



PAK BRUNEI INVESTMENT COMPANY LTD.

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED June 30, 2022**

DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the Condensed Interim Financial Statements of Pak Brunei Investment Company Limited ("the Company") for the half-year ended June 30, 2022. These Condensed Interim Financial Statements have been prepared in compliance with the requirements of BPRD Circular No. 05 dated March 22, 2019, and International Accounting Standard (IAS) 34, 'Interim Financial Reporting'.

ECONOMIC REVIEW

FY2022 proved to be a challenging year with steep decline in foreign exchange reserves, increased political uncertainty, and unchecked inflation. In this backdrop, we saw 800bps rise in interest rate during the fiscal year; with no clarity on IMF package, the sharp rise in secondary market yields on Pakistan sovereign debt was indicative of heightened risk profile. Though the country achieved GDP growth of 5.97%, this was largely momentum from preceding year's performance, and based on subsidies that are no longer viable.

The balance of trade recorded a deficit of USD 48.4 billion for FY2022, with an increase of 56%. Led by the textile sector, the country's exports in FY2022 reached USD 31.8 billion, growing by a strong 26% as increased capacities were applied to growing export orders.

The import bill grew significantly during FY2022 due to the high cost of energy imports, and was recorded at USD 80.2 billion for FY2022, up 42% year on year. It is pertinent to mention that the government initially targeted GDP growth of 3.00% to 4.00% for FY2023, but this was eventually revised downward to 2.00% in view of rapidly deteriorating global economic indicators. In our estimation, this number will be in between 1.00% to 1.35% for FY2023. Our post flood assessment suggests that LSM will go down by 30%, with an estimated 15% to 20% decline in workers' remittances due to global inflationary pressure and recession. All these variables are expected to continue exerting pressure on the country's ability to meet its external financing obligations.

On the positive side, Pakistan's government has subsequently reached a staff level agreement with the IMF to complete the combined 7th and 8th reviews of the Extended Fund Facility (EFF) program post June. The IMF has also agreed to extend the EFF till Jun 2023 and increase the facility by ~USD 1 billion, bringing the total to ~USD 7 billion. Tax collection grew 29% to a record PKR 6.1 trillion in FY'22, exceeding the target, and potential exit from the FATF grey list will have long term positive impact on the economy. The current finance minister is also positive about possible debt re-scheduling from friendly countries.

BUSINESS AND FINANCIAL PERFORMANCE OVERVIEW

During the half year ended June 30, 2022, Pak Brunei Investment Company Limited reported Profit before Tax (PBT) of PKR 91.688 million and Profit after Tax (PAT) of PKR 127.604 million. Earnings' Per Share (EPS) stood at PKR 0.21 against an EPS of PKR 0.47 reported in the corresponding period last year.

While net markup income decreased by 37.41% in comparison with last year, the gradual increase in policy rate has negatively impacted the Company's fixed rate investment portfolio; sharp increase in borrowing cost overweighs the corresponding increase in markup income. Non-markup income decreased substantially and aggregated to PKR 37.759 million against PKR 166.865 million as a result of market dynamics restricting opportunities for opportunistic capital gains.

Non-markup expenses decreased by 15.34%. Staff Compensation and benefits expense decreased by 20.14% which is the largest expense that accounts for more than half of all administrative expenses.

Total assets of the Company, on an unconsolidated basis, were reported at PKR 65.808 billion with 27.91% growth. Out of this, Investment Portfolio remained at 38.126 billion, growing by 45.26% from December 31, 2021. The investment portfolio consists of Market T-Bills amounting to PKR 3.965 billion (10.40% of total investment portfolio), Pakistan Income Bonds Fixed Rate: PKR 6.905 billion (18.10%), Pakistan Income Bonds Floating Rate: PKR 21.469 billion (56.31%), TFCs & Sukuks PKR 2.584 billion (6.78%) and Investment in Subsidiaries: PKR 2 billion (5.28%). Net Advances portfolio remained at PKR 20.164 billion, with a marginal decrease of 0.67% from December 31, 2021. Return on Assets and Return on Equity were reported at 0.44% and 2.56% respectively, whereas the book value per share was reported at PKR 16.50.

The Company's Capital Adequacy Ratio (CAR) is 23.42% against the requirement of 11.5%. Quality of capital is evident from Company's Common Equity Tier-1 (CET1) to total risk weighted assets ratio which comes to 23.42% against the requirement of 7.5%. Company's capitalization also resulted in a Leverage Ratio of 10.83% which is well above the regulatory limit of 3.0%. The Company reported Liquidity Coverage Ratio (LCR) of 98.32% and Net Stable Funding Ratio (NSFR) of 127.11% against requirement of 100%.

During the year, Pak Brunei has initiated the process of amalgamation of two of the entities under its control, i.e. AWWAL Modaraba and AWWAL Corporate Restructuring Company Limited that will specifically focus on revival business under the newly framed Corporate Restructuring Companies Rules, 2019. Additionally, Pak Brunei was able to achieve its target and continue building its SME portfolio both within the Company as well as through its wholly owned subsidiary, Primus Leasing Company Limited. The Company also aggressively utilized SBP subsidized financing products.

ENTITY RATING

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

FUTURE OUTLOOK

The global macroeconomic outlook has worsened, with imminent global recession and aggressive monetary policy moves by central banks. The impact of fuel and energy price inflation is more pronounced in the case of energy importers such as Pakistan which, like most of the world, is facing a large negative income shock from necessary but difficult increases in utility prices. The withdrawal of energy subsidies was a necessary pre-condition for fiscal stabilization and resumption of the EFF but, as expected, this has spurred a sharp uptick in inflation which the SBP forecasts to remain in the 18% – 20% range for FY23. Keeping all these challenges in consideration, we anticipate that FY23 will be a difficult year for Pakistan and made more vulnerable by political instability. Strong risk management frameworks and proactive management has kept credit quality intact with market and operational risks well within acceptable parameters.

ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board and management, we would like to place on record our appreciation for the efforts of our regulators and the Government of Pakistan, in particular the State Bank of Pakistan, the Ministry of Finance and the Securities and Exchange Commission of Pakistan. They continue to steer us through very challenging times, with policies and measures that are prudent, proactive and balanced, protecting the economy, customers and public at large, while also safeguarding the integrity and soundness of the financial services industry.

We also acknowledge and appreciate the cooperation and valuable support of all our stakeholders. We are indebted to our customers, who continue to entrust us with their business and confidence. The Board and the management remain committed to maintaining the highest standards of governance and retaining a vigilant and proactive focus on long term goals.

For and on behalf of the Board of Directors

Karachi

Date: October 20, 2022



Ayesha Aziz, CFA
Managing Director



Sofian Mohammad Jani, CFA
Chairman

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pak Brunei Investment Company Limited

Report on review of Condensed Interim Unconsolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Pak Brunei Investment Company Limited ("the Company") as at June 30, 2022 and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of profit or loss and other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim unconsolidated financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures for the quarters ended June 30, 2022 in the condensed interim unconsolidated statement of profit or loss and other comprehensive income have not been reviewed and we do not express a conclusion thereon.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The financial statements for the entity for the six-month period ended 30 June 2021 and for the year ended 31 December 2021 were reviewed and audited by another firm of chartered accountants who have expressed unmodified conclusion and unmodified opinion vide their review report and audit report issued on 02 September 2021 and 07 April 2022 respectively.

The engagement partner on the review resulting in this independent auditor's report is Omer Chughtai.



Chartered Accountants

Date: 26 October 2022

Karachi

UDIN Number: RR202210120F6wWHPxUv

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022


June 30, 2022	December 31, 2021		Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- USD in '000 -----				----- Rupees in '000 -----	
ASSETS					
1,102	599	Cash and balances with treasury banks	8	225,687	122,751
455	316	Balances with other banks	9	93,242	64,694
19,281	9,763	Lendings to financial institutions	10	3,949,621	2,000,000
186,124	128,128	Investments	11	38,126,955	26,246,638
98,435	99,099	Advances	12	20,163,990	20,300,141
218	266	Fixed assets	13	44,609	54,544
13	12	Intangible assets	14	2,693	2,524
4,162	2,680	Deferred tax assets	15	852,626	549,013
9,829	7,775	Other assets	16	2,013,467	1,592,709
1,637	2,523	Assets classified as held-for-sale	17	335,384	516,768
321,256	251,161			65,808,274	51,449,782
LIABILITIES					
-	-	Bills payable		-	-
266,983	196,658	Borrowings	18	54,690,529	40,284,824
244	244	Deposits and other accounts	19	50,000	50,000
-	-	Liabilities against assets subject to finance lease		-	-
-	-	Subordinated debt		-	-
-	-	Deferred tax liabilities		-	-
5,705	4,311	Other liabilities	20	1,168,620	882,940
272,932	201,213			55,909,149	41,217,764
48,324	49,949	NET ASSETS		9,899,125	10,232,018
REPRESENTED BY					
29,290	29,290	Share capital		6,000,000	6,000,000
9,986	9,373	Reserves		2,045,571	1,920,050
(6,023)	(5,240)	Deficit on revaluation of assets	21	(1,233,796)	(1,073,299)
15,071	16,526	Unappropriated profit		3,087,350	3,385,267
48,324	49,949			9,899,125	10,232,018
CONTINGENCIES AND COMMITMENTS					
			22		

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.


 President/Chief Executive


 Chief Financial Officer


 Director


 Director

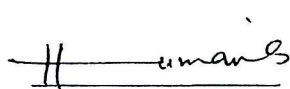

 Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2022

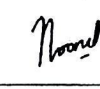
Half year ended		Note	Half year ended		Quarter ended	
June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
----- USD in '000 -----			----- Rupees in '000 -----			
12,330	8,074	23	2,525,675	1,653,910	1,528,981	984,136
10,926	5,832	24	2,238,229	1,194,675	1,371,697	755,068
1,404	2,242		287,446	459,235	157,284	229,068
Non mark-up / interest income						
248	160	25	50,718	32,843	20,989	16,707
212	11		43,396	2,178	5,471	2,003
(283)	632	26	(57,939)	129,466	(41,658)	118,747
8	12	27	1,584	2,378	1,584	2,267
185	815		37,759	166,865	(13,614)	139,724
1,589	3,057		325,205	626,100	143,670	368,792
Non mark-up / interest expenses						
958	1,053	28	196,298	215,704	107,334	112,806
8	38	29	1,829	7,876	1,829	7,876
-	51	30	-	10,447	-	10,447
966	1,142		198,127	234,027	109,163	131,129
623	1,915		127,078	392,073	34,507	237,663
173	32	31	35,390	6,455	19,316	3,945
-	-		-	-	-	-
450	1,883		91,688	385,618	15,191	233,718
(175)	507	32	(35,916)	103,758	(52,790)	58,587
625	1,376		127,604	281,860	67,981	175,131
----- USD -----			----- Rupees -----			
0.00104	0.00229	33	0.21	0.47	0.11	0.29

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.


 President/Chief Executive


 Chief Financial Officer


 Director


 Director


 Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2022

<u>Half year ended</u>			<u>Half year ended</u>		<u>Quarter ended</u>	
<u>June 30,</u>	<u>June 30,</u>		<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
<u>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>USD in '000</u>			<u>Rupees in '000</u>			
625	1,376	Profit after taxation for the period	127,604	281,860	67,981	175,131
		Other comprehensive income / (loss)				
		<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
(783)	175	Movement in (deficit) / surplus on revaluation of investments - net of tax	(160,497)	35,878	560,654	175,051
<u>(158)</u>	<u>1,551</u>	Total comprehensive income	<u>(32,893)</u>	<u>317,738</u>	<u>628,635</u>	<u>350,182</u>

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.

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Ayubhartaiz
 President/Chief Executive

H. Umans
 Chief Financial Officer

Aiyahau
 Director

Noord
 Director

SV
 Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2022

	Share capital	Capital reserve	General reserve	Surplus / (deficit) on revaluation of assets	Revenue reserve	Total
		Statutory reserve			Unappropriated profit	
Rupees in '000						
Balance as at January 1, 2021 (audited)	6,000,000	1,623,782	100,000	(392,920)	3,401,713	10,732,575
Total comprehensive income for the period						
Profit after taxation for the half year ended June 30, 2021	-	-	-	-	281,860	281,860
Other comprehensive loss						
- Movement in deficit on revaluation of investments - net of tax	-	-	-	35,878	-	35,878
	-	-	-	35,878	281,860	317,738
Transfer to statutory reserve	-	56,372	-	-	(56,372)	-
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)
Balance as at June 30, 2021 (un-audited)	6,000,000	1,680,154	200,000	(357,042)	3,227,201	10,750,313
Total comprehensive income for the period						
Profit after taxation for the half year ended December 31, 2021	-	-	-	-	199,479	199,479
Other comprehensive income / (loss)						
- Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	(1,517)	(1,517)
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(716,257)	-	(716,257)
	-	-	-	(716,257)	197,962	(518,295)
Transfer to statutory reserve	-	39,896	-	-	(39,896)	-
Balance as at December 31, 2021 (audited)	6,000,000	1,720,050	200,000	(1,073,299)	3,385,267	10,232,018
Total comprehensive income for the period						
Profit after taxation for the half year ended June 30, 2022	-	-	-	-	127,604	127,604
Other comprehensive income						
- Movement in surplus on revaluation of investments - net of tax	-	-	-	(160,497)	-	(160,497)
	-	-	-	(160,497)	127,604	(32,893)
Transfer to statutory reserve	-	25,521	-	-	(25,521)	-
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)
Balance as at June 30, 2022 (un-audited)	6,000,000	1,745,571	300,000	(1,233,796)	3,087,350	9,899,125


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

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 President/Chief Executive


 Chief Financial Officer


 Director


 Director


 Director

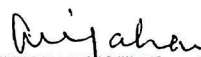
PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

Half year ended		Note	Half year ended	
June 30, 2022	June 30, 2021		June 30, 2022	June 30, 2021
----- USD in '000 -----			----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES				
450	1,883		91,688	385,618
212	11		43,396	2,178
238	1,872		48,292	383,440
Adjustments:				
80	106	28	16,402	21,661
-	4	28	104	881
173	32	31	35,390	6,455
(8)	(1)	27	(1,584)	(163)
8	38		1,829	7,876
5	(0.39)	26	996	(80)
258	179		53,137	36,630
496	2,051		101,429	420,070
Decrease in operating assets				
(9,517)	2,442		(1,949,621)	500,150
(19,345)	(45)		(3,962,805)	(9,258)
565	17,882		115,776	3,663,010
(2,147)	(1,834)		(439,874)	(375,732)
(30,444)	18,444		(6,236,524)	3,778,170
Increase/ (decrease) in operating liabilities				
70,259	110,684		14,405,705	22,673,235
-	(4,052)		-	(830,000)
1,386	(459)		283,851	(94,017)
71,645	106,173		14,689,556	21,749,218
(1,307)	(559)		(267,697)	(114,421)
40,390	126,109		8,286,764	25,833,037
CASH FLOWS FROM INVESTING ACTIVITIES				
(39,464)	(125,171)		(8,084,020)	(25,640,777)
-	209		-	42,742
(49)	-		(10,000)	-
212	11		43,396	2,178
(32)	(12)		(6,618)	(2,474)
(1)	(4)		(273)	(841)
8	1		1,735	211
979	-		200,500	-
(30,326)	(124,966)		(7,855,280)	(25,598,961)
CASH FLOWS FROM FINANCING ACTIVITIES				
(1,465)	(1,465)		(300,000)	(300,000)
(1,465)	(1,465)		(300,000)	(300,000)
(401)	(322)		131,484	(65,924)
915	2,881		187,445	590,211
514	2,559		318,929	524,287

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.


 President/Chief Executive


 Chief Financial Officer


 Director


 Director

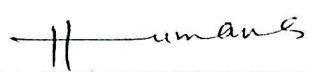

 Director

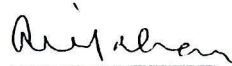
PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

Half year ended			Note	Half year ended	
June 30,	June 30,			June 30,	June 30,
2022	2021			2022	2021
----- USD in '000 -----				----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES					
450	1,883	Profit before taxation		91,688	385,618
212	11	Less: Dividend income		43,396	2,178
238	1,872			48,292	383,440
Adjustments:					
80	106	Depreciation	28	16,402	21,661
-	4	Amortisation	28	104	881
173	32	Provision and write-offs	31	35,390	6,455
(8)	(1)	Gain on sale of fixed assets	27	(1,584)	(163)
8	38	Provision for Sindh Workers' Welfare Fund		1,829	7,876
5	(0.39)	Unrealised loss / (gain) on revaluation of investments classified as held for trading - net	26	996	(80)
258	179			53,137	36,630
496	2,051			101,429	420,070
Decrease in operating assets					
(9,517)	2,442	Lendings to financial institutions		(1,949,621)	500,150
(19,345)	(45)	Held-for-trading securities		(3,962,805)	(9,258)
565	17,882	Advances		115,776	3,663,010
(2,147)	(1,834)	Others assets (excluding advance taxation)		(439,874)	(375,732)
(30,444)	18,444			(6,236,524)	3,778,170
Increase/ (decrease) in operating liabilities					
70,259	110,684	Borrowings		14,405,705	22,673,235
-	(4,052)	Deposits		-	(830,000)
1,386	(459)	Other liabilities (excluding current taxation)		283,851	(94,017)
71,645	106,173			14,689,556	21,749,218
(1,307)	(559)	Income tax paid		(267,697)	(114,421)
40,390	126,109	Net cash generated from / (used in) operating activities		8,286,764	25,833,037
CASH FLOWS FROM INVESTING ACTIVITIES					
(39,464)	(125,171)	Net (investments) / divestments in available-for-sale securities		(8,084,020)	(25,640,777)
-	209	Net investments in held-to-maturity securities		-	42,742
(49)	-	Net investments in subsidiaries		(10,000)	-
212	11	Dividends received		43,396	2,178
(32)	(12)	Investments in operating fixed assets		(6,618)	(2,474)
(1)	(4)	Investments in operating intangible assets		(273)	(841)
8	1	Proceeds from sale of fixed assets		1,735	211
979	-	Proceeds from sale of non-banking assets		200,500	-
(39,326)	(124,966)	Net cash (used in) / generated from investing activities		(7,855,280)	(25,598,961)
CASH FLOWS FROM FINANCING ACTIVITIES					
(1,465)	(1,465)	Dividend paid		(300,000)	(300,000)
(1,465)	(1,465)	Net cash (used in) financing activities		(300,000)	(300,000)
(401)	(322)	(Decrease) / increase in cash and cash equivalents		131,484	(65,924)
915	2,881	Cash and cash equivalents at beginning of the period		187,445	590,211
514	2,559	Cash and cash equivalents at end of the period		318,929	524,287

The annexed notes from 1 to 40 form an integral part of these condensed interim unconsolidated financial statements.


 President/Chief Executive


 Chief Financial Officer


 Director

Director

Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

1 STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) is a Development Finance Institution (DFI) which was incorporated in Pakistan as an unlisted public limited company on November 28, 2006 under the provisions of 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 Company is a joint venture between the Government of Pakistan (GoP) and the Brunei Investment Agency (BIA). The Company's objectives inter alia include making investments in the industrial and agro-based industrial fields in Pakistan on a commercial basis through carrying out industrial and agro-based industrial projects and marketing of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the Company is situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan. The Company is in operation with 2 offices (December 31, 2021: 2) with one located in Karachi and the other in Lahore.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, and directives issued under the Banking Companies Ordinance, 1962 and Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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 IAS 34, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.2 These condensed interim unconsolidated financial statements do not include all the information and disclosures required in the annual audited unconsolidated financial statements, and are limited based on the format prescribed by the State Bank of Pakistan (SBP) through BPRD Circular Letter No. 05 dated March 22, 2019 and IAS 34, and should be read in conjunction with the annual audited unconsolidated financial statements for the year ended December 31, 2021.

2.3 The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standards 40, Investment Property, for banking companies / DFIs till further instructions. Further, the SECP, through S.R.O. 411(1) / 2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, for banks and DFIs. Additionally, SBP has deferred the applicability of IFRS 9 for banks and DFIs to accounting periods beginning on or after January 1, 2023. Investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim unconsolidated financial statements

2.4 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current period:

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim unconsolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2021. *my*

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2022

1 STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) is a Development Finance Institution (DFI) which was incorporated in Pakistan as an unlisted public limited company on November 28, 2006 under the provisions of 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 Company is a joint venture between the Government of Pakistan (GoP) and the Brunei Investment Agency (BIA). The Company's objectives inter alia include making investments in the industrial and agro-based industrial fields in Pakistan on a commercial basis through carrying out industrial and agro-based industrial projects and marketing of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the Company is situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan. The Company is in operation with 2 offices (December 31, 2021: 2) with one located in Karachi and the other in Lahore.

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3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2021. *my*

4 BASIS OF MEASUREMENT

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except for the following:

- Certain investments are marked to market and carried at fair value; and
- Obligation in respect of staff retirement benefits and lease liabilities which have been carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and certain specified costs) and depreciated over the respective lease terms.

5 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the condensed interim unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim unconsolidated financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

The US dollar amounts shown in the condensed interim unconsolidated statement of financial position, condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income and condensed interim unconsolidated cash flow statement are provided as additional information solely for the convenience of users of the financial statements. For the purpose of conversion to US Dollars, the rate of Rs 204.8467 to US Dollars has been used for 2022 and 2021 as it was the prevalent rate on June 30, 2022.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim unconsolidated financial statements in conformity with the accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments and estimates made by the management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2021.

7 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company including the measures taken during COVID-19 are consistent with those disclosed in the annual audited unconsolidated financial statements for the year ended December 31, 2021.

8 CASH AND BALANCES WITH TREASURY BANKS

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- Rupees in '000 -----			
Cash in hand		80	-
With State Bank of Pakistan in:			
Local currency current account	8.1	225,607	122,751
		<u>225,687</u>	<u>122,751</u>

8.1 This includes the minimum cash reserve required to be maintained with the SBP in accordance with the requirement of BSD Circular No. 04 dated May 22, 2004.

9 BALANCES WITH OTHER BANKS

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- Rupees in '000 -----			
In Pakistan			
In deposit accounts	9.1	93,242	64,694

9.1 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).

10 LENDINGS TO FINANCIAL INSTITUTIONS

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- Rupees in '000 -----			
Repurchase agreement lendings (reverse repo)	10.1	3,949,621	-
Term deposit receipts (TDRs)		-	2,000,000
		<u>3,949,621</u>	<u>2,000,000</u>

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

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10.2 Particulars of lending	(Un-audited)	(Audited)
	June 30, 2022	December 31, 2021
	----- Rupees in '000 -----	
In local currency	3,949,621	2,000,000
In foreign currencies	-	-
	<u>3,949,621</u>	<u>2,000,000</u>

10.3 Securities held as collateral against lendings to financial institutions

	June 30, 2022			December 31, 2021		
	Held by Company	Further given as collateral	Total	Held by Company	Further given as collateral	Total
	----- Rupees In '000 -----					
Pakistan Investment Bonds	3,949,621	(3,949,621)	-	-	-	-
Total	<u>3,949,621</u>	<u>(3,949,621)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

11 INVESTMENTS

11.1 Investments by type:

Note	(Un-audited)				(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	-	-	-	-
	3,964,310	-	(992)	3,963,318	2,501	-	4	2,505
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	(44,366)	(297,271)	1,002,740	1,110,619	(27,891)	(263,312)	819,412
Non-government debt securities	2,859,534	(264,741)	(11,251)	2,583,542	2,227,114	(266,221)	1,040	1,961,933
Commercial paper	192,026	-	-	192,026	-	-	-	-
	34,227,671	(309,127)	(1,768,279)	32,150,265	25,935,511	(294,112)	(1,450,496)	24,190,903
Held-to-maturity securities								
Subsidiaries	2,013,372	-	-	2,013,372	49,858	-	-	49,858
	2,013,372	-	-	2,013,372	2,003,372	-	-	2,003,372
Total Investments	40,205,353	(309,127)	(1,769,271)	38,126,955	27,991,242	(294,112)	(1,450,492)	26,246,638

Investments by segments:

Note	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 -----							
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	(44,366)	(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	1,101,946	(15,841)	1,040	1,087,145
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	2,227,114	(266,221)	1,040	1,961,933
Commercial paper	192,026	-	-	192,026	49,858	-	-	49,858
Subsidiaries								
Awwal Modaraba Management Limited	105,000	-	-	105,000	105,000	-	-	105,000
Primus Leasing Limited	1,000,000	-	-	1,000,000	1,000,000	-	-	1,000,000
Awwal Modaraba	898,372	-	-	898,372	898,372	-	-	898,372
Awwal Corporate Restructuring Company Ltd.	10,000	-	-	10,000	-	-	-	-
	2,013,372	-	-	2,013,372	2,003,372	-	-	2,003,372
Total Investments	40,205,353	(309,127)	(1,769,271)	38,126,955	27,991,242	(294,112)	(1,450,492)	26,246,638

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
11.1.1 Investments given as collateral		
Market Treasury Bills	3,665,719	8,833,104
Pakistan Investment Bonds	21,669,949	10,696,531
Term finance / sukuks certificates	759,760	759,788
Ordinary shares	96,085	118,624
	<u>26,191,513</u>	<u>20,408,047</u>

11.2 Provision for diminution in value of investments

11.2.1 Opening balance	294,112	346,947
Charge / (reversals)		
Charge for the period / year	31,186	1,998
Reversals on disposals for the period / year	(16,171)	(54,833)
	15,015	(52,835)
Closing balance	<u>309,127</u>	<u>294,112</u>

11.2.2 Particulars of provision against non-government securities

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

11.3 Summary of financial information of subsidiaries

Investment in subsidiaries	Percentage of holding		Country of incorporation	Total assets	Total liabilities	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	June 30, 2022	December 31, 2021
	2022	2021								
----- Rupees in '000 -----										
Awwal Modaraba Management Limited	100.00	100.00	Pakistan	157,942	113,505	7,730	(10,998)	(25,264)	105,000	105,000
Awwal Modaraba*	89.78	89.78	Pakistan	1,196,402	28,872	35,818	13,900	20,904	898,372	898,372
Primus Leasing Limited	100.00	100.00	Pakistan	2,307,484	1,218,599	121,363	55,605	55,605	1,000,000	1,000,000
Awwal Corporate Restructuring Company Limited	100.00	100.00	Pakistan	10,259	557	262	(298)	(298)	10,000	-
									<u>2,013,372</u>	<u>2,003,372</u>

* The details for subsidiaries have been provided based on its audited financial statements for the year ended June 30, 2022.

12 ADVANCES

	(Un-audited) Performing		(Audited) Non-performing		(Un-audited) Total		(Audited) Total	
	June 30, 2022	December 31, 2021	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.	19,714,605	19,828,288	1,029,330	1,018,878	20,743,935	20,847,166		
Advances - gross	<u>19,714,605</u>	<u>19,828,288</u>	<u>1,029,330</u>	<u>1,018,878</u>	<u>20,743,935</u>	<u>20,847,166</u>		
Provision against advances								
- Specific	-	-	529,945	497,025	529,945	497,025		
- General	50,000	50,000	-	-	50,000	50,000		
	50,000	50,000	529,945	497,025	579,945	547,025		
Advances - net of provision	<u>19,664,605</u>	<u>19,778,288</u>	<u>499,385</u>	<u>521,853</u>	<u>20,163,990</u>	<u>20,300,141</u>		

12.1 Particulars of advances (gross)

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
In local currency	20,743,935	20,847,166
In foreign currencies	-	-
	<u>20,743,935</u>	<u>20,847,166</u>

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- 12.2 Advances include Rs. 1,029.330 million (December 31, 2021: Rs. 1,018.878 million) which have been placed under the non-performing status as detailed below:

Category of classification	Note	(Un-audited)		(Audited)	
		June 30, 2022		December 31, 2021	
		Non performing loans	Provision	Non performing loans	Provision
----- Rupees in '000 -----					
Domestic					
Other assets especially mentioned	12.2.1	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		1,029,330	529,945	1,018,878	497,025

- 12.2.1 The 'Other assets especially mentioned' category pertains to small enterprise finance.

12.3 Particulars of provision against advances

	(Un-audited)			(Audited)		
	June 30, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
----- Rupees in '000 -----						
Opening balance	497,025	50,000	547,025	423,442	-	423,442
Charge for the period / year	28,180	-	28,180	84,982	50,000	134,982
Reversals during the period / year	(7,805)	-	(7,805)	(11,399)	-	(11,399)
	20,375	-	20,375	73,583	50,000	123,583
Provision due to conversion of investment	12,545	-	12,545	-	-	-
Amounts written off	-	-	-	-	-	-
Closing balance	529,945	50,000	579,945	497,025	50,000	547,025

- 12.3.1 The Company has availed the benefit of Forced Sale Value (FSV) of certain mortgaged properties held as collateral against non-performing advances as allowed under BSD Circular 1 of 2011. Had the benefit under the said circular not been taken, the specific provision against non-performing advances would have been higher by Rs. 465.926 million (December 31, 2021: Rs. 483.916 million). The FSV benefit availed - net of tax amounting to Rs. 330.807 million (December 31, 2021: Rs. 343.580 million) is not available for the distribution as either cash or stock dividend to the shareholders.

- 12.3.2 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.

13 FIXED ASSETS	(Un-audited)	(Audited)
	June 30, 2022	December 31, 2021
----- Rupees in '000 -----		
Property and equipment	19,708	19,084
Right-of-use assets	24,901	35,460
	44,609	54,544

13.1 Additions to fixed assets

The following additions have been made to fixed assets during the period:

Capital work-in-progress	-	2,354
Property and equipment		
Electrical, office and computer equipment	862	1,471
Vehicles	5,754	-
Total	6,616	3,825

13.2 Disposal of fixed assets

Vehicle and electrical, computer and office equipment having cost of Rs. 1.510 million and 0.36 million respectively and having net book value of 0.151 million and nil respectively were disposed off for Rs. 1.735 million and Rs. 0.2 million respectively.

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	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2021
----- Rupees in '000 -----			
14 INTANGIBLE ASSETS			
Computer software		66	170
Capital work-in-progress	14.1	2,627	2,354
		<u>2,693</u>	<u>2,524</u>
14.1 Capital work-in-progress			
Software		<u>2,627</u>	<u>2,354</u>
15 DEFERRED TAX ASSETS			
Deductible temporary differences on:			
- Provision for diminution in the value of investments		98,208	82,663
- Provision against advances, other assets, etc.		191,382	158,637
- Deficit on revaluation of investments		534,482	377,197
- Accelerated tax depreciation		1,866	5,547
- Lease liability against right-of-use asset		9,926	803
- Carry forward of alternate corporate tax		49,910	49,910
- Provision for bonus		8,250	16,776
- Amortisation of premium on investments		27,524	-
		921,548	691,533
Taxable temporary differences on:			
- Net investment in finance lease		(58,784)	(25,036)
- Post retirement employee benefits		(1,921)	(1,921)
- Right-of-use assets		(8,217)	(10,283)
- Amortisation of discount on investments		-	(105,280)
		(68,922)	(142,520)
		<u>852,626</u>	<u>549,013</u>
16 OTHER ASSETS			
Income / mark-up accrued in local currency		1,003,027	604,269
Advances, deposits, advance rent and other prepayments		9,087	19,888
Advance taxation (payments less provisions)		946,902	790,357
Advance against subscription of term finance certificates		-	70,500
Receivable against sale of shares		-	56,317
Receivable from related parties	16.1	2,611	2,462
Lease receivable under IFRS-16	16.2	748	1,096
Advance against investment in right shares -related party		40,000	40,000
Receivable from defined benefit plan - related party		11,092	7,820
		2,013,467	1,592,709
Less: Provision held against other assets		-	-
		<u>2,013,467</u>	<u>1,592,709</u>
16.1 Receivable from related parties			
Receivable from Awwal Modaraba (subsidiary)		1,013	837
Receivable from other Modarabas managed by Awwal Modaraba Management Limited (related parties)		810	810
Receivable from Primus Leasing Company Limited (subsidiary)		668	695
Receivable from Awwal Corporate Restructuring Company Limited (subsidiary)		120	120
		<u>2,611</u>	<u>2,462</u>
16.2 This includes lease receivable against sublease under IFRS-16 amounting to Rs. 0.748 million (December 31, 2021: Rs. 1.096 million) from Primus Leasing Limited.			
	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- Rupees in '000 -----			
17 ASSETS CLASSIFIED AS HELD-FOR-SALE			
<i>Land, building and machinery acquired from:</i>			
Sufi Steel Industries (Private) Limited	17.1	205,525	387,745
Lion Steel Industries (Private) Limited		129,859	129,023
Total assets classified as held-for-sale		<u>335,384</u>	<u>516,768</u>

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- 17.1 These represent land, building and machinery which have been classified as 'non-current assets held for sale' as at June 30, 2022. The details of assets classified as held for sale are as follows:

Sufi Steel Industries (Private) Limited

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. During the period the Company recovered Rs 190.5 million by selling the building and Machinery. It is expected that the process of sale of these assets will be completed in the near future.

	Note	June 30, 2022	December 31, 2021
----- Rupees in '000 -----			
18 BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan:			
- Long-Term Finance Facility (LTFF) scheme	18.1	4,524,363	4,776,169
- Power Plants Using Renewable Energy (PPRE) scheme	18.2	56,189	65,567
- Temporary Economic Refinance Facility (TERF)	18.3	794,296	742,405
- Finance for Storage of Agriculture Produce (FSAP) scheme	18.4	105,791	148,887
- Credit Guarantee (CGS) Scheme	18.5	100,549	53,119
- Special Persons (SP) Scheme	18.6	3,400	3,850
- Working capital (WC) Scheme	18.7	659,340	353,834
- COVID - 19 Scheme	18.8	7,000	8,000
- Balancing, Modernization & Replacement (BMR) scheme	18.9	227,891	97,991
		6,478,819	6,249,822
Repurchase agreement borrowings	18.10	27,441,482	19,495,978
Borrowings from banks	18.11	20,604,167	10,262,441
Total secured		54,524,468	36,008,241
Unsecured			
Letters of placement:	18.12		
- Awwal Modaraba (subsidiary)		-	39,000
- Staff retirement funds (related party)		66,014	66,654
- Other related parties		-	124,500
- Others		100,047	4,046,429
		54,690,529	40,284,824

- 18.1 The Company has entered into agreements for financing with the SBP for Long-Term Financing Facility (LTFF) under export oriented projects to customers. According to the terms of the respective agreements, the SBP has the right to receive the outstanding amount from the Company at the due date by directly debiting the current account maintained by the Company with the SBP. The rate of return ranges from 2.00% to 4.00% per annum (2021: 2.00% to 6.00% per annum). These are secured against demand promissory notes and are repayable within 9 years (2021: 9 years).
- 18.2 These borrowings have been obtained from the SBP under a scheme for financing renewable energy power plants to promote renewable energy projects in the country. These carry mark-up at rates ranging from 2.00% to 5.00% per annum (2021: 2.00% to 5.00% per annum) and are due to mature latest by June 19, 2026. As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 18.3 These represent borrowings from the SBP under scheme for temporary economic refinance facility. The mark-up rate applicable on these facilities is 1% to 2% per annum (2021: 1% to 2% per annum) payable on quarterly basis, with maturities upto May 2032 (2021: December 2031). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 18.4 These borrowings have been obtained from the SBP under a scheme for financing the storage of agricultural produce to encourage the private sector to establish silos, warehouses and cold storages. These carry mark-up at rate of 2.5% per annum (2021: 2.5% to 4% per annum) and are due to mature latest by January 18, 2025.
- 18.5 These represent borrowings from the SBP under scheme for refinance and credit guarantee schemes. The mark-up rate applicable on these facilities is 0% per annum (2021: 0% per annum) payable on quarterly basis, with maturities upto May 31, 2027 (2021: November, 2026). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.

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- 18.6 These represent financing facilities to special persons to meet credit needs for setting up of new business enterprises or for expansion of existing ones and claim refinance from State Bank of Pakistan up to 100% of finance extended by them. The spread is capped at 5% per annum (2020: 5% per annum) by SBP whereas SBP's refinance rate for this facility is 0% per annum (2021: 0% per annum). In case of default of the counterparty, upto 60% of principal is covered by SBP. As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP. These borrowings have maturity date of 25 November 2026.
- 18.7 In accordance with the refinance facility for working capital, the Company has entered into agreements for financing with the SBP for extending financing to meet working capital requirements of the customers. The profit rate on this facility ranges from 1.00% to 2.00% per annum (2021: 2.00%) payable on quarterly basis with maturities upto December 2024 (2021: December 2022). As per the agreements, the Company has granted the SBP the right to recover the outstanding amounts from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP.
- 18.8 In accordance with the refinance facility for combating COVID-19, the Company has entered into agreements for financing with the SBP for extending medical equipment finances to the customers. The average profit rate on this facility is 0% (2021: 0%) with maturities upto October 2025. As per the agreements, the Company has granted the SBP the right to recover the outstanding amounts from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP.
- 18.9 These represent borrowings from the SBP under scheme for balancing, modernization & replacement scheme. The mark-up rate applicable on these facilities is 1% to 2% per annum (2021: 1% to 2% per annum) payable on quarterly basis, with maturities upto August 28, 2027 (2020: December 2026). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 18.10 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).
- 18.11 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.

18.12 Particulars of borrowings - Letter of Placements (LoPs)

(Un-audited)		
June 30, 2021		
Minimum (%)	Maximum (%)	Tenor

Letters of placement:

- Awwal Modaraba (subsidiary)
- Staff retirement funds
- Other related parties
- Others

-	-	-
14.00	14.00	5 Months
-	-	-
13.50	14.25	3 months

(Audited)		
December 31, 2021		
Minimum (%)	Maximum (%)	Tenor

Letters of placement:

- Awwal Modaraba (subsidiary)
- Staff retirement funds
- Other related parties
- Others

7.10	7.10	1 month
9.00	14.00	1 year
7.10	7.10	1 month
8.25	9.6	3 months

19 DEPOSITS AND OTHER ACCOUNTS

Customers

- Certificate of investments (COIs) - In local currency

Financial Institutions

- Certificate of investments (COIs) - In local currency

Note	(Un-audited)	(Audited)
	2021	2020
----- Rupees in '000 -----		
19.2	50,000	50,000
19.1	50,000	50,000

19.1 Composition of deposits

- Public sector entities
- Private sector

-	-
50,000	50,000
50,000	50,000

- 19.2 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).

	Note	(Un-audited) June 30, 2022	(Audited) December 31, 2021
----- Rupees in '000 -----			
20 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		540,907	200,945
Unearned commission and income on bills discounted		24,063	26,283
Accrued expenses		49,593	81,173
Brokerage / commission payable		1,489	1,266
Payable against purchase of shares		55,884	89,311
Security deposits against advances		296,265	292,617
Provision for Sindh Worker's Welfare Fund		136,722	134,893
Lease liability against right-of-use assets		30,078	29,457
Advance from customers		-	13,293
Payable to related party- Primus Leasing Limited		-	28
Others		33,619	13,674
		<u>1,168,620</u>	<u>882,940</u>
21 DEFICIT ON REVALUATION OF ASSETS - NET OF TAX			
Deficit on revaluation of:			
- Available-for-sale securities	11.1	(1,768,279)	(1,450,496)
Deferred tax on deficit on revaluation of:			
- Available-for-sale securities		534,483	377,197
		<u>(1,233,796)</u>	<u>(1,073,299)</u>
22 CONTINGENCIES AND COMMITMENTS			
- Guarantees	22.1	1,426,000	1,098,728
- Commitments	22.2	35,198,942	20,686,758
- Other contingent liabilities	22.3	-	-
		<u>36,624,942</u>	<u>21,785,486</u>
22.1 Guarantees			
Financial guarantees		<u>1,426,000</u>	<u>1,098,728</u>
22.2 Commitments			
Documentary credits and short-term trade-related transactions			
- letters of credit		61,468	374,020
Commitments in respect of:			
- repo transactions	22.2.1	32,003,530	19,574,994
- forward lendings	22.2.2	3,133,944	694,630
- other commitments		-	43,114
		<u>35,198,942</u>	<u>20,686,758</u>
22.2.1 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>
22.2.2 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>
		<u>3,133,944</u>	<u>694,630</u>
*These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Company without the risk of incurring significant penalty or expense.			
22.3 Other contingent liabilities			
22.3.1 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.			

22.3.2 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 16). 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.

22.3.3 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 on December 13, 2017 for indemnification from AWT Investments Limited (AWTIL) under the aforesaid agreement for an amount of Rs. 34.362 million. The Company, through its legal counsel has responded to the said notice on January 28, 2020. As per advice of the legal counsel, the Company has a strong case in this matter and chances of any successful claim against the Company appear to be unlikely.

		(Un-audited)	
		Half year June 30, 2022	Half year June 30, 2021
		----- Rupees in '000 -----	
23	MARK-UP / RETURN / INTEREST EARNED	Note	
	On:		
	a) Loans and advances		917,260
	b) Investments		1,565,011
	c) Lendings to financial institutions		40,191
	d) Sub-lease of premises		-
	e) Balances with banks		81
			<u>3,213</u>
			<u>2,525,675</u>
			<u>1,653,910</u>
24	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits		2,789
	Interest expense on lease liability		1,416
	Borrowings		2,234,024
			<u>2,238,229</u>
			<u>1,194,675</u>
25	FEE AND COMMISSION INCOME		
	Advisory / arrangement fee		8,358
	Processing fee income		8,618
	Commitment fee		4,601
	Trustee fee		29,141
	Front end fee		-
			<u>40</u>
			<u>50,718</u>
			<u>32,843</u>
26	GAIN / (LOSS) ON SECURITIES		
	Realised loss on sale of securities	26.1	(55,917)
	Unrealised gain - held for trading securities		(996)
	Unrealised loss on arbitrag shares		(1,026)
			<u>(57,939)</u>
			<u>129,466</u>
26.1	Realised gain / (loss) on:		
	Federal government securities		7,279
	Ordinary shares		(63,196)
	Non-government debt securities		-
	Commercial paper		-
	Mutual funds		-
			<u>14,663</u>
			<u>(55,917)</u>
			<u>129,386</u>
27	OTHER INCOME		
	Gain on sale of assets classified as held-for-sale		-
	Gain on sale of fixed assets - net		2,215
			<u>1,584</u>
			<u>163</u>
			<u>1,584</u>
			<u>2,378</u>

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28	OPERATING EXPENSES	Note	(Un-audited)	
			Half year ended	Half year ended
			June 30, 2022	June 30, 2021
----- Rupees in '000 -----				
	Total compensation expense		100,791	126,217
	Property expense			
	Rent and taxes		-	121
	Insurance		3,066	3,215
	Security		1,282	857
	Utilities cost		2,289	1,895
	Repairs and maintenance (including janitorial charges)		4,693	2,819
	Depreciation		10,930	16,687
			22,260	25,594
	Information technology expenses			
	Software maintenance		1,488	829
	Hardware maintenance		585	375
	Depreciation		2,020	1,625
	Amortisation		104	881
			4,197	3,710
	Other operating expenses			
	Directors' fees and allowances		2,400	2,400
	Fees and subscription		642	1,214
	Legal and professional charges		11,713	9,925
	Outsourced services costs		3,744	2,998
	Travelling and conveyance		25,488	20,242
	Brokerage commission		4,422	9,340
	Depreciation		3,452	3,349
	Training and development		427	1,136
	Postage and courier charges		309	258
	Communication		1,601	1,262
	Stationery and printing		485	1,244
	Marketing, advertisement and publicity		101	41
	Donations		-	2,000
	Auditors' remuneration		1,374	2,203
	Expenses incurred in relation to held for sale assets		10,201	-
	Others		2,691	2,571
			69,050	60,183
			196,298	215,704
29	SINDH WORKERS' WELFARE FUND			
	Provision for Sindh Workers' Welfare Fund	29.1	1,829	7,876
29.1	SWWF Act had been passed by the Government of Sindh in May 2015 as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs. 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. Accordingly, as a matter of abundant caution, the management has maintained a provision for SWWF in the condensed interim unconsolidated financial statements amounting to Rs 136.722 million which includes a provision of Rs 1.828 million for the current period.			
30	OTHER CHARGES			
	Penalties imposed by the State Bank of Pakistan		-	10,447
31	PROVISIONS AND WRITE OFFS - NET			
	(Reversal of provision) / provision for diminution in value of investments	11.2	15,015	(6,500)
	Provisions against loans and advances	12.3	20,375	12,955
			35,390	6,455

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	Note	(Un-audited)	
		Half year June 30, 2021	Half year June 30, 2020
		----- Rupees in '000 -----	
32 TAXATION			
Current		115,072	136,324
Deferred		(150,988)	(32,566)
		<u>(35,916)</u>	<u>103,758</u>
33 BASIC EARNINGS PER SHARE			
Profit for the period		<u>127,604</u>	<u>281,860</u>
		Number of shares	
		----- in 000 -----	
Weighted average number of ordinary shares		<u>600,000</u>	<u>600,000</u>
		Rupees	
Basic earnings per share		<u>0.21</u>	<u>0.47</u>
33.1 Diluted earnings per share			

Diluted earnings per share has not been presented separately as the Company does not have any convertible instruments in issue.

34 FAIR VALUE MEASUREMENT

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

34.1 Fair value of financial assets

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares / units of modaraba certificates	Fair values of investments in listed equity securities and units of modaraba certificates 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 / PKFRV rates.
Term finance / sukuk certificates	Investments in listed debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the prices announced by the Pakistan Stock Exchange Limited.

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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:

(Un-audited)			
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			
	-	32,335,275	-
Federal government securities			32,335,275
Shares	1,002,740	-	-
			1,002,740
Non-Government debt securities		2,583,542	-
			2,583,542
Off-balance sheet financial instruments - measured at fair value			
Commitments in respect of repo transactions		32,003,530	-
			32,003,530

(Audited)			
December 31, 2021			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			
On balance sheet financial instruments			
Financial assets - measured at fair value			
Investments			
	-	21,409,558	-
Federal government securities			21,409,558
Shares	821,917	-	-
			821,917
Non-Government debt securities		1,961,933	-
			1,961,933
Off-balance sheet financial instruments - measured at fair value			
Commitments in respect of repo transactions		19,574,994	-
			19,574,994

35 SEGMENT INFORMATION

Half year ended June 30, 2022			
Corporate finance	Trading and sales	Commercial banking	Total
----- Rupees in '000 -----			
Condensed interim unconsolidated profit and loss account for the half year ended June 30, 2022 (un-audited)			
Net Mark-up / return / interest income	-	180,905	106,541
			287,446
Non mark-up / return / interest income	50,717	(12,958)	-
			37,759
Total income	50,717	167,947	106,541
			325,205
Segment direct expenses	30,899	102,319	64,909
			198,127
Total expenses	30,899	102,319	64,909
			198,127
Provisions	-	18,204	17,187
			35,391
Profit before tax	19,818	47,424	24,445
			91,688

June 30, 2022			
Corporate finance	Trading and sales	Commercial banking	Total
----- Rupees in '000 -----			
Condensed interim unconsolidated statement of financial position (un-audited)			
Cash and bank balances	49,739	164,705	104,485
			318,929
Investments	-	38,126,955	-
			38,126,955
Lendings to financial institutions	-	3,949,621	-
			3,949,621
Advances - performing	-	1,262,551	18,402,053
			19,664,604
- non-performing	-	13,408	485,978
			499,386
Others	7,377	1,983,265	1,258,137
			3,248,779
Total assets	57,116	45,500,505	20,250,653
			65,808,274
Borrowings	-	33,462,634	21,227,895
			54,690,529
Deposits and other accounts	-	30,593	19,407
			50,000
Others	-	715,025	453,595
			1,168,620
Total liabilities	-	34,208,252	21,700,897
			55,909,149
Equity	57,116	11,292,253	(1,450,244)
			9,899,125
Total equity and liabilities	57,116	45,500,505	20,250,653
			65,808,274
Contingencies and commitments	-	32,003,530	4,621,411
			36,624,941

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	Half year ended June 30, 2021			
	Corporate finance	Trading and sales	Commercial banking	Total
	----- Rupees in '000 -----			
Unconsolidated profit and loss account for the half year ended June 30, 2020 (un-audited)				
Net mark-up / return / interest income	-	288,791	170,444	459,235
Non mark-up / return / interest income	32,843	134,022	-	166,865
Total income	32,843	422,813	170,444	626,100
Segment direct expenses	12,276	158,041	63,710	234,027
Total expenses	12,276	158,041	63,710	234,027
Provisions	-	(1,539)	7,994	6,455
Profit before tax	20,567	266,311	98,740	385,618

	December 31, 2021			
	Corporate finance	Trading and sales	Commercial banking	Total
	----- Rupees in '000 -----			
Unconsolidated statement of financial position (audited)				
Cash and bank balances	11,197	134,649	41,599	187,445
Investments	-	26,246,638	-	26,246,638
Lendings to financial institutions	-	2,000,000	-	2,000,000
Advances - performing	-	900,770	18,877,518	19,778,288
- non-performing	-	17,397	504,456	521,853
Others	3,409	2,071,200	640,949	2,715,558
Total assets	14,606	31,370,654	20,064,522	51,449,782
Borrowings	-	24,177,900	16,106,924	40,284,824
Deposits and other accounts	-	30,009	19,991	50,000
Others	-	673,398	209,542	882,940
Total liabilities	-	24,881,307	16,336,457	41,217,764
Equity	14,606	6,489,347	3,728,065	10,232,018
Total equity and liabilities	14,606	31,370,654	20,064,522	51,449,782
Contingencies and commitments	-	20,312,738	1,472,748	21,785,486

36 RELATED PARTY TRANSACTIONS

The Company has related party relationship with subsidiary companies (Primus Leasing Limited, Awwal Modaraba, Awwal Corporate Restructuring Company Limited and Awwal Modaraba Management Limited), First Pak Modaraba, First Prudential Modaraba, KASB Modaraba, KSB Pumps Company Limited, Trade Development Authority of Pakistan, Engro Polymer and Chemicals Limited, GlaxoSmithKline Healthcare, Hellenic Sun Insurance Brokers (Private) Limited, employees' defined benefit and defined contribution plan, 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 made in accordance with the actuarial valuations / terms of scheme. Transactions with owners have been disclosed in 'condensed interim unconsolidated Statement of Changes in Equity'. All other transactions between the Company and its related parties are carried out under normal course of business except employee staff loans that are as per terms of employment. However we understand that there are several transactions with subsidiaries that are based on agreed terms. The details of transactions with related parties during the period and balances with them as at period end, other than those which have been disclosed elsewhere in these condensed interim unconsolidated financial statements, are as follows.

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36.1 Balances with related parties

	(Un-audited)				(Audited)			
	June 30, 2022				December 31, 2021			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
(Rupees in '000)								
Investments								
Opening balance	-	-	2,003,372	-	-	-	2,003,372	-
Investment made during the period / year	-	-	10,000	-	-	-	-	39,277
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	(39,277)
Closing balance	-	-	2,013,372	-	-	-	2,003,372	-
Advances								
Opening balance	-	89,209	371,223	150,000	-	94,365	40,792	-
Addition during the period / year	-	11,343	513,957	-	-	20,781	358,332	300,000
Repaid during the period / year	-	(8,153)	(351,023)	-	-	(66,568)	(27,901)	(150,000)
Transfer in / (out) - net	-	(37,028)	-	-	-	40,631	-	-
Closing balance	-	55,372	534,157	150,000	-	89,209	371,223	150,000
Lending to financial institutions								
Opening balance	-	-	-	-	-	-	-	-
Investment	-	-	-	8,300	-	-	-	109,511
Investment redeemed / disposed off	-	-	-	(4,200)	-	-	-	(109,511)
Closing balance	-	-	-	4,100	-	-	-	-
Other assets								
Interest / mark-up accrued	-	-	12,354	5,278	-	-	4,080	52
Lease receivable under IFRS-16	-	-	748	-	-	-	1,096	-
Receivable from defined benefit plan	-	-	-	11,092	-	-	-	7,820
Preliminary expense	-	-	120	-	-	-	120	-
Advance against investments in right shares	-	-	40,000	-	-	-	40,000	-
Others	-	-	1,681	810	-	-	1,532	7,581
	-	-	54,903	17,180	-	-	46,828	15,453
Borrowings								
Opening balance	-	-	39,000	191,155	-	-	332,982	72,723
Borrowings during the period / year	-	-	-	20,119	-	-	535,341	1,240,360
Settled during the period / year	-	-	(39,000)	(145,259)	-	-	(829,323)	(1,121,928)
Closing balance	-	-	-	66,015	-	-	39,000	191,155
Other liabilities								
Interest / mark-up payable	-	-	-	4,583	-	-	197	2,214
Other liabilities	-	-	-	-	-	-	28	-
	-	-	-	4,583	-	-	225	2,214

36.2 Transactions with related parties

	(Un-audited)				(Un-audited)			
	June 30, 2022				June 30, 2021			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
(Rupees in '000)								
Income								
Mark-up / return / interest earned	-	1,055	28,124	9,893	-	2,195	2,218	5,379
Reverse Repo	-	-	-	-	-	-	-	352
Expense								
Mark-up / return / interest expensed	-	-	46	150	-	-	8,768	5,395
Operating expenses	2,400	75,457	-	-	2,400	88,415	15,467	-
Reimbursement of expenses	-	4,576	10,382	4,859	-	2,021	-	-

	(Un-audited) June 30, 2022	(Audited) December 31, 2021
	----- Rupees in '000 -----	
37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital	<u>6,000,000</u>	<u>6,000,000</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>7,369,162</u>	<u>8,435,693</u>
Eligible Additional Tier 1 (ADT 1) Capital	<u>-</u>	<u>-</u>
Total Eligible Tier 1 Capital	<u>7,369,162</u>	<u>8,435,693</u>
Eligible Tier 2 Capital	<u>-</u>	<u>-</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>7,369,162</u>	<u>8,435,693</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>24,469,358</u>	<u>21,681,140</u>
Market Risk	<u>5,028,692</u>	<u>5,023,295</u>
Operational Risk	<u>1,972,722</u>	<u>1,972,722</u>
Total	<u>31,470,772</u>	<u>28,677,157</u>
Common Equity Tier 1 Capital Adequacy ratio - percentage	<u>23.42%</u>	<u>29.42%</u>
Tier 1 Capital Adequacy Ratio - percentage	<u>23.42%</u>	<u>29.42%</u>
Total Capital Adequacy Ratio - percentage	<u>23.42%</u>	<u>29.42%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	7,369,162	8,435,693
Total Exposures	<u>68,006,454</u>	<u>51,770,833</u>
Leverage Ratio (%)	<u>10.84%</u>	<u>16.29%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	8,099,774	11,216,690
Total Net Cash Outflow	<u>8,238,378</u>	<u>11,713,912</u>
Liquidity Coverage Ratio (Ratio)	<u>98.32%</u>	<u>95.76%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	27,029,345	21,834,760
Total Required Stable Funding	<u>21,265,250</u>	<u>19,904,685</u>
Net Stable Funding Ratio (%)	<u>127.11%</u>	<u>109.70%</u>

38 CORRESPONDING FIGURES


Corresponding figures are rearranged or reclassified, wherever necessary, for the purpose of comparison and better presentation. No significant reclassification or restatement were made in these condensed interim unconsolidated financial statements during the period.

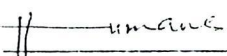
39 GENERAL

39.1 Figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest thousand Rupees unless otherwise stated


40 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue on 20 OCT 2022 by the Board of Directors of the Company.


President/Chief Executive


Chief Financial Officer


Director


Director


Director