

PAIR Investment Company Limited
Condensed Interim Statement of Financial Position
As at 30 September 2022

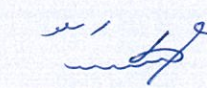



	Note	30 September 2022 (Un-audited) ----- Rupees in '000 -----	31 December 2021 (Audited)
ASSETS			
Cash and balances with treasury banks	6	114,637	75,966
Balances with other banks	7	100,306	162,471
Lendings to financial institutions	8	-	-
Investments	9	21,870,134	16,975,437
Advances	10	8,617,765	6,516,564
Fixed assets	11	271,064	227,812
Intangible assets	12	5,228	5,000
Deferred tax assets	13	478,184	461,472
Other assets	14	1,026,890	589,140
		32,484,208	25,013,862
LIABILITIES			
Bills payable		-	-
Borrowings	15	20,354,921	13,658,356
Deposits and other accounts	16	1,493,638	1,132,247
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	17	923,775	568,117
		22,772,334	15,358,720
NET ASSETS		9,711,874	9,655,142
REPRESENTED BY			
Share capital	18	6,000,000	6,000,000
Reserves	19	1,070,263	1,004,551
Deficit on revaluation of assets	20	(132,484)	(10,662)
Unappropriated profit		2,774,095	2,661,253
		9,711,874	9,655,142
CONTINGENCIES AND COMMITMENTS	21		

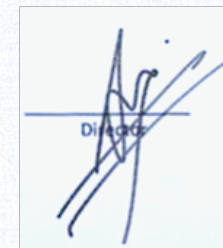
The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.


Managing Director /
Chief Executive Officer


Chief Financial Officer


Chairman


Director

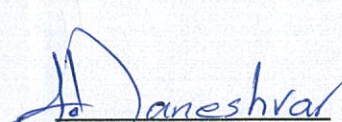

Director

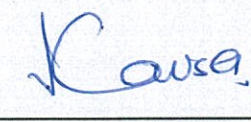
PAIR Investment Company Limited
Condensed Interim Profit and Loss Account (Un-audited)
For the nine month period ended 30 September 2022



	Note	Quarter ended		Nine month period ended	
		July - September 2022	July - September 2021	January - September 2022	January - September 2021
----- Rupees in '000 -----					
Mark-up / profit / return / interest earned	24	948,206	399,288	2,180,218	1,145,663
Mark-up / return / interest expensed	25	630,501	208,625	1,381,780	593,734
Net mark-up / profit / interest income		317,705	190,663	798,438	551,929
NON MARK-UP / INTEREST INCOME					
Fee and commission income	26	4,775	2,425	18,707	14,127
Dividend income		25,200	16,543	74,503	56,913
Foreign exchange income		2,601	754	4,483	1,056
Income / (loss) from derivatives		-	-	-	-
(Loss) / gain on sale of securities	27	(27,399)	(8,109)	(25,662)	54,296
Other income		6,878	-	6,927	1,698
Total non mark-up / interest income		12,055	11,613	78,958	128,090
Total Income		329,760	202,276	877,396	680,019
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	28	107,244	86,180	327,109	272,994
Workers Welfare Fund		3,178	2,962	9,535	8,644
Other charges		-	-	-	225
Total non mark-up / interest expenses		110,422	89,142	336,644	281,863
Profit Before Provisions		219,338	113,134	540,752	398,156
Provisions and write offs - net	29	26,769	49,327	69,282	202,347
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		192,569	63,807	471,470	195,809
Taxation	30	55,000	45,000	142,916	62,231
AFTER TAXATION		137,569	18,807	328,554	133,578
Basic and diluted earnings per share - (Rupees)	31	0.23	0.03	0.55	0.22

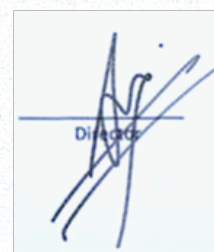
The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.


Managing Director /
Chief Executive Officer


Chief Financial Officer


Chairman


Director

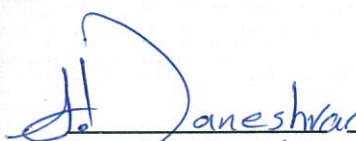

Director

PAIR Investment Company Limited
 Condensed Interim Statement of Comprehensive Income (Un-audited)
 For the nine month period ended 30 September 2022



	Quarter ended		Nine month period ended	
	July - September 2022	July - September 2021	January - September 2022	January - September 2021
	----- Rupees in '000 -----			
Profit after taxation for the period	137,569	18,807	328,554	133,578
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of investments - net of tax	(116,837)	(127,315)	(120,716)	(81,748)
Items that will not be reclassified to profit and loss account in subsequent periods:				
Movement in surplus on revaluation of non-banking asset - net of tax	(1,027)	-	(1,106)	-
Total comprehensive income	19,705	(108,508)	206,732	51,830

The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.


 Managing Director /
 Chief Executive Officer


 Chief Financial Officer


 Chairman


 Director

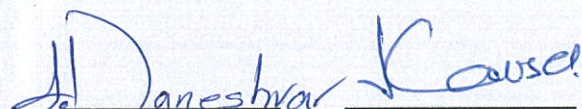

 Director

PAIR Investment Company Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the nine month period ended 30 September 2022

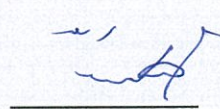


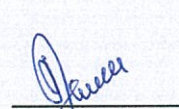
	Share capital	Statutory reserve	(Deficit) / surplus on revaluation of		Unappropriated profit	Total
			Investments	Non Banking asset		
Note	Rupees in '000					
Opening Balance as at 01 January, 2021	6,000,000	965,805	(16,923)	32,924	2,680,452	9,662,258
Profit after tax for the period ended 30 September, 2021	-	-	-	-	133,578	133,578
Other comprehensive income - net of tax	-	-	(81,748)	-	-	(81,748)
	-	-	(81,748)	-	133,578	51,830
Transfer to statutory reserve	-	26,716	-	-	(26,716)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	(1,279)	1,279	-
Transactions with owners recognised directly in equity						
Final cash dividend - 31 December, 2020 declared subsequent to the year end	-	-	-	-	(180,000)	(180,000)
Opening Balance as at 01 October, 2021	6,000,000	992,521	(98,671)	31,645	2,608,593	9,534,088
Profit for the period ended 31 December, 2021	-	-	-	-	60,154	60,154
Other comprehensive income	-	-	56,791	(427)	4,536	60,900
	-	-	56,791	(427)	64,690	121,054
Transfer to statutory reserve	19	12,031	-	-	(12,031)	-
Opening Balance as at 01 January, 2022	6,000,000	1,004,552	(41,880)	31,218	2,661,252	9,655,142
Profit for the period ended 30 September, 2022	-	-	-	-	328,554	328,554
Other comprehensive income	-	-	(120,716)	(1,106)	-	(121,822)
	-	-	(120,716)	(1,106)	328,554	206,732
Transfer to statutory reserve	19	65,711	-	-	(65,711)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	-	-
Transactions with owners recognised directly in equity						
Final cash dividend - 31 December, 2021 declared subsequent to the year end	-	-	-	-	(150,000)	(150,000)
Closing Balance as at 30 September 2022	6,000,000	1,070,263	(162,596)	30,112	2,774,095	9,711,874

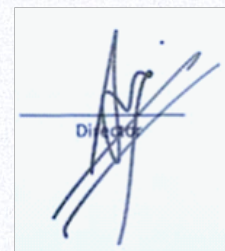
The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.


Managing Director /
Chief Executive Officer

Chief Financial Officer


Chairman


Director

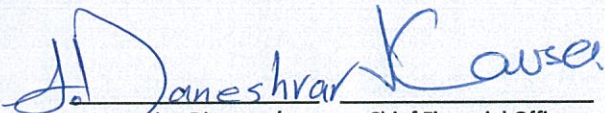

Director

PAIR Investment Company Limited
Condensed Interim Cash Flow Statement (Un-audited)
For the nine month period ended 30 September 2022

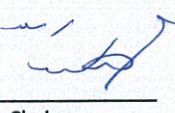


	30 September 2022	30 September 2021
Note	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	471,470	195,809
Less: Dividend income	(74,503)	(56,913)
	<u>396,967</u>	<u>138,896</u>
Adjustments:		
Depreciation	22,206	22,321
Amortisation	91	89
Provision and write-offs	69,282	202,347
Gain on sale of fixed assets	(6,878)	(1,698)
Charge for defined benefit plan	9,247	9,626
Unrealised loss on revaluation of held for trading investments	7,345	8,743
	<u>101,293</u>	<u>241,428</u>
	<u>498,260</u>	<u>380,324</u>
(Increase) / decrease in operating assets		
Lendings to financial institutions	-	(150,000)
Held-for-trading securities	(129,271)	(44,258)
Advances	(2,156,294)	(558,862)
Others assets	(399,819)	113,410
	<u>(2,685,384)</u>	<u>(639,710)</u>
Increase / (decrease) in operating liabilities		
Borrowings from financial institutions	6,696,565	2,153,905
Deposits	361,391	79,332
Other liabilities	355,658	95,113
	<u>7,413,614</u>	<u>2,328,350</u>
	<u>5,226,490</u>	<u>2,068,964</u>
Income tax paid	(198,938)	(118,964)
Defined benefits paid	(9,247)	(9,626)
Net cash flows generated from operating activities	<u>5,018,305</u>	<u>1,940,374</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(4,851,455)	(1,776,283)
Net investments in held-to-maturity securities	(59,070)	(46,455)
Dividends received	74,155	53,886
Investments in operating fixed assets	(62,546)	(9,970)
Proceeds from sale of fixed assets	7,117	1,769
Net cash flows used in investing activities	<u>(4,891,799)</u>	<u>(1,777,053)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(150,000)	(180,000)
Net cash flows used in financing activities	<u>(150,000)</u>	<u>(180,000)</u>
Increase in cash and cash equivalents	<u>(23,494)</u>	<u>(16,679)</u>
Cash and cash equivalents at beginning of the period	<u>238,437</u>	<u>129,508</u>
Cash and cash equivalents at end of the period	<u>214,943</u>	<u>112,829</u>

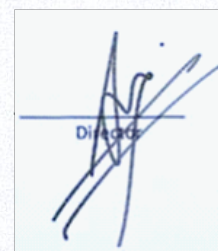
The annexed notes 1 to 38 form an integral part of these condensed interim financial statements.


Managing Director /
Chief Executive Officer

Chief Financial Officer


Chairman


Director


Director



1. STATUS AND NATURE OF BUSINESS

PAiR Investment Company Limited, "the Company" is an unlisted Public Limited Company incorporated in Pakistan on 15 January 2007 under the Companies Ordinance, 1984 (repealed), now Companies Act, 2017. The Company has been notified as a Development Financial Institution (DFI) by the Ministry of Finance, Government of Pakistan.

The Company is a Joint Venture (50:50) between Government of Pakistan and Iran Foreign Investment Company (IFIC) which is owned by the Government of Iran. The Company's objectives interalia includes financing for industrial and commercial projects, capital and money market operations and other investment banking activities. Its registered and principal office is situated at 17th Floor, Ocean Tower, Clifton, Karachi. The Company operates a branch at Park Lane Tower (Mall of Lahore) 172-Tufail Road, Lahore.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

- 2.2 The SBP through its BSD Circular letter No. 11 dated 11 September 2002 has deferred the implementation of IAS 39 'Financial instruments: Recognition and Measurement' and IAS 40 'Investment Property' for Non-Banking Financial Institutions (NBFIs) in Pakistan. Further, SECP has deferred the implementation of IFRS 7 'Financial instruments; Disclosures' through SRO 411 (1)/2008. Accordingly, the requirements of these IFRS and their respective interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC), have not been considered in preparation of these condensed interim financial statements.
- 2.3 SBP vide its BPRD Circular Letter No.03 dated 05 July 2022, has extended the applicability of IFRS 9 on Banks / DFIs to accounting periods beginning on or after 01 January 2023. During the transition period, the DFIs are required to carry out the parallel run and submit to SBP, IFRS 9 compatible pro-forma annual financial statements, quarterly and half yearly pro-forma financial statements for the year 2022 as per timelines provided.
- 2.4 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No. 5 dated 22 March 2019 and IAS 34. These condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements for the year ended 31 December 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended 31 December 2021.

3.1 Standards, interpretations of and amendments to existing accounting and reporting standards that have become effective in the current period

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

3.2 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

There are various other standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current period. These are not likely to have material effect on the Company's financial statements except as disclosed in note 2.3.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 31 December 2021.

5. FINANCIAL RISK MANAGEMENT

5.1 The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended 31 December 2021.

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- Rupees in '000 -----	
6. CASH AND BALANCES WITH TREASURY BANKS			
In hand			
Local currency		70	51
Foreign currencies		7,208	5,514
		7,278	5,565
With State Bank of Pakistan in			
Local currency current account	6.1	106,623	69,702
With National Bank of Pakistan in			
Local currency current account		17	17
Local currency deposit account		719	682
		736	699
		<u>114,637</u>	<u>75,966</u>

6.1 This represents current account maintained for minimum cash reserve required to be maintained with the State Bank of Pakistan in accordance with its requirements of BSD Circular No. 04 dated 22 May 2004.

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- Rupees in '000 -----	
7. BALANCES WITH OTHER BANKS			
In Pakistan			
In current accounts		6,328	12,161
In deposit accounts	7.1	93,978	150,310
		<u>100,306</u>	<u>162,471</u>

7.1 These deposit accounts carry annual mark-up rate of 5.5% to 10.75% (31 December 2021: 3.5% to 6.75%).

8. LENDINGS TO FINANCIAL INSTITUTIONS

Note

**30 September 31 December
2022 2021
(Rupees in '000)**

Call / clean money lendings

-

-

Certificate of Investment

8.1

-

-

-

-

8.1 Particulars of lendings

In local currency

-

-

8.3 These carried mark-up rates Nil (2021: Nil) per annum, with maturity Nil (2021: Nil).

9. INVESTMENTS

9.1 Investments by type

	30 September 2022 (Un-audited)				31 December 2021 (Audited)			
	Cost / amortised cost	Provision for diminution	(Deficit) / surplus	Carrying value	Cost / amortised cost	Provision for diminution	(Deficit) / surplus	Carrying value
Rupees in '000								
Held-for-trading securities								
Shares	192,521	-	(7,345)	185,176	63,250	-	(982)	62,268
	192,521	-	(7,345)	185,176	63,250	-	(982)	62,268
Available-for-sale securities								
Federal Government securities								
Shares	13,880,100	-	(29,407)	13,850,693	9,974,057	-	(6,431)	9,967,626
	1,317,691	(55,180)	(250,646)	1,011,865	1,231,302	(42,980)	(123,070)	1,065,252
Non Government Debt Securities	6,488,706	(39,311)	125,220	6,574,615	5,629,683	(37,322)	99,215	5,691,576
	21,686,497	(94,491)	(154,833)	21,437,173	16,835,042	(80,302)	(30,266)	16,724,454
Held-to-maturity securities								
Commercial Papers	247,785	-	-	247,785	188,715	-	-	188,715
	247,785	-	-	247,785	188,715	-	-	188,715
Total Investments	22,126,803	(94,491)	(162,178)	21,870,134	17,087,007	(80,302)	(31,268)	16,975,437

9.2 Investments by segments

	30 September 2022 (Un-audited)				31 December 2021 (Audited)			
	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	4,449,889	-	(3,022)	4,446,867	3,691,787	-	(9,378)	3,682,409
- Pakistan Investment Bonds	9,430,211	-	(26,385)	9,403,826	6,282,270	-	2,947	6,285,217
	13,880,100	-	(29,407)	13,850,693	9,974,057	-	(6,431)	9,967,626
Shares								
- Ordinary Shares of Listed companies	1,482,603	(55,180)	(261,718)	1,165,705	1,266,943	(42,980)	(127,227)	1,096,736
- Preference Shares of Listed companies	27,609	-	3,727	31,336	27,609	-	3,175	30,784
	1,510,212	(55,180)	(257,991)	1,197,041	1,294,552	(42,980)	(124,052)	1,127,520
Non Government Debt Securities								
- Term Finance Certificates - Listed	1,817,472	-	26,374	1,843,846	1,249,917	(11,245)	19,380	1,258,052
- Term Finance Certificates - Unlisted	3,107,217	(11,245)	79,172	3,175,144	2,759,084	-	65,754	2,824,838
- Sukuk certificates - Listed	543,750	-	19,674	563,424	600,000	-	8,961	608,961
- Sukuk certificates - Unlisted	1,020,267	(28,066)	-	992,201	1,020,682	(26,077)	5,120	999,725
	6,488,706	(39,311)	125,220	6,574,615	5,629,683	(37,322)	99,215	5,691,576
Commercial papers								
	247,785	-	-	247,785	188,715	-	-	188,715
Total Investments	22,126,803	(94,491)	(162,178)	21,870,134	17,087,007	(80,302)	(31,268)	16,975,437

	30 September 2022 (Un-audited)	31 December 2021 (Audited)		
	----- Rupees in '000 -----			
9.3 Investments given as collateral				
Pakistan Investment Bonds				
Carrying value - before revaluation	5,940,849	5,911,160		
Deficit	(23,949)	(7,360)		
	<u>5,916,900</u>	<u>5,903,800</u>		
Market treasury bills				
Carrying value - before revaluation	1,709,763	1,086,421		
Deficit	(2,223)	(3,893)		
	<u>1,707,540</u>	<u>1,082,528</u>		
Shares				
Carrying value - before revaluation	91,300	97,595		
Impairment	(21,414)	(17,453)		
Deficit	(19,236)	(3,195)		
	<u>50,650</u>	<u>76,947</u>		
9.4 Provision for diminution in value of investments				
Opening balance	80,302	77,314		
Charge / reversals				
Charge for the period / year	22,827	10,463		
Reversal on disposals	(8,638)	(7,475)		
	14,189	2,988		
Closing Balance	<u>94,491</u>	<u>80,302</u>		
9.5 Particulars of provision against debt securities				
	30 September 2022 (Un-audited)		31 December 2021 (Audited)	
	NPI	Provision	NPI	Provision
	----- Rupees in '000 -----			
Category of classification				
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	43,290	39,311	43,290	37,322
	<u>43,290</u>	<u>39,311</u>	<u>43,290</u>	<u>37,322</u>
9.6	The Company has availed the benefit of Forced Sales Value (FSV) against the non-performing investment. Had this benefit of FSV not been taken by the Company, the specific provision against non-performing investment would have been higher by Rs. 3.979 million (31 December 2021: Rs. 5.96 million) Further, this amount arising from availing the benefit of FSV is not available for distribution amongst the shareholders either in the form of cash or stock dividend / bonus to employees.			

10 ADVANCES

Note	Performing		Non Performing		Total	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	Rupees in '000					
Loans, cash credits, running finances, etc.	8,434,160	6,236,305	1,885,055	1,888,940	10,319,215	8,125,245
Islamic financing and related assets	-	-	167,325	173,292	167,325	173,292
Bills discounted and purchased	-	31,709	-	-	-	31,709
Advances - gross	8,434,160	6,268,014	2,052,380	2,062,232	10,486,540	8,330,246
Provision against advances						
- Specific	-	-	(1,868,775)	(1,813,682)	(1,868,775)	(1,813,682)
- General	-	-	-	-	-	-
	-	-	(1,868,775)	(1,813,682)	(1,868,775)	(1,813,682)
Advances - net of provision	8,434,160	6,268,014	183,605	248,550	8,617,765	6,516,564

10.1 These include loans of Rs. 135.257 million (31 December 2021: Rs. 124.635 million) advanced to employees in accordance with their terms of employment. These loans carry mark-up at the rates from 0% to 5% (31 December 2021: 0% to 5%) respectively.

10.2 Includes net investment in finance lease as disclosed below:

	30 September 2022 (Un-audited)			31 December 2021 (Audited)		
	Not later than one year	Later than one and less than five years	Total	Not later than one year	Later than one and less than five years	Total
	Rupees in '000					
Lease rentals receivable	518,648	796,477	1,315,125	323,094	548,465	871,559
Residual value	137,393	220,038	357,431	94,851	163,296	258,147
Minimum lease payments	656,041	1,016,515	1,672,556	417,945	711,761	1,129,706
Financial charges for future periods	(102,123)	(112,738)	(214,861)	(67,050)	(72,920)	(139,970)
Present value of minimum lease payments	553,918	903,777	1,457,695	350,895	638,841	989,736

10.2.1 The Company's implicit rate of return on leases ranges between 11.68% to 21.48% (31 December 2021: 9.32% to 16.91%) per annum. These are secured against leased assets and security deposits ranges from 10% to 50% (31 December 2021: 50%) of the cost of leased assets.

	30 September 2022 (Un-audited)	31 December 2021 (Audited)
	----- Rupees in '000 -----	
10.3 Particulars of advances (Gross)		
In local currency	10,486,540	8,330,246
In foreign currencies	-	-
	<u>10,486,540</u>	<u>8,330,246</u>

10.4 Advances include Rs. 2,052.4 million (31 December 2021: Rs. 2,062.2 million) which have been placed under non-performing status as detailed below:

Category of Classification	30 September 2022 (Un-audited)		31 December 2021 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- Rupees in '000 -----			
Domestic				
Other Assets Especially Mentioned	167,325	-	173,292	-
Substandard	797	743	2,763	743
Doubtful	24,086	21,708	26,005	8,804
Loss	1,860,172	1,846,324	1,860,172	1,804,135
Total	<u>2,052,380</u>	<u>1,868,775</u>	<u>2,062,232</u>	<u>1,813,682</u>

10.5 Particulars of provision against advances	30 September 2022 (Un-audited)			31 December 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000 -----					
Opening balance	1,813,682	-	1,813,682	1,551,571	-	1,551,571
Charge for the period / year	55,093	-	55,093	273,951	-	273,951
Reversals	-	-	-	(11,840)	-	(11,840)
	55,093	-	55,093	262,111	-	262,111
Amounts written off	-	-	-	-	-	-
Closing balance	<u>1,868,775</u>	-	<u>1,868,775</u>	<u>1,813,682</u>	-	<u>1,813,682</u>

10.5.1 Particulars of provision against advances	30 September 2022 (Un-audited)			31 December 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000 -----					
In local currency	1,868,775	-	1,868,775	1,813,682	-	1,813,682
In foreign currencies	-	-	-	-	-	-
	<u>1,868,775</u>	-	<u>1,868,775</u>	<u>1,813,682</u>	-	<u>1,813,682</u>

10.5.2 In accordance with BSD Circular No. 1 dated 21 October 2011 issued by the SBP, the Company has availed the benefit of Forced Sales Value (FSV) against the non-performing advances. Had this benefit of FSV not been taken by the Company, the specific provision against non-performing advances would have been higher by Rs. 14.062 million (31 December 2021: Rs. 60.451 million). Further, this amount arising from availing the benefit of FSV is not available for distribution amongst the shareholders either in the form of cash or stock dividend / bonus to employees.

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- Rupees in '000 -----	
11. FIXED ASSETS			
Property and equipment		199,941	198,876
Capital work in progress	11.1	71,123	20,783
Right-of-use assets		-	8,153
		<u>271,064</u>	<u>227,812</u>

11.1 The amount represents payments made to the contractor for the office construction.

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- Rupees in '000 -----	
11.2 Additions to fixed assets			
The following additions have been made to fixed assets during the period:			
Capital work in progress		50,340	20,783
Property and equipment			
Electrical, office and computer equipment		12,206	5,741
Vehicles		-	6,941
Furniture and fixtures		-	275
		<u>12,206</u>	<u>12,957</u>
		<u>62,546</u>	<u>33,740</u>

11.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- Rupees in '000 -----	
Property and equipment			
Vehicles		-	-
Electrical, office and computer equipment		270	71
Furniture and fixtures		-	-
		<u>270</u>	<u>71</u>

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
		----- Rupees in '000 -----	
12. INTANGIBLE ASSETS			
Computer Softwares and Licenses		256	28
Capital Work in Progress	12.1	4,972	4,972
		<u>5,228</u>	<u>5,000</u>

12.1 The amount represents payment made to the software vendor for the software being implemented by the Company.

12.2 Additions to intangible assets

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

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
		----- Rupees in '000 -----	
Computer Softwares and Licenses		320	-
Capital Work in Progress		-	4,972
		<u>320</u>	<u>4,972</u>

13. DEFERRED TAX ASSETS

30 September 2022 (Un-audited)

	At 01 January 2022	Recognised in profit and loss account	Recognised in other comprehensive income	At 30 September 2022
----- Rupees in '000 -----				
Deductible Temporary Differences on				
- Provision against advances, off balance sheet, etc.	506,578	11,899	-	518,477
- Lease liability against right-of-use assets	1,369	71	-	1,440
	507,947	11,970	-	519,917
Taxable Temporary Differences on				
- Surplus on revaluation of investments - net	(11,594)	-	3,831	(7,763)
- Post retirement employee benefits	(1,679)	-	-	(1,679)
- Surplus on revaluation of non-banking asset	(12,893)	-	348	(12,197)
- Right-of-use assets - net	(2,364)	2,100	-	(264)
- Accelerated tax depreciation	(8,583)	733	-	(7,850)
- Lease assets	(10,993)	(484)	-	(11,477)
- Others	1,631	(2,134)	-	(503)
	(46,475)	215	4,179	(41,733)
	461,472	12,185	4,179	478,184

31 December 2021 (Audited)

	At 01 January 2021	Recognised in profit and loss account	Recognised in other comprehensive income	At 31 December 2021
----- Rupees in '000 -----				
Deductible Temporary Differences on				
- Provision against advances, off balance sheet, etc.	430,566	76,012	-	506,578
- Lease liability against right-of-use assets	6,163	(4,794)	-	1,369
- Others	1,645	(14)	-	1,631
	438,374	71,204	-	509,578
Taxable Temporary Differences on				
- Surplus on revaluation of investments - net	3,007	-	(14,601)	(11,594)
- Post retirement employee benefits	2,441	-	(4,120)	(1,679)
- Surplus on revaluation of non-banking asset	(13,590)	-	697	(12,893)
- Right-of-use assets - net	(6,385)	4,021	-	(2,364)
- Accelerated tax depreciation	11,743	(20,326)	-	(8,583)
- Lease assets	(21,490)	10,497	-	(10,993)
	(24,274)	(5,808)	(18,024)	(48,106)
	414,100	65,396	(18,024)	461,472

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- Rupees in '000 -----	
14. OTHER ASSETS			
Income / Mark-up accrued in local currency - net of provision		663,947	271,836
Advances, deposits and prepayments		22,905	16,926
Advance taxation (payments less provisions)		206,298	162,809
Non-banking asset acquired in satisfaction of claim	14.1	77,208	80,471
Receivable from defined benefits plan		6,651	5,788
Dividend receivable		498	150
Security deposits		6,726	6,701
Other assets (net of provision)		<u>984,233</u>	<u>544,681</u>
Surplus on revaluation of non-banking asset acquired in satisfaction of claim		42,657	44,459
Other Assets - total		<u>1,026,890</u>	<u>589,140</u>
14.1 Market value of Non-banking asset acquired in satisfaction of claim		<u>135,060</u>	<u>135,060</u>

Non-banking asset acquired in satisfaction of claims was revalued by independent professional valuer as of 10 August 2020 (full scope). The revaluation was carried out by M/s Joseph Lobo (Private) Limited on the basis of an assessment of present market values. The Company charged depreciation at the rate of 5%.

		30 September 2022 (Un-audited)	31 December 2021 (Audited)
	Note	----- Rupees in '000 -----	
14.2 Non-banking asset acquired in satisfaction of claim			
Opening Balance		124,930	131,683
Revaluation during the period / year		-	-
Less: Depreciation for the period / year		(5,065)	(6,753)
Closing Balance		<u>119,865</u>	<u>124,930</u>
15. BORROWINGS			
In Pakistan (local currency)	15.1	<u>20,354,921</u>	<u>13,658,356</u>
15.1 Details of borrowings secured / unsecured			
Secured			
Borrowings from State Bank of Pakistan - Under financing facility for:			
-Imported & Locally Manufactured Plant & Machinery (LTFF)	15.2	1,915,793	1,989,827
-Renewable Energy Facility (REF)	15.3	635,626	520,431
-Temporary Economic Refinance Facility (TERF)	15.4	829,248	552,381
-Financing Facility for Storage of Agriculture Produce (FFSAP)	15.5	52,000	-
		<u>3,432,667</u>	<u>3,062,639</u>
Borrowings from State Bank of Pakistan - open market operation	15.6	<u>7,231,680</u>	-
Total Borrowings from State Bank of Pakistan		<u>10,664,347</u>	<u>3,062,639</u>
Repurchase agreement borrowings	15.6	448,907	7,012,384
Term borrowings	15.7	5,241,667	3,583,333
Total Secured		<u>16,354,921</u>	<u>13,658,356</u>
Unsecured			
Call borrowings	15.8	4,000,000	-
Total Unsecured		<u>4,000,000</u>	-
Total borrowings		<u>20,354,921</u>	<u>13,658,356</u>

- 15.2 The Company has obtained funds from the SBP for extending Long Term Financing Facility (LTFF) for Imported & Locally Manufactured Plant & Machinery. These borrowings carry mark-up rate of 1.0% to 2.5% per annum (31 December 2021: 2.0% to 2.5%). These borrowings will mature by 2032 (31 December 2021: 2031).
- 15.3 The Company has obtained funds from the SBP for extending financing facility for renewable energy facility (REF). These borrowings carry mark-up rate of 2.0% to 3% per annum (31 December 2021: 2.0% to 3%). These borrowings will mature by 2034 (31 December 2021: 2033).
- 15.4 The Company has obtained funds from the SBP for extending Temporary Economic Refinance Facility (TERF) for economic relief. These borrowings carry mark-up rate of 1.0% per annum (31 December 2021: 1%). These borrowings will mature by 2032 (31 December 2021: 2031).
- 15.5 The Company has obtained funds from the SBP for extending Financing Facility for Storage of Agricultural Produce (FFSAP) for economic relief. These borrowings carry mark-up rate of 2.0% per annum (31 December 2021: Nil). These borrowings will mature by 2029 (31 December 2021: Nil).
- 15.6 These carry mark-up at the rates ranging from 15.15% to 15.95% per annum (31 December 2021: 10.45% to 10.65% per annum) and are secured against government securities having carrying amount of Rs. 7.651 billion and market value of Rs. 7.624 (31 December 2021: carrying value Rs. 6.997 billion and market value of Rs. 6.986 billion). These borrowings will mature up to November 2022 (31 December 2021: January 2022).
- 15.7 These represent finances obtained from Allied Bank Limited to finance regular business operations of the Company. These finances are secured against pledge of all present and future movable assets (excluding investments). It carries mark up at the rate of 6 months KIBOR +0.10% to 0.25% per annum. These are repayable in semi annual installments and shall be repaid by 2027. Total available facility is Rs. 6 billion.
- 15.8 These represent clean borrowings and carry mark-up at the rate of 15.15% to 15.25% per annum (31 December 2021: Nil). These borrowings will mature up to Oct 2022 (31 December 2021: Nil).

	Note	30 September 2022 (Un-audited)	31 December 2021 (Audited)
----- Rupees in '000 -----			
16. DEPOSITS AND OTHER ACCOUNTS			
Customers			
Term deposits - In local currency	16.2	544,278	311,570
Financial Institutions			
Term deposits - In local currency	16.3	949,360	820,677
	16.1	<u>1,493,638</u>	<u>1,132,247</u>
16.1 Composition of deposits			
- Individuals	16.4	186,542	97,249
- Private Sector		357,736	214,321
- Non-Banking Financial Institution (related party)	16.5	949,360	820,677
		<u>1,493,638</u>	<u>1,132,247</u>
16.2 The mark-up rates on these certificate of investments (COI) range between 11.75% to 15.60% per annum (31 December 2021: 7.4% to 10.1% per annum). These COIs will mature up to June 2023 (31 December 2021: March 2022).			
16.3 The mark-up rates on these certificate of investments (COI) range between 14.10% to 15.35% per annum (31 December 2021: 10.0% to 10.1% per annum). These COIs will mature up to December 2022 (31 December 2021: March 2022).			
16.4 These include non-interest bearing certificate of investments (COI) issued to employees of the Company maturing up to July 2025 (31 December 2021: November 2024).			
16.5 This represents dividend and mark-up earned thereon not remitted to Iran Foreign Investment Company (IFIC) due to foreign exchange remittance restrictions, that had been invested on IFIC's instructions in the Company's certificates of investment.			

	30 September 2022 (Un-audited)	31 December 2021 (Audited)		30 September 2022 (Un-audited)	31 December 2021 (Audited)
	----- Rupees in '000 -----			----- Rupees in '000 -----	
17. OTHER LIABILITIES					
Mark-up / Return / Interest payable in local currency	377,236	65,100			
Accrued expenses	32,716	21,706			
Payable to a financial institution	-	77,745			
Payable to an associated undertaking	8,985	8,129			
Government levies payable	3,326	3,013			
Provision for audit fee	914	1,293			
Advance insurance premium on lease	531	544			
Security deposits against finance lease	357,431	258,147			
Payable Brokerage / NCCPL	32,313	9,893			
Provision for staff rewards	5,542	25,638			
Provision for Worker's Welfare Fund	101,722	92,187			
Lease liability against right-of-use assets	3,059	4,722			
Dividend payable	-	-			
	<u>923,775</u>	<u>568,117</u>			
18. SHARE CAPITAL					
18.1 Authorised capital					
	30 September 2022 (Un-audited)	31 December 2021 (Audited)		30 September 2022 (Un-audited)	31 December 2021 (Audited)
	----- Number of shares -----			----- Rupees in '000 -----	
	<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>10,000,000</u>	<u>10,000,000</u>
18.2 Issued, subscribed and paid-up share capital					
	<u>600,000,000</u>	<u>600,000,000</u>	Ordinary shares of Rs. 10 each	<u>6,000,000</u>	<u>6,000,000</u>
	<u>600,000,000</u>	<u>600,000,000</u>	Fully paid in cash	<u>6,000,000</u>	<u>6,000,000</u>
18.3 Major shareholders (holding more than 5% of total paid-up capital)					
	30 September 2022 (Un-audited)			31 December 2021 (Audited)	
Name of shareholder	Number of shares held	Percentage of shareholding		Number of shares held	Percentage of shareholding
Government of Pakistan	300,000,000	50%		300,000,000	50%
Iran Foreign Investment Company	300,000,000	50%		300,000,000	50%
	<u>600,000,000</u>	<u>100%</u>		<u>600,000,000</u>	<u>100%</u>

30 September 31 December
2022 2021
(Un-audited) (Audited)
----- Rupees in '000 -----

19. RESERVES

Statutory reserve		
Opening balance	1,004,551	965,805
Transfer during the period / year	65,711	38,746
Closing balance	1,070,262	1,004,551

19.1 According to BPD Circular No. 15 dated 31 May 2004 issued by SBP, an amount not less than 20% of the after tax profits shall be transferred to create a reserve fund till such time the reserve fund equals the amount of the paid-up capital and after that a sum not less than 5% of profit after tax shall be credited to the statutory reserve.

30 September 31 December
2022 2021
(Un-audited) (Audited)
----- Rupees in '000 -----

20. (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS

	Note		
Surplus / (deficit) on revaluation of			
- Available for sale securities	9.1	(154,833)	(30,286)
- Non-banking asset acquired in satisfaction of claim		48,064	48,064
Transferred to unappropriated profit in respect of incremental depreciation charged		(5,407)	(3,953)
		(112,176)	13,825
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		(7,763)	(11,594)
- Non-banking asset acquired in satisfaction of claim		(12,545)	(12,893)
		(20,308)	(24,487)
		(132,484)	(10,662)

21. CONTINGENCIES AND COMMITMENTS

21.1 With respect to tax year 2009, 2011, 2012 & 2013 ADCIR amended assessment under Section 122(5A) of the Ordinance. The ACIR passed order under Section 122(5A) raising demand amounting of Rs. 23.3 million, 57.6 million, 32.152 million & 45.219 million respectively. The Company filed appeals against the order before the CIR(A). The CIR(A) upheld the order of ACIR. The Company, then filed appeals before the Appellate Tribunal Inland Revenue (ATIR) in respect of the orders passed by the CIR(A). The appeals have been heard and reserved for order. The Company, in consultation with its tax advisor, is confident of a favourable outcome.

21.2 The Additional Commissioner Inland Revenue (ADCIR) amended the assessment for the tax year 2013 under Section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance). Income tax demand of Rs. 51.113 million was created including liability of Workers' Welfare Fund (WWF) amounting to Rs. 13.874 million. The Company also challenged the impugned order through appeal under Section 127 of the Ordinance with the Commissioner Inland Revenue (Appeals) - CIR(A). However, CIR(A) has confirmed all the issues except the issue pertaining to premium amortization which has been set aside and against which the Company has been provided a relief. Thereafter, the Company has filed appeal before Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A) which is pending for hearing.

- 21.3 The Additional Commissioner Inland Revenue (ADCIR) amended the assessments for tax year 2015 and raised demand of Rs. 80.433 million which was later revised to Rs. 87.014 million. The demand was challenged by the Company by filing an appeal with the CIR(A). However, on confirmation of the demand order by CIR(A) the Company filed an appeal before the ATIR and made payment of Rs. 17.5 million under protest. The ATIR through its order dated 24 November 2016 deleted the demand and directed the department to work out the liability of WWF in the light of Supreme Court's order. Consequently, the tax department filed a reference in High Court, dated 16 February 2017, which is yet to be admitted for hearing. Moreover, certain issues were remanded back by the ATIR under the aforementioned order against which relief has been allowed by the CIR(A) however, appeal effect order is pending. Department has filed reference in High Court dated 16 Feb 2017 bearing reference No.ITRA 88/2017 which is pending for hearing.
- 21.4 With respect to tax year 2016, ADCIR amended the assessment and demand amounting to Rs. 52.049 million was created. The Company admitted tax imposed on commission income amounting to Rs. 1.031 million, which was paid and on other issues filed appeal to CIR(A) against ADCIR order. The CIR(A) passed order and decided the appeal and allowed partial relief. Order to the extent of apportionment of Finance Cost was confirmed by CIR(A). An appeal effect order under section 124 of the Ordinance is required to be passed for the relief allowed by CIR(A). The company and the department has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) on the issue decided against it. The demand of Rs. 52,049,552 was created which was paid by the company under protest.
- 21.5 With respect to tax year 2017, ADCIR amended the assessment and demand amounting to Rs. 46.351 million was created. The Company paid the demand / adjusted the refund under protest and filed appeal against order before CIR(A). The CIR(A) passed order and has decided the appeal and allowed partial relief and accepted contention except on apportionment of markup expenses. An appeal effect order under Section 124 of the Ordinance is required to be passed for the relief allowed by CIR(A). Moreover, both the Company and the department have filed appeals before the ATIR on the issues decided against them. The appeal is awaited to be heard. The issue is pending before ATIR.
- 21.6 With respect to tax year 2018, ADCIR amended the assessment under Section 122(5A) of the Ordinance. The ACIR has passed order under Section 122(5A) reducing the refund amounting to Rs. 17.962 million. The Company filed an appeal against the order before the CIR(A). The CIR(A) passed order and has decided the appeal and allowed partial relief and accepted our contention except on apportionment of markup expenses. An appeal effect order under Section 124 of the Ordinance is required to be passed for the relief allowed by CIR(A). The company has filed an appeal before ATIR. The appeal is pending for hearing.

	30 September 2022 (Un-audited) ----- Rupees in '000 -----	31 December 2021 (Audited) -----
21.7	Commitments in respect of repo transactions	
	Repurchase agreement borrowings	7,680,587 7,012,384
21.8	Direct credit substitutes	102,000 402,000

21.9 Commitments to extend credit

The Company makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

Off balance sheet financial instruments referred to as derivatives, contracts the characteristics of which are derived from those of underlying assets. These include forwards and swaps in money and foreign exchange markets. The Company's exposure in these instruments represents equity futures. The Company also enters into repo transactions against government securities carrying fixed interest rates and having fixed contractual maturities. The credit risk associated with repo transactions is secured through underlying government securities.

23. DERIVATIVE INSTRUMENTS

The Company at present does not offer structured derivative products such as interest rate swaps, forward rate swaps, forward rate agreements or forward exchange options. However, the Company treasury and investment group may buy and sell derivative instruments such as equity futures.

23.1 Equity futures

An equity futures contract is a standardized contract, traded on a futures counter of the stock exchange, to buy or sell a certain underlying scrip at a certain date in the future, at a specified price.

The Company may use equity futures as a hedging instrument to hedge its equity portfolio against equity price risk. Only selected shares are allowed to be traded on futures exchange. Equity futures give flexibility to the Company either to take delivery on the future settlement date or to settle it by adjusting the notional value of the contract based on the current market rates.

Maximum exposure limit to the equity futures is 10% of tier 1 capital of the Company, based on prevailing SBP regulations.

	30 September 2022	30 September 2021
	(Un-audited)	(Un-audited)
Note	----- Rupees in '000 -----	----- Rupees in '000 -----
24. MARK-UP / RETURN / INTEREST EARNED		
On loans and advances	474,568	301,989
On investments	1,702,754	839,824
On deposits with financial institutions	2,069	1,003
On lendings to financial institutions	827	2,847
	<u>2,180,218</u>	<u>1,145,663</u>
25. MARK-UP / RETURN / INTEREST EXPENSED		
Deposits	118,380	51,728
Repurchase agreement borrowings	268,360	214,664
Call borrowings	288,517	93,860
On borrowing from State Bank of Pakistan- Under financing facility for:		
- Financing Facility for Storage of Agriculture Produce (FFSAP)	86	-
- Imported & Locally Manufactured Plant & Machinery (LTFF)	28,276	28,346
- Renewable Energy Facility (REF)	12,647	7,966
- Temporary Economic Refinance Facility (TERF)	5,507	490
Borrowings from State Bank of Pakistan - open market operation	259,516	-
Term Borrowing	399,880	194,691
Unwinding cost of liability against the right-of-use assets	611	1,989
	<u>1,381,780</u>	<u>593,734</u>

		30 September 2022	30 September 2021
	Note	(Un-audited) ----- Rupees in '000 -----	(Un-audited) ----- Rupees in '000 -----
26. FEE & COMMISSION INCOME			
Processing fees		17,099	12,573
Investment banking fees		-	1,246
Commission on guarantees		1,608	308
		<u>18,707</u>	<u>14,127</u>
27. (LOSS) / GAIN ON SALE OF SECURITIES			
Realised	27.1	(18,317)	63,039
Unrealised - held for trading		(7,345)	(8,743)
		<u>(25,662)</u>	<u>54,296</u>
27.1 Realised (loss) / gain on:			
Shares		<u>(18,317)</u>	<u>63,039</u>
28. OPERATING EXPENSES			
A Total compensation expense	28.1	235,112	191,117
B Property expense			
Insurance		2,926	2,542
Utilities cost		6,652	5,487
Security (including guards)		398	394
Repair & maintenance (including janitorial charges)		10,694	9,798
Depreciation on right-of-use assets		8,312	10,079
Depreciation on owned assets		6,695	7,173
		<u>35,677</u>	<u>35,473</u>
C Information technology expenses			
Software maintenance		3,321	1,203
Depreciation		4,282	2,714
Amortisation		91	89
Network charges		4,314	4,519
Others		829	776
		<u>12,837</u>	<u>9,301</u>
D Other operating expenses			
Directors' fees and allowances		10,000	11,770
Legal & professional charges		7,085	7,246
Travelling & conveyance		8,518	6,763
Depreciation		2,917	2,355
Training & development		344	758
Postage & courier charges		123	105
Communication		1,288	1,098
Stationery & printing		1,493	772
Marketing, advertisement & publicity		1,468	45
Donations	28.2	2,000	-
Auditors Remuneration		2,396	2,760
Commission and brokerage		3,378	1,791
Others		2,473	1,640
		<u>43,483</u>	<u>37,103</u>
		<u>327,109</u>	<u>272,994</u>

		30 September 2022 (Un-audited)	30 September 2021 (Un-audited)
	Note	----- Rupees in '000 -----	
28.1	Total compensation expense		
	Employees Remuneration	141,630	116,245
	Charge for defined benefit plan	9,247	9,626
	Contribution to defined contribution Plan	9,058	8,090
	Rent and house maintenance	30,070	23,278
	Utilities	6,828	5,819
	Medical	8,709	7,420
	Conveyance	28,081	19,873
	Others	1,489	766
		<u>235,112</u>	<u>191,117</u>
28.2	Donations		
	Consulate General of Iran - Iranian School in Karachi.	1,000	-
	Saylani Welfare Trust - Flood Relief	1,000	-
		<u>2,000</u>	<u>-</u>
29	PROVISIONS & WRITE OFFS - NET		
	Provisions for diminution in value of investments - net	9.4	14,189
	Provisions against loans and advances	10.5	(69)
		<u>55,093</u>	<u>202,416</u>
		<u>69,282</u>	<u>202,347</u>
30.	TAXATION		
	Current	133,593	114,531
	Prior period	21,508	-
	Deferred	(12,185)	(52,300)
		<u>142,916</u>	<u>62,231</u>
31.	BASIC & DILUTED EARNINGS PER SHARE		
	Profit for the period	<u>328,554</u>	<u>133,578</u>
		(Number of Shares in '000)	
	Weighted average number of ordinary shares	<u>600,000</u>	<u>600,000</u>
	Basic & diluted earnings per share	<u>0.55</u>	<u>0.22</u>
32.	FAIR VALUE MEASUREMENTS		

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market prices. 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.

32.1 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).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Fair values of financial assets are determined as follows:

Type of security	Valuation based on
Government securities	PKRV / PKFRV rates (MUFAP rates)
Term finance certificates and sukuk bonds (other than government)	MUFAP rates
Listed securities	PSX rates
Non-banking assets acquired in satisfaction of claim	Independent valuer's report

In the opinion of the management, the fair value of the remaining financial assets and liabilities is not significantly different from their carrying values.

32.2 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 measured is categorised.

On balance sheet financial instruments	Carrying value	30 September 2022 (Un-audited)			
		Fair value			Total
		Level 1	Level 2	Level 3	
----- Rupees in 000 -----					
Financial assets measured at fair value					
Investments					
Federal Government Securities	13,850,693	-	13,850,693	-	13,850,693
Shares in listed companies	1,197,041	1,197,041	-	-	1,197,041
Non-Government Debt Securities	2,407,270	2,407,270	-	-	2,407,270
	17,455,004	3,604,311	13,850,693	-	17,455,004
Financial assets not measured at fair value					
Cash and balances with treasury banks	114,637				
Balances with other banks	100,306				
Investments					
Non-Government Debt Securities	4,167,345				
Commercial Paper	247,785				
Advances	8,617,765				
Other assets	685,795				
	13,933,633				
Financial liabilities not measured at fair value					
Borrowings	20,354,921				
Deposits and other accounts	1,493,638				
Other liabilities	813,185				
	22,661,744				

Carrying/ Notional value	31 December 2021 (Audited)				Total
	Fair value			Total	
	Level 1	Level 2	Level 3		
----- Rupees in 000 -----					
Financial assets measured at fair value					
Investments - other than commercial papers					
Federal Government Securities	9,967,626	-	9,967,626	-	9,967,626
Shares in listed companies	1,127,520	1,127,520	-	-	1,127,520
Non Government Debt Securities	1,867,013	1,867,013	-	-	1,867,013
	<u>12,962,159</u>	<u>2,994,533</u>	<u>9,967,626</u>	<u>-</u>	<u>12,962,159</u>

Financial assets not measured at fair value

Cash and balances with treasury banks	75,966
Balances with other banks	162,471
Investments	
Non Government Debt Securities	3,824,563
Commercial Paper	188,715
Advances	6,516,564
Other assets	321,066
	<u>11,089,345</u>

Financial liabilities not measured at fair value

Borrowings	13,658,356
Deposits and other accounts	1,132,247
Other liabilities	447,279
	<u>15,237,882</u>

33. SEGMENT INFORMATION

Segment Details with respect to Business Activities

	30 September 2022 (Un-audited)				Total
	Corporate Finance & Commercial Banking	Trading & Sales (other than Capital Market)	Capital Markets	Others	
----- Rupees in 000 -----					
Profit & Loss					
Net mark-up/return/profit	645,981	194,681	-	(42,224)	798,438
Inter segment revenue - net	-	-	-	-	-
Non mark-up / return / interest income	18,707	-	48,841	11,410	78,958
Total Income	664,688	194,681	48,841	(30,814)	877,396
Segment direct expenses	34,477	12,883	15,032	274,252	336,644
Inter segment expense allocation	-	-	-	-	-
Total expenses	34,477	12,883	15,032	274,252	336,644
Provisions	57,082	-	12,200	-	69,282
Profit before tax	573,129	181,798	21,609	(305,066)	471,470

30 September 2022 (Un-audited)

	Corporate Finance & Commercial Banking	Trading & Sales (other than Capital Market)	Capital Markets	Others	Total
	----- Rupees in 000 -----				
Balance Sheet					
Cash & Bank balances	-	-	-	214,943	214,943
Investments	4,700,253	16,027,741	1,142,140	-	21,870,134
Net inter segment lending	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-
Advances - performing	8,298,903	-	-	135,257	8,434,160
- non-performing	183,605	-	-	-	183,605
Others	934,226	348,666	39,779	458,535	1,781,206
Total Assets	14,116,987	16,376,407	1,181,919	808,735	32,484,048
Borrowings	6,536,216	13,352,578	466,127	-	20,354,921
Subordinated debt	-	-	-	-	-
Deposits & other accounts	884,371	476,442	132,825	-	1,493,638
Net inter segment borrowing	-	-	-	-	-
Others	114,050	263,185	-	546,380	923,615
Total liabilities	7,534,637	14,092,205	598,952	546,380	22,772,174
Equity	6,582,349	2,284,202	582,968	262,355	9,711,874
Total Equity & liabilities	14,116,986	16,376,407	1,181,920	808,735	32,484,048
Contingencies & Commitments	102,000	7,680,587	-	-	7,782,587

30 September 2021 (Un-audited)

	Corporate Finance & Commercial Banking	Trading & Sales (other than Capital Market)	Capital Markets	Others	Total
	----- Rupees in 000 -----				
Profit & Loss					
Net mark-up/return/profit	380,543	187,032	-	(15,646)	551,929
Inter segment revenue - net	-	-	-	-	-
Non mark-up / return / interest income	14,127	-	111,210	2,753	128,090
Total Income	394,670	187,032	111,210	(12,893)	680,019
Segment direct expenses	28,990	18,740	11,856	222,277	281,863
Inter segment expense allocation	-	-	-	-	-
Total expenses	28,990	18,740	11,856	222,277	281,863
Provisions / (reversals)	207,102	-	(4,755)	-	202,347
Profit before tax	158,578	168,292	104,109	(235,170)	195,809

31 December 2021 (Audited)

	Corporate Finance & Commercial Banking	Trading & Sales (other than Capital Market)	Capital Markets	Others	Total
----- Rupees in 000 -----					
Balance Sheet					
Cash & Bank balances	-	-	-	238,437	238,437
Investments	4,903,381	10,999,436	1,072,620	-	16,975,437
Net inter segment lending	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-
Advances - performing	6,143,380	-	-	124,634	6,268,014
Advances - non-performing	248,550	-	-	-	248,550
Others	770,572	107,088	150	405,614	1,283,424
Total Assets	12,065,883	11,106,524	1,072,770	768,685	25,013,862
Borrowings	5,142,716	8,188,543	327,097	-	13,658,356
Subordinated debt	-	-	-	-	-
Deposits & other accounts	657,255	371,638	103,354	-	1,132,247
Net inter segment borrowing	-	-	-	-	-
Others	272,990	21,591	9,893	263,643	568,117
Total liabilities	6,072,961	8,581,772	440,344	263,643	15,358,720
Equity	5,992,922	2,524,752	632,426	505,042	9,655,142
Total Equity & liabilities	12,065,883	11,106,524	1,072,770	768,685	25,013,862
Contingencies & Commitments	402,000	7,012,384	-	-	7,414,384

34. RELATED PARTY TRANSACTIONS

Related parties of the Company comprise retirement benefit plan, major shareholders, directors, key management personnel and their close family members.

Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment. Other transactions are at agreed rates.

Details of balances and transactions with related parties as at the end and during the period, other than those which have been disclosed elsewhere in these financial statements are as follows:

	30 September 2022 (Un-audited)			31 December 2021 (Audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
	----- Rupees in '000 -----					
Advances						
Opening balance	-	77,819	-	-	90,427	-
Addition during the period / year	-	16,608	-	-	7,817	-
Repaid during the period / year	-	(9,686)	-	-	(20,425)	-
Closing balance	-	84,741	-	-	77,819	-
Other Assets						
Other receivable	-	-	14,625	-	-	11,492
Deposits and other accounts						
Opening balance	-	34,127	852,783	-	3,087	691,699
Received during the period / year	-	446,473	3,077,881	-	128,326	3,295,303
Withdrawn during the period / year	-	(421,133)	(2,831,562)	-	(97,286)	(3,134,220)
Closing balance	-	59,467	1,099,102	-	34,127	852,782
Other Liabilities						
Interest / mark-up payable	-	426	30,706	-	497	13,029
Other liabilities						
- bonus payable to MD/CEO	-	2,966	-	-	1,702	-
- payable to Iran Foreign Investment Company - associate	-	-	8,985	-	-	8,129
- director fee payable	-	-	-	-	-	2,000
Receivable from / (payable) to defined benefit plan	-	-	6,651	-	-	5,788
	-	3,392	46,342	-	2,199	28,946

RELATED PARTY TRANSACTIONS

	30 September 2022 (Un-audited)			30 September 2021 (Un-audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
	----- Rupees in '000 -----					
Income						
Mark-up / return / interest earned	-	3,061	-	-	3,151	-
Expense						
Mark-up / return / interest paid	-	4,682	86,327	-	1,062	42,377
Operating expenses						
Fees for Board & Committee Meeting	10,000	-	-	11,250	-	-
Allowance for Board & Committee Meeting	-	-	-	-	-	-
Managerial Remuneration	-	89,277	-	-	75,031	-
Contribution to defined contribution plan	-	5,824	-	-	5,200	-
Rent & house maintenance	-	16,508	-	-	13,092	-
Utilities	-	5,244	-	-	3,510	-
Medical	-	4,529	-	-	3,864	-
Conveyance	-	11,427	-	-	9,011	-
Others	-	522	-	-	525	-

35. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

30 September 2022 (Un-audited) 31 December 2021 (Audited)
----- Rupees in '000 -----

Minimum Capital Requirement (MCR):

Paid-up capital (net of losses)

6,000,000 6,000,000

Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

4,323,414 6,122,373

Eligible Additional Tier 1 (ADT 1) Capital

- -

Total Eligible Tier 1 Capital

4,323,414 6,122,373

Eligible Tier 2 Capital

- -

Total Eligible Capital (Tier 1 + Tier 2)

4,323,414 6,122,373

Risk Weighted Assets (RWAs):

Credit Risk

10,368,176 8,872,115

Market Risk

1,831,061 1,654,795

Operational Risk

1,854,382 1,854,382

Total

14,053,619 12,381,292

30 September 2022 (Un-audited)		31 December 2021 (Audited)	
Required	Actual	Required	Actual

Common Equity Tier 1 Capital

Adequacy ratio (%)

6.00%	30.76%	6.00%	49.45%
-------	--------	-------	--------

Tier 1 Capital Adequacy Ratio (%)

7.50%	30.76%	7.50%	49.45%
-------	--------	-------	--------

Total Capital Adequacy Ratio (%)

11.5%*	30.76%	11.50%	49.45%
--------	--------	--------	--------

*In terms of BPRD Circular Letter No. 12 of 2020 dated 26 March 2020, SBP has reduced Capital Conversion Buffer (CCB) requirement from 2.5% to 1.5% to enable the banks/DFIs to continue funding the real economy during evolving situation of CoVID-19 outbreak.

Standardized Approach of Basel III is used for calculating Capital Adequacy for Credit and Market Risk while Basic indicator Approach is used for calculating Capital Adequacy for Operational Risk.

30 September 2022 (Un-audited) 31 December 2021 (Audited)
----- Rupees in '000 -----

Leverage Ratio (LR):

Eligible Tier-1 Capital

4,323,414 6,122,373

Total Exposures

27,497,009 21,869,470

Leverage Ratio

15.72% 28.00%

Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

6,788,001 5,280,683

Total Net Cash Outflow

4,718,353 2,258,417

Liquidity Coverage Ratio (%)

144% 234%

Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

17,794,202 16,052,867

Total Required Stable Funding

14,484,751 11,831,174

Net Stable Funding Ratio (%)

123% 136%

35.1 State Bank of Pakistan issued Green Banking Guidelines vide IH&SMEFD Circular No. 08 of 2017 with a view to safeguarding against environmental risks emerging from banks and DFIs' businesses and operations. In order to align the DFI with regulatory expectations, PICL has put in place a Green Banking Framework focusing on following three areas:

1) **Environmental Risk Management**

For increasing financial stability through management and mitigation of environmental Risks of Lending portfolio, PICL has in place integration of environmental risk considerations into the credit risk assessment by introducing an Environmental Risk Rating, which is part of the Credit Risk Assessment.

2) **Business Facilitation**

The DFI is pursuing a green portfolio through soliciting clients for Renewable Energy related Lending by offering the SBP's Renewable Energy Refinance Scheme.

3) **Own Impact Reduction**

In order to reduce its own impact on environment, the DFI has set targets to lower its energy consumption, paper and waste reduction, bring energy efficient equipments, and plantation of greenery in surroundings.

36. **GENERAL**

36.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

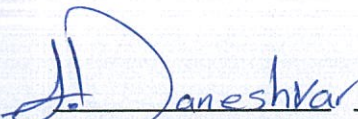
36.2 The Pakistan Credit Rating Agency Limited (PACRA) has maintained the long term entity rating to AA (Double A) and the short term rating at A1+ (A one plus) of the Company dated 25 June 2022.

37. **EVENTS AFTER THE REPORTING DATE**

There are no events after the reporting date which could have material effect on these condensed interim financial statements.

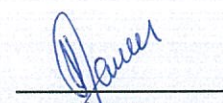
38. **DATE OF AUTHORISATION**

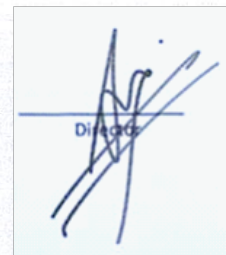
These condensed interim financial statements were authorized for issue on 23 Oct 2022 by the Board of Directors of the Company.


Managing Director /
Chief Executive Officer


Chief Financial Officer


Chairman


Director


Director