

PAK BRUNEI INVESTMENT COMPANY LIMITED
CAPITAL ADEQUACY, LEVERAGE AND LIQUIDITY DISCLOSURES ON STANDALONE 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 an unconsolidated basis) is as follows:

	Note	December 31, 2022 ----- (Rupees in '000) -----	December 31, 2021
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)		3,384,198	3,385,267
Minority Interests arising from CET1 capital instruments consolidated Company subsidiaries (amount allowed in CET1 capital of the consolidation group)		-	-
CET 1 before regulatory adjustments		11,504,819	11,305,317
Total regulatory adjustments applied to CET1		<u>(3,949,076)</u>	<u>(2,869,623)</u>
Common Equity Tier 1	a	<u>7,555,743</u>	<u>8,435,694</u>
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		-	-
AT1 before regulatory adjustments		-	-
Total regulatory adjustment applied to AT1 capital		<u>(2,189,626)</u>	<u>(1,671,750)</u>
Additional Tier 1 capital recognized for capital adequacy	b	<u>-</u>	<u>-</u>
Tier 1 Capital (CET1 + admissible AT1)	(c=a+b)	<u>7,555,743</u>	<u>8,435,694</u>
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		-	-
General Provisions or general reserves for loan losses - up to maximum of 1.25% of Credit Risk Weighted Assets		-	-
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		-	-
Total regulatory adjustment applied to T2 capital		<u>(171,153)</u>	<u>(120,680)</u>
Tier 2 capital (T2) after regulatory adjustments		<u>-</u>	<u>-</u>

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)	7,555,743	8,435,694
Total Risk Weighted Assets (RWA)	32,819,667	28,677,157
Capital ratios and buffers (in percentage of risk weighted assets)		
CET1 to total RWA	23.02%	29.42%
Tier-1 capital to total RWA	23.02%	29.42%
Total capital to RWA	23.02%	29.42%
Company specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus any other buffer requirement)	11.50%	11.50%
of which: capital conservation buffer requirement	1.50%	1.50%
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)	11.52%	19.42%
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 subject to Pre		December 31,
	2022	- Basel III 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)	3,267	-	2,524
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	1,501,592	-	1,073,299
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)	-	-	-
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)	115,004	-	122,050
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	139,587	-	-
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	-	-	-
Total regulatory adjustments applied to CET1	2,189,626	-	1,671,750
	3,949,076	-	2,869,623

	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)	898,372	-	898,372
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)	1,120,101	-	702,699
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	171,153	-	70,680
Total of Regulatory Adjustment applied to AT1 capital	2,189,626	-	1,671,750

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)	171,153	-	120,680
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	171,153	-	120,680

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	1,291,255	823,379
Significant investments in the common stock of financial entities	999,996	1,022,949
Deferred tax assets arising from temporary differences (net of related tax liability)	883,995	549,013

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 standalone basis, as on December 31, 2022 is 9.65%. The same was 16.29% 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	336,633	336,633
Balances with other banks	100,591	100,591
Lendings to financial institutions	6,559,967	6,559,967
Investments	44,805,384	44,805,384
Advances	24,207,863	24,207,863
Operating fixed assets	59,573	59,573
Deferred tax assets	883,995	883,995
Other assets	2,983,623	2,983,623
Total assets	79,937,629	79,937,629
Liabilities and equity		
Bills payable	-	-
Borrowings	68,320,235	68,320,235
Deposits and other accounts	54,768	54,768
Sub-ordinated loans	-	-
Liabilities against assets subject to finance lease	-	-
Deferred tax liabilities	-	-
Other liabilities	1,559,399	1,559,399
Total liabilities	69,934,402	69,934,402
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)	3,384,198	3,384,198
Minority interest	-	-
Surplus/(Deficit) on revaluation of assets	(1,501,592)	(1,501,592)
Total liabilities and equity	79,937,629	79,937,629

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	336,633	336,633
Balance with other banks	100,591	100,591
Lending to financial institutions	6,559,967	6,559,967
Investments	44,805,384	44,805,384
of which: Non-significant capital investments in capital of other financial institutions exceeding 10% threshold	1,291,255	1,291,255
of which: significant capital investments in financial sector entities exceeding regulatory threshold	115,004	-
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	24,207,863	24,207,863
shortfall in provisions / excess of total EL amount over eligible provisions under IRB	-	-
general provisions reflected in Tier 2 capital	-	-
Fixed Assets	59,573	59,573
of which: Intangibles	3,267	3,267
Deferred tax assets	883,995	883,995
of which: DTAs excluding those arising from temporary differences	-	-
of which: DTAs arising from temporary differences exceeding regulatory threshold	-	-
Other assets	2,983,623	2,983,623
of which: Goodwill	-	-
of which: Intangibles	-	-
of which: Defined-benefit pension fund net assets	-	-
Total assets	79,937,629	79,937,629

		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	68,320,235	68,320,235
	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	1,559,399	1,559,399
	Total liabilities	69,934,402	69,934,402
	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)	3,384,198	3,384,198
	Minority Interest	-	-
	of which: portion eligible for inclusion in CET1	-	-
	of which: portion eligible for inclusion in AT1	-	-
	of which: portion eligible for inclusion in Tier 2	-	-
	Surplus on revaluation of assets	(1,501,592)	(1,501,592)
	of which: Revaluation reserves on fixed assets	-	-
	of which: Unrealised gains / losses on AFS	(1,501,592)	(1,501,592)
	In case of deficit on revaluation (deduction from CET1)	-	-
	Total liabilities and equity	79,937,629	79,937,629

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)	3,384,198
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)	-
CET 1 before regulatory adjustments		11,504,819

	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)	3,267
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)	1,501,592
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)	-
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)	115,004
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		139,587
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		2,189,626
Total regulatory adjustments applied to CET1 (sum of 9 to 25)		3,949,076
Common Equity Tier 1		7,555,743
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)	-
of which: instrument issued by subsidiaries subject to phase out		-
AT1 before regulatory adjustments		-
Additional Tier 1 Capital: regulatory adjustments		-
Investment in mutual funds exceeding the prescribed limit (SBP specific adjustment)	(c)	898,372
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)	1,120,101
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		171,153
Total of regulatory adjustment applied to AT1 capital		2,189,626
Additional Tier 1 capital		-
Additional Tier 1 capital recognised for capital adequacy		-

Tier 1 capital (CET1 + admissible AT1)		7,555,743
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)	-
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)	-
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		-
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)	-
Significant investments in the capital instruments issued by banking, financial and insurance entities that are outside the scope of regulatory consolidation	(af)	171,153
Amount of regulatory adjustment applied to T2 capital		-
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)		7,555,743

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)			11,504,819
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	133,329	41,368	1,333,285	413,681
Corporate	1,554,124	1,370,806	15,541,236	13,708,058
Retail	4,277	12	42,766	120
Residential mortgages	4,695	3,828	46,953	38,283
Past due loans	61,153	71,130	611,528	711,304
Operating fixed assets	5,631	5,454	56,307	54,544
Other assets	246,837	197,689	2,468,368	1,976,893
	2,010,043	1,690,287	20,100,443	16,902,883
Off - balance sheet				
Non-market related	156,259	97,831	1,562,585	978,308
Market related exposures	-	-	-	-
Equity exposure risk in the banking book				
Under simple risk weight method	354,623	379,995	3,546,231	3,799,949
Under Internal models approach	-	-	-	-
	510,882	477,826	5,108,816	4,778,257
Market risk				
<u>Capital requirement for portfolios subject to standardised approach</u>				
Interest rate risk	294,763	337,946	2,947,625	3,379,458
Equity position risk	268,159	164,384	2,681,588	1,643,838
Foreign Exchange risk	-	-	-	-
	562,921	502,330	5,629,213	5,023,295
<u>Capital requirement for portfolios subject to internal models approach</u>				
	-	-	-	-
Operational risk				
<u>Capital requirement for operational risks</u>	198,119.46	197,272	1,981,195	1,972,722
Total	3,281,966	2,867,715	32,819,667	28,677,157
	December 31, 2022		December 31, 2021	
	Required	Actual	Required	Actual
	----- (Rupees in '000) -----			
CET1 to total RWA	6.00%	23.02%	6.00%	29.42%
Tier-1 capital to total RWA	7.50%	23.02%	7.50%	29.42%
Total capital to total RWA	11.50%	23.02%	11.50%	29.42%

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%