject to phase out		-
AT1 before regulatory adjustments		45
Additional Tier 1 Capital: regulatory adjustments		
Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	(c)	-
Investment in own AT1 capital instruments		-
Reciprocal cross holdings in Additional Tier 1 capital instruments		-
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Company does not own more than 10% of the issued share capital (amount above 10% threshold)	(ac)	1,119,795
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(ad)	-
Portion of deduction applied 50:50 to core capital and supplementary capital based on Pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-1 capital		-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		142,719
Total of regulatory adjustment applied to AT1 capital		1,262,514
Additional Tier 1 capital		-
Additional Tier 1 capital recognised for capital adequacy		-

Tier 1 capital (CET1 + admissible AT1)		8,833,169
Tier 2 capital		
Qualifying Tier 2 capital instruments under Basel III		-
Capital instruments subject to phase out arrangement from tier 2 (Pre-Basel III instruments)	(n)	-
Tier 2 capital instruments issued to third party by consolidated subsidiaries (amount allowed in group tier 2)	(z)	74
of which: instruments issued by subsidiaries subject to phase out		-
General Provisions or general reserves for loan losses-up to maximum of 1.25% of credit risk weighted assets	(g)	28,313
Revaluation Reserves eligible for Tier 2		-
of which: Revaluation reserves on fixed assets	portion of	-
of which: Unrealized gains / losses on AFS	(aa)	-
Foreign exchange translation reserves	(v)	-
Undisclosed / other reserves (if any)		-
T2 before regulatory adjustments		28,387
Tier 2 Capital: regulatory adjustments		
Portion of deduction applied 50:50 to core capital and supplementary capital based on pre-Basel III treatment which, during transitional period, remain subject to deduction from tier-2 capital		-
Reciprocal cross holdings in Tier 2 instruments		-
Investment in own Tier 2 capital instrument		-
Investments in the capital instruments of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the Company does not own more than 10% of the issued share capital (amount above 10% threshold)	(ae)	171,106
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(af)	-
Amount of regulatory adjustment applied to T2 capital		142,719
Tier 2 capital (T2)		-
Tier 2 capital recognised for capital adequacy		-
Excess Additional Tier 1 capital recognised in Tier 2 capital		-
Total Tier 2 capital admissible for capital adequacy		-
TOTAL CAPITAL (T1 + admissible T2)		8,833,214

Main Features of Regulatory Capital Instruments

S. No.	Main Features	Common Shares	Instrument-2	Explanation
1	Issuer	6,000,000		Pak Brunei Investment Company Limited. Common shares are held by Ministry of Finance, Government of Pakistan and Brunei Investment Agency in a 50:50 ratio
2	Unique identifier (e.g. KSE Symbol or Bloomberg identifier etc.)			N/A
3	Governing law(s) of the instrument			Repealed Companies Ordinance, 1984, and Companies Act, 2017
	Regulatory treatment			
4	Transitional Basel III rules			N/A
5	Post-transitional Basel III rules			Common Equity Tier 1
6	Eligible at solo / group / group and solo			Solo
7	Instrument type			Ordinary Shares
8	Amount recognised in regulatory capital (Currency in PKR thousands, as of reporting date)			11,629,373
9	Par value of instrument			Rs.10 per share
10	Accounting classification			Shareholder's Equity
11	Original date of issuance			4-Nov-06
12	Perpetual or dated			Perpetual
13	Original maturity date			N/A
14	Issuer call subject to prior supervisory approval			No
15	Optional call date, contingent call dates and redemption amount			N/A
16	Subsequent call dates, if applicable			
	Coupons / dividends			N/A
17	Fixed or floating dividend / coupon			N/A
18	Coupon rate and any related index/ benchmark			N/A
19	Existence of a dividend stopper			Yes (please refer PR-11)
20	Fully discretionary, partially discretionary or mandatory			Fully discretionary
21	Common Equity Tier 1 capital (CET1): Instruments and reserves			
	Existence of step up or other incentive to redeem			No
22	Non-cumulative or cumulative			Non cumulative
23	Convertible or non-convertible			Non-convertible
24	If convertible, conversion trigger (s)			N/A
25	If convertible, fully or partially			N/A
26	If convertible, conversion rate			N/A
27	If convertible, mandatory or optional conversion			N/A
28	If convertible, specify instrument type convertible into			N/A
29	If convertible, specify issuer of instrument it converts into			N/A
30	Write-down feature			No
31	If write-down, write-down trigger(s)			N/A
32	If write-down, full or partial			N/A
33	If write-down, permanent or temporary			N/A
34	If temporary write-down, description of write-up mechanism			N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)			N/A
36	Non-compliant transitioned features			No
37	If yes, specify non-compliant features			N/A

Risk weighted assets

The capital requirements for the Company as per the major risk categories is indicated below:

	Capital Requirement		Risk Weighted Assets	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
----- (Rupees in '000) -----				
Credit risk				
<u>Portfolios subject to standardised approach (Simple or Comprehensive)</u>				
Cash and cash equivalents	-	-	-	-
Sovereign	-	-	-	-
Public sector entities	-	-	-	-
Banks	141,314	45,936	1,413,136	459,359
Corporate	1,810,099	1,565,063	18,100,990	15,650,635
Retail	5,325	-	53,245	-
Residential mortgages	4,695	3,828	46,953	38,283
Past due loans	98,181	101,130	981,813	1,011,305
Operating fixed assets	6,544	59,109	65,441	591,089
Other assets	261,523	150,664	2,615,235	1,506,636
	2,327,680	1,925,731	23,276,814	19,257,305
Off - balance sheet				
Non-market related	201,698	97,831	2,016,982	978,313
Market related exposures	-	-	-	-
Equity exposure risk in the banking book				
Under simple risk weight method	127,500	123,798	1,275,004	1,237,975
Under Internal models approach	-	-	-	-
	329,199	221,629	3,291,986	2,216,288
Market risk				
<u>Capital requirement for portfolios subject to standardised approach</u>				
Interest rate risk	294,763	337,946	2,947,631	3,379,462
Equity position risk	270,275	167,298	2,702,753	1,672,981
Foreign Exchange risk	-	-	-	-
	565,038	505,244	5,650,384	5,052,443
<u>Capital requirement for portfolios subject to internal models approach</u>				
	-	-	-	-
Operational risk				
<u>Capital requirement for operational risks</u>	236,722	183,209	2,367,219	2,290,118
Total	3,458,639	2,835,812	34,586,402	28,816,155
	December 31, 2022		December 31, 2021	
	Required	Actual	Required	Actual
	----- (Rupees in '000) -----			
CET1 to total RWA	6.00%	25.54%	6.00%	32.51%
Tier-1 capital to total RWA	7.50%	25.54%	7.50%	32.51%
Total capital to total RWA	11.50%	25.54%	11.50%	32.51%

Pak Brunei Investment Company Limited
Liquidity Coverage Ratio - Financial Statement Disclosure
December 31, 2022

Liquidity Coverage Ratio (LCR)

SBP implemented LCR to monitor the short-term resilience of the liquidity risk profile of Banks/DFIs by ensuring they have sufficient stock of unencumbered high-quality liquid assets (HQLA) to endure a significant stress scenario for 30 calendar days.

Since PBIC's funding requirements are met from market borrowing and PBIC does not raise money from general public, PBIC's exposure to systemic risk is limited. PBIC however maintains ample stock of liquid securities to manage its liquidity requirements.

<i>(in local currency)</i>		Average For The HY(for disclosure purpose)	
		TOTAL UNWEIGHTED ^a VALUE (average)	TOTAL WEIGHTED ^b VALUE (average)
HIGH QUALITY LIQUID ASSETS			
1	Total high quality liquid assets (HQLA)	8,168	7,989
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers of w	-	-
2.1	stable deposit	-	-
2.2	Less stable deposit	-	-
3	Unsecured wholesale funding of which:	-	-
3.1	Operational deposits (all counterparties)	-	-
3.2	Non-operational deposits (all counterparties)	-	-
3.3	Unsecured debt	7,147	6,425
4	Secured wholesale funding	17,490	718
5	Additional requirements of which:	-	-
5.1	Outflows related to derivative exposures and other collateral requi	-	-
5.2	Outflows related to loss of funding on debt products	-	-
5.3	Credit and Liquidity facilities	4,359	436
6	Other contractual funding obligations	683	683
7	Other contingent funding obligations	1,052	53
8	TOTAL CASH OUTFLOWS	30,730	8,315
CASH INFLOWS			
9	Secured lending	-	-
10	Inflows from fully performing exposures	2,072	1,078
11	Other Cash inflows	130	130
12	TOTAL CASH INFLOWS	2,202	1,207
TOTAL ADJUSTED VALUE			
21	TOTAL HQLA	8,168	7,989
22	TOTAL NET CASH OUTFLOWS	28,528	7,108
23	LIQUIDITY COVERAGE RATIO	28.63%	112.41%

a unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)

b Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows)

c Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates and (ii) any applicable caps (ie cap on level 2B and level 2 assets for HQLA and cap on inflows)

Pak Brunei Investment Company Limited
Net Stable Funding Ratio - Financial Statement Disclosure
December 31, 2022

Net Stable Funding Ratio (NSFR)

Net Stable Funding Ratio “NSFR” ensures that PBIC remains adequately funded over a longer time horizon by requiring the company to fund its activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress.

The ratio is defined as the amount of Available Stable Funding (ASF), relative to the amount of Required Stable Funding (RSF). The amounts of ASF and RSF are calculated after application of prescribed hair-cut from regulator. SBP expects Banks and DFIs to meet NSFR requirement of 100% effective from December 31, 2017. Pak Brunei Investment Company meets the regulatory requirement as on December 31, 2022

		unweighted value by residual maturity				weighted value
		No Maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
<i>(Amount in PKR in thousands)</i>						
ASF Item						
1	Capital:					
2	Regulatory capital	11,505				11,505
3	Other capital instruments					
4	Retail deposits and deposit from small business customers:					
5	Stable deposits					
6	Less stable deposits					
7	Wholesale funding:					
8	Operational deposits					
9	Other wholesale funding		98	3,552	14,399	16,224
10	Other liabilities:					
11	NSFR derivative liabilities					
12	All other liabilities and equity not included in other categories		51,885			-
13	Total ASF					27,729
RSF item						
14	Total NSFR high-quality liquid assets (HQLA)				7,686	424
15	Deposits held at other financial institutions for operational purposes					
16	Performing loans and securities:					
17	Performing loans to financial institutions secured by Level 1 HQLA		2,683			268
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		250			37
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:				4,275	3,634
20	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk				580	377
21	Securities that are not in default and do not qualify as HQLA including exchange-traded equities.				2,116	1,798
22	Other assets:					8,798
23	Physical traded commodities, including gold					
24	Assets posted as initial margin for derivative contracts					
25	NSFR derivative assets			87,155		74
26	NSFR derivative liabilities before deduction of variation margin posted					
27	All other assets not included in the above categories		38,391	-	8,193	8,193
28	Off-balance sheet items		3,789			189
29	Total RSF					23,794
30	Net Stable Funding Ratio (%)					116.54%