



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

**CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)**

For the nine months period ended September 30, 2022

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
------(Rupees in '000)-----			
ASSETS			
Cash and balances with treasury banks	6	302,682	142,662
Balances with other banks	7	84,328	19,152
Lendings to financial institutions		-	-
Investments	8	448,916,218	103,844,929
Advances	9	43,597,448	27,359,484
Fixed assets	10	379,928	279,773
Intangible assets	11	14,106	13,066
Deferred tax assets		-	-
Other assets	12	5,285,381	3,375,278
		498,580,091	135,034,344
LIABILITIES			
Bills payable		-	-
Borrowings	13	432,495,063	81,209,024
Deposits and other accounts	14	13,218,703	6,264,766
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities	15	3,937,794	3,370,747
Other liabilities	16	2,544,082	2,005,521
		452,195,642	92,850,058
NET ASSETS		<u>46,384,449</u>	<u>42,184,286</u>
REPRESENTED BY			
Share capital		16,000,000	16,000,000
Reserves	17	12,388,643	12,388,643
Deficit on revaluation of assets - net	18	(2,628,971)	(942,391)
Unappropriated profit		20,624,777	14,738,034
		<u>46,384,449</u>	<u>42,184,286</u>
CONTINGENCIES AND COMMITMENTS		19	

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.


 Chief Executive


 Chief Financial Officer


 Director


 Director


 Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
 CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
 FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

Note	Quarter ended		Nine months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021

------(Rupees in '000)-----

Mark-up / return / interest earned	20	14,208,566	1,981,269	19,587,676	5,213,816
Mark-up / return / interest expensed	21	13,489,713	1,371,126	18,194,377	3,515,360
Net mark-up / interest income		718,853	610,143	1,393,299	1,698,456

NON MARK-UP / INTEREST INCOME

Fee and commission income	22	8,838	8,721	86,274	43,025
Dividend income		149,681	55,264	233,809	155,611
Foreign exchange income		-	-	-	-
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	23	220,439	(63,366)	220,777	160,191
Share in results of associates - net	24	3,527,661	2,145,121	8,725,600	6,248,582
Other income	25	21,245	9,880	54,249	29,209
Total non-markup / interest income		3,927,864	2,155,620	9,320,709	6,636,618
Total income		4,646,717	2,765,763	10,714,008	8,335,074

NON MARK-UP / INTEREST EXPENSES

Operating expenses	26	497,185	331,136	1,113,355	1,031,721
Workers Welfare Fund		78,256	47,249	174,716	142,714
Other charges		-	-	-	-
Total non-markup / interest expenses		575,441	378,385	1,288,071	1,174,435

Profit before provisions

		4,071,276	2,387,378	9,425,937	7,160,639
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Provision - net
 Extra ordinary / unusual items

27	158,450	24,963	690,134	24,963
	-	-	-	-

PROFIT BEFORE TAXATION

		3,912,826	2,362,415	8,735,803	7,135,676
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Taxation

28	657,184	418,685	1,768,461	1,243,494
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PROFIT AFTER TAXATION

		3,255,642	1,943,730	6,967,342	5,892,182
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-----Rupees-----

Basic earnings per share
 (on share of Rs. 25,000 each)

29	5,087	3,037	10,886	9,207
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The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.


				
Chief Executive	Chief Financial Officer	Director	Director	Director


PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022


	Quarter ended		Nine months period ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	(Rupees in '000)			
Profit after taxation for the period	3,255,642	1,943,730	6,967,342	5,892,182
Other comprehensive (loss) / income				
Items that may be reclassified to the profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of 'available-for-sale' securities - net of tax	289,584	(684,694)	(811,182)	(530,229)
Movement in surplus / (deficit) on revaluation of 'available-for-sale' securities of associates - net of tax	365,694	(62,446)	(875,004)	47,983
	655,278	(747,140)	(1,686,186)	(482,246)
Items that will not be reclassified to the profit and loss account in subsequent periods:				
Remeasurement loss on defined benefit obligation - net of tax	-	-	-	-
Share of deficit on revaluation of non - banking assets of associates - net of tax	-	-	(394)	(313)
Share of remeasurement loss of defined benefit obligation of associates - net of tax	(6,923)	(3,395)	(12,023)	(518)
	(6,923)	(3,395)	(12,417)	(831)
Total comprehensive income	<u>3,903,997</u>	<u>1,193,195</u>	<u>5,268,739</u>	<u>5,409,105</u>

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.


 Chief Executive


 Chief Financial Officer


 Director


 Director


 Director

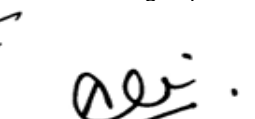
PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

	Share Capital	Capital reserve			Surplus / (deficit) on revaluation of		Revenue reserve	Total
		Non-Distributable reserve	Statutory reserve	Capital Market Equalization reserve	Investments	Non banking assets of associates	Unappropriated profit	
------(Rupees in '000)-----								
Balance as at January 1, 2021 (audited)	10,000,000	935,264	8,217,424	1,659,468	1,469,041	5,766	15,430,259	37,717,222
Profit after taxation for the nine months period ended September 30, 2021	-	-	-	-	-	-	5,892,182	5,892,182
Other comprehensive loss - net of tax	-	-	-	-	(482,246)	(313)	(518)	(483,077)
Total comprehensive (loss) / income	-	-	-	-	(482,246)	(313)	5,891,664	5,409,105
Transactions with owners recorded directly in equity								
Final dividend for the year ended December 31, 2020 @ Rs. 2,500 per share	-	-	-	-	-	-	(1,000,000)	(1,000,000)
Issue of bonus shares 240,000 shares @ Rs. 25,000 each	6,000,000	-	-	-	-	-	(6,000,000)	-
Balance as at September 30, 2021 (un-audited)	16,000,000	935,264	8,217,424	1,659,468	986,795	5,453	14,321,923	42,126,327
Profit after taxation for the quarter ended December 31, 2021	-	-	-	-	-	-	1,990,252	1,990,252
Other comprehensive (loss) / income - net of tax	-	-	-	-	(1,935,892)	1,253	(31,688)	(1,966,327)
Total comprehensive (loss) / income	-	-	-	-	(1,935,892)	1,253	1,958,564	23,925
Transfer to statutory reserve	-	-	1,576,487	-	-	-	(1,576,487)	-
Share of movement in other reserve of associate - net of tax	-	-	-	-	-	-	34,034	34,034
Balance as at December 31, 2021 (audited)	16,000,000	935,264	9,793,911	1,659,468	(949,097)	6,706	14,738,034	42,184,286
Profit after taxation for the nine months period ended September 30, 2022	-	-	-	-	-	-	6,967,342	6,967,342
Other comprehensive loss - net of tax	-	-	-	-	(1,686,186)	(394)	(12,023)	(1,698,603)
Total comprehensive (loss) / income	-	-	-	-	(1,686,186)	(394)	6,955,319	5,268,739
Transactions with owners recorded directly in equity								
Final dividend for the year ended December 31, 2021 @ Rs.1,718.75 per share	-	-	-	-	-	-	(1,100,000)	(1,100,000)
Share of movement in other reserve of associate - net of tax	-	-	-	-	-	-	31,424	31,424
Balance as at September 30, 2022 (un-audited)	16,000,000	935,264	9,793,911	1,659,468	(2,635,283)	6,312	20,624,777	46,384,449

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director



Director



Director

**PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022**

	Note		September 30, 2022		September 30, 2021	
			----- (Rupees in '000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before taxation			8,735,803		7,135,676	
Less: Dividend income			(233,809)		(155,611)	
			<u>8,501,994</u>		<u>6,980,065</u>	
Adjustments for:						
Depreciation			35,818		52,714	
Amortization			4,084		3,772	
Provisions - net			690,134		24,963	
Gain on sale of fixed assets			(6,965)		(650)	
Finance charges on leased assets			-		-	
Unrealized loss on revaluation of 'held for trading' securities	23		1,948		1,780	
Share in results of associates - net			(8,725,600)		(6,248,582)	
			<u>(8,000,581)</u>		<u>(6,166,003)</u>	
			501,413		814,062	
(Increase) / decrease in operating assets						
Lendings to financial institutions			-		(170,038)	
Held-for-trading securities			(52,657)		(91,115)	
Advances			(16,237,964)		(2,332,868)	
Others assets (excluding advance taxation)			(3,380,289)		(1,256,966)	
			<u>(19,670,910)</u>		<u>(3,850,987)</u>	
Increase / (decrease) in operating liabilities						
Borrowings			351,286,039		20,192,491	
Deposits			6,953,937		(1,260,000)	
Other liabilities (excluding current taxation)			538,831		409,707	
			<u>358,778,807</u>		<u>19,342,198</u>	
			339,609,310		16,305,273	
Income tax paid			587,363		(103,894)	
Net cash inflow from operating activities			<u>340,196,673</u>		<u>16,201,379</u>	
CASH FLOWS FROM INVESTING ACTIVITIES						
Net investments in available-for-sale securities			(341,493,974)		(17,449,559)	
Dividends received			2,756,898		2,362,051	
Investments in operating fixed assets			(141,581)		(52,990)	
Proceeds from sale of fixed assets			7,180		650	
Net cash used in investing activities			<u>(338,871,477)</u>		<u>(15,139,848)</u>	
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividend paid			(1,100,000)		(1,000,000)	
Net cash used in financing activities			<u>(1,100,000)</u>		<u>(1,000,000)</u>	
Increase in cash and cash equivalents			<u>225,196</u>		<u>61,531</u>	
Cash and cash equivalents at beginning of the period			161,814		151,215	
Cash and cash equivalents at end of the period			<u>387,010</u>		<u>212,746</u>	

The annexed notes 1 to 35 form an integral part of these condensed interim financial statements.

				
Chief Executive	Chief Financial Officer	Director	Director	Director

PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2022

1 STATUS AND NATURE OF BUSINESS

Pakistan Kuwait Investment Company (Private) Limited ("the Company") was incorporated in Pakistan as a Private Limited Company on March 17, 1979. The registered office of the Company is situated at 4th Floor, Block 'C', Finance and Trade Centre, Shahrah-e-Faisal, Karachi. The Company has a representative office in Lahore. The Company is a 50:50 joint venture between the Government of Pakistan (GoP) and Government of Kuwait (GoK). The objective of the Company is to profitably promote industrial investments in Pakistan.

The Pakistan Credit Rating Agency (PACRA) has maintained for the Company, the long-term entity rating at AAA (Triple A) and the short term rating at A1+(A one plus), the highest level.

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. The accounting and reporting standards 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 the Companies Act, 2017; and
- Directives issued by State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962 and the Companies Act, 2017 or the directives issued by SBP and SECP differ with the requirements of the IAS 34, the requirements of Banking Companies Ordinance, 1962, The Companies Act, 2017 and the said directives shall prevail.

2.2 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 05 dated March 22, 2019 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the annual audited financial statements for the year ended December 31, 2021.

2.3 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current period:

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

2.4 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective:

The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

Standard, interpretation or amendments	Effective date (annual periods beginning on or after)
- IAS 1 - Classification of Liabilities as Current or Non-Current (Amendments)	January 1, 2023

Standard, interpretation or amendments	Effective date (annual periods beginning on or after)
- IAS 1 - Disclosure of Accounting Policies (Amendments)	January 1, 2023
- IAS 8 - Definition of Accounting Estimates (Amendments)	January 1, 2023
- IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	January 1, 2023
- IFRS 9 - 'Financial instruments' *	January 1, 2023

* The SBP vide its BPRD Circular Letter No. 03 of 2022 dated July 05, 2022 has deferred the applicability of IFRS 9, 'Financial Instruments' to accounting periods beginning on or after January 1, 2023 and has also issued detailed application guidelines for implementation of IFRS 9. The standard addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of impairment charge based on 'Expected Credit Losses' (ECL) approach rather than 'incurred credit losses' approach. The ECL has an impact on all the assets of the Company which are exposed to credit risk. The impact of the application of IFRS 9 in Pakistan on the Company's financial statements is currently being assessed based on the detailed application guidelines issued by the SBP.

3 SIGNIFICANT ACCOUNTING POLICIES

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form basis of making the judgments about carrying values of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of its revision and future periods if the revision affects both current and future periods.

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

5 FINANCIAL RISK MANAGEMENT

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

	Note	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
----- (Rupees in '000) -----			
6 CASH AND BALANCES WITH TREASURY BANKS			
Cash in hand in local currency		80	80
With State Bank of Pakistan in			
- local currency current account	6.1	299,571	141,420
With National Bank of Pakistan in			
- local currency current account		<u>3,031</u>	<u>1,162</u>
		<u>302,682</u>	<u>142,662</u>

6.1 This includes Rs. 268.5 million (December 31, 2021: Rs.136.5 million) held as minimum cash reserve required to be maintained with the SBP in accordance with requirement of BSD Circular No. 04 dated May 22, 2004.

	Note	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
----- (Rupees in '000) -----			
7 BALANCES WITH OTHER BANKS			
In Pakistan			
- current accounts		50,753	1,097
- deposit accounts	7.1	<u>33,575</u>	<u>18,055</u>
		<u>84,328</u>	<u>19,152</u>

7.1 This represents balance maintained in saving accounts with banks which includes balance with Meezan bank (a related party) amounting Rs. 29.83 million (December 31, 2021: Rs. 16.085 million). The profit rates on these accounts ranges between 6.50% to 13.50% (December 31, 2021: 4.00% and 7.25%).

8 INVESTMENTS

8.1 Investments by type:

Note	September 30, 2022 (Un-audited)				December 31, 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) -----									
Held-for-trading securities									
Shares	106,112	-	(1,948)	104,164	53,455	-	(320)	53,135	
Available-for-sale securities									
Federal government securities	406,663,145	-	(3,252,583)	403,410,562	64,716,306	-	(2,092,559)	62,623,747	
Shares	3,146,174	(628,117)	(37,449)	2,480,608	3,640,578	(147,832)	(195,167)	3,297,579	
Non government debt securities	7,615,705	(33,638)	67,737	7,649,804	8,209,334	(33,638)	43,666	8,219,362	
	<u>417,425,024</u>	<u>(661,755)</u>	<u>(3,222,295)</u>	<u>413,540,974</u>	<u>76,566,218</u>	<u>(181,470)</u>	<u>(2,244,060)</u>	<u>74,140,688</u>	
Associates	8.1.1	35,271,080	-	35,271,080	29,651,106	-	-	29,651,106	
Total investments		<u>452,802,216</u>	<u>(661,755)</u>	<u>(3,224,243)</u>	<u>448,916,218</u>	<u>106,270,779</u>	<u>(181,470)</u>	<u>(2,244,380)</u>	<u>103,844,929</u>

8.1.1 Movement in investments in associates	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	------(Rupees in '000)-----	
Investments at beginning of the period	29,651,106	24,344,147
Disposal of investments in associate	-	(52,599)
Investment in associate	424,993	60,000
Share in deficit on revaluation of 'available-for-sale' securities of associates	(1,029,417)	(450,683)
Share of (deficit) / surplus on revaluation of non - banking assets of associates	(463)	1,106
Share of remeasurement of defined benefit plans of associates	(14,619)	(22,514)
Share of profit from associates recognized in the profit and loss account	8,725,600	8,929,735
Share of employee share option compensation reserve of associates	36,969	40,037
Provision for impairment of an associate	-	(2,015)
Dividend received from associates	(2,523,089)	(3,196,108)
Investments at end of the period / year	<u>35,271,080</u>	<u>29,651,106</u>

The cost of investments in associates as at September 30, 2022 amounted to Rs. 3,371 million (December 31, 2021: Rs. 2,946 million). Share in results of associates recorded under equity method of accounting, net of dividend, capital gain and income taxes amounted to Rs. 5,231 million (September 30, 2021: Rs. 3,420 million).

8.1.2 Investments given as collateral	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	------(Rupees in '000)-----	
Pakistan Investment Bonds	89,241,168	21,503,796
Market Treasury Bills	300,965,804	-
	<u>390,206,972</u>	<u>21,503,796</u>

8.2 Provision for diminution in the value of investments

8.2.1 Opening balance	181,470	157,646
Charge / (reversals)		
Charge for the period / year	690,134	64,231
Reversal on disposals for the period / year	(209,849)	(40,407)
	480,285	23,824
Closing balance	<u>661,755</u>	<u>181,470</u>

8.2.2 Particulars of provision against debt securities

Category of classification	September 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	*NPI	Provision	*NPI	Provision
	(Un-audited)		(Audited)	
	------(Rupees in '000)-----			
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	33,638	33,638	33,638	33,638
	<u>33,638</u>	<u>33,638</u>	<u>33,638</u>	<u>33,638</u>
Overseas	-	-	-	-
Total	<u>33,638</u>	<u>33,638</u>	<u>33,638</u>	<u>33,638</u>

* NPI stands for Non-Performing Investments.

9 ADVANCES

Note	Performing		Non performing		Total	
	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	------(Rupees in '000)-----					
Loans, cash credits, running finances, etc.	44,156,675	27,918,711	1,065,341	1,065,341	45,222,016	28,984,052
Provision against advances						
- Specific	-	-	(1,024,568)	(1,024,568)	(1,024,568)	(1,024,568)
- General	(600,000)	(600,000)	-	-	(600,000)	(600,000)
	(600,000)	(600,000)	(1,024,568)	(1,024,568)	(1,624,568)	(1,624,568)
Advances - net of provision	<u>43,556,675</u>	<u>27,318,711</u>	<u>40,773</u>	<u>40,773</u>	<u>43,597,448</u>	<u>27,359,484</u>

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	------(Rupees in '000)-----	
9.1 Particulars of advances (Gross)		
In local currency	<u>45,222,016</u>	<u>28,984,052</u>

9.2 Advances include Rs. 1,065.341 million (December 31, 2021: Rs 1,065.341 million) which have been placed under non-performing status as detailed below:

Category of classification	September 30, 2022 (Un-audited)		December 31, 2021 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	------(Rupees in '000)-----			
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	1,065,341	1,024,568	1,065,341	1,024,568
Total	<u>1,065,341</u>	<u>1,024,568</u>	<u>1,065,341</u>	<u>1,024,568</u>

Provision is recorded net of security deposit of Rs. 40.773 million (December 31, 2021: Rs. 40.773 million).

9.3 Particulars of provision against advances

	September 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	Specific	General	Total	Specific	General	Total
	------(Rupees in '000)-----					
Opening balance	1,024,568	600,000	1,624,568	1,024,568	300,000	1,324,568
Charge for the period / year	-	-	-	-	300,000	300,000
Reversals for the period / year	-	-	-	-	-	-
	-	-	-	-	300,000	300,000
Closing balance	<u>1,024,568</u>	<u>600,000</u>	<u>1,624,568</u>	<u>1,024,568</u>	<u>600,000</u>	<u>1,624,568</u>

	Note	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
------(Rupees in '000)-----			
12 OTHER ASSETS			
Income / mark-up accrued in local currency - net		2,899,144	2,046,078
Advances, deposits, advance rent and other prepayments		30,665	207,603
Advance taxation (payments less provisions)		2,341,660	871,475
Advances / receivable from related parties	12.1	264	240,684
Other receivable		59,907	55,697
		<u>5,331,640</u>	<u>3,421,537</u>
Less: provision held against other assets	12.2	(46,259)	(46,259)
		<u>5,285,381</u>	<u>3,375,278</u>
12.1 Advances / receivable from related parties			
Advance against share subscription of Planet - N		-	240,564
Mark-up receivable from Meezan Bank Ltd		264	120
		<u>264</u>	<u>240,684</u>
12.2 Provision held against other assets			
Other receivables		<u>46,259</u>	<u>46,259</u>
12.2.1 Movement in provision held against other assets			
Opening balance		46,259	46,259
Charge for the period / year		-	-
Reversals for the period / year		-	-
Closing balance		<u>46,259</u>	<u>46,259</u>
13 BORROWINGS			
Secured			
Borrowings from State Bank of Pakistan			
Under Long Term Finance Facility (LTFF)	13.1	7,369,058	4,841,493
Under Financing Scheme for Renewable Energy	13.2	3,394,173	1,798,557
Under Temporary Economic Refinance Facility (TERF)	13.3	2,888,074	1,842,795
		<u>13,651,305</u>	<u>8,482,845</u>
Bai Muajjal		-	22,583,808
Repurchase agreement borrowings	13.4	391,843,758	29,631,427
Term Finance Facility	13.5	24,000,000	20,000,000
Total secured		<u>429,495,063</u>	<u>80,698,080</u>
Unsecured			
Bai Muajjal		-	510,944
Letter of Placement	13.6	3,000,000	-
Total unsecured		<u>3,000,000</u>	<u>510,944</u>
Total		<u>432,495,063</u>	<u>81,209,024</u>
13.1 Borrowings from SBP under LTFF			

These represent borrowings from SBP under scheme for long term financing facility (LTFF). The mark-up rate on these facilities is payable at maximum of 7% per annum (December 31, 2021: maximum of 5% per annum) payable on quarterly basis with maturities within a maximum period of 10 years (December 31, 2021: maximum period of 10 years). As per the term of the agreements, the Company has granted the SBP a right to recover the outstanding amounts from the Company at the respective date of maturity of finance by directly debiting the current account of the Company maintained with SBP.

13.2 Borrowing from SBP under Financing Scheme for Renewable Energy

This represents Long Term Finance Facility on concessional rates to support in addressing dual challenge of energy shortage and climate change through promotion of renewable energy. The mark-up rates on these facilities payable at maximum of 3% per annum (December 31, 2021: maximum of 3% per annum) payable on quarterly basis with maturities within a maximum period of 12 years (December 31, 2021: maximum period of 12 years). As per the term of the agreements, the Company has granted the SBP a right to recover the outstanding amounts from the Company at the respective date of maturity of finance by directly debiting the current account of the Company maintained with SBP.

13.3 Borrowing from SBP under Temporary Economic Refinance Facility

This represents Long Term Finance Facility on concessional rates to support sustainable economic growth especially in the backdrop of challenges being faced by the industry in post pandemic scenario. The mark-up rate on these facilities is payable at maximum of 1% per annum (December 31, 2021: maximum of 1% per annum) payable on quarterly basis with maturities within a maximum period of 10 years (December 31, 2021: maximum period of 10 years). As per the term of the agreements, the Company has granted the SBP a right to recover the outstanding amounts from the Company at the respective date of maturity of finance by directly debiting the current account of the Company maintained with SBP.

13.4 Repurchase agreement borrowings

The Company has arranged borrowing from financial institutions against sale and repurchase of government securities. The mark-up rates on these borrowings are between 15.11% and 16.00% per annum (December 31, 2021: 10% and 10.75% per annum) with maturities between three day to seventy days (December 31, 2021: four days and fourteen days).

13.5 Term Finance Facility

The Company has availed long term borrowings from commercial banks and a company. The interest rates on these facilities are between 8.63% and 16.00% per annum (December 31, 2021: 7.73% and 11.02% per annum) and have maturities between March 14, 2024 and June 28, 2028 (December 31, 2021: March 14, 2024 and December 27, 2027).

13.6 Letter Of Placement (LOP)

The interest rate on this LOP is 15.00 (December 31, 2021: Nil) percent per annum. This LOP has maturity date on October 6, 2022 (December 31, 2021: Nil)

14 DEPOSITS AND OTHER ACCOUNTS

	September 30, 2022 (Un-audited)			December 31, 2021 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total
	(Rupees in '000)					
Customers						
Certificate of Investment (COI)	5,221,815	-	5,221,815	5,605,000	-	5,605,000
Financial Institutions						
Certificate of Investment (COI)	7,996,888	-	7,996,888	659,766	-	659,766
	<u>13,218,703</u>	<u>-</u>	<u>13,218,703</u>	<u>6,264,766</u>	<u>-</u>	<u>6,264,766</u>

14.1 Composition of deposits

	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
	(Rupees in '000)	
- Public Sector Entities	2,817,000	300,000
- Non-Banking Financial Institutions	7,996,888	659,766
- Private Sector	<u>2,404,815</u>	<u>5,305,000</u>
	<u>13,218,703</u>	<u>6,264,766</u>

14.2 The profit rates on these Certificate of Investments (COI) are between 11.50% and 17.50% per annum (December 31, 2021: 7.25% and 11.60% per annum). These COIs have maturities between October 03, 2022 and October 02, 2023 (December 31, 2021: January 03, 2022 and August 30, 2022).

15 DEFERRED TAX LIABILITIES

September 30, 2022 (Un-audited)					
At January 1, 2022	Recognised in P&L A/C	Recognised in OCI	Recognised in SOCE	At September 30, 2022	
------(Rupees in 000)-----					
Deductible temporary differences on					
- Post retirement employee benefits	38,935	13,407	-	-	52,342
- Provision against non-performing advances	471,125	64,982	-	-	536,107
	510,060	78,389	-	-	588,449
Taxable temporary differences on					
- Surplus on revaluation of investments	292,546	253	167,057	-	459,856
- Accelerated tax depreciation	(36,238)	(917)	-	-	(37,155)
- Finance lease arrangements	(197,786)	8,057	-	-	(189,729)
- Share of profits from associates	(3,939,329)	(971,420)	157,079	(5,545)	(4,759,215)
	(3,880,807)	(964,027)	324,136	(5,545)	(4,526,243)
	<u>(3,370,747)</u>	<u>(885,638)</u>	<u>324,136</u>	<u>(5,545)</u>	<u>(3,937,794)</u>

December 31, 2021 (Audited)					
At January 1, 2021	Recognised in P&L A/C	Recognised in OCI	Recognised in SOCE	At December 31, 2021	
------(Rupees in 000)-----					
Deductible temporary differences on					
- Post retirement employee benefits	28,180	5,467	5,288	-	38,935
- Provision against non-performing advances	384,125	87,000	-	-	471,125
	412,305	92,467	5,288	-	510,060
Taxable temporary differences on					
- Surplus on revaluation of investments	(7,648)	40	300,154	-	292,546
- Accelerated tax depreciation	(47,973)	11,735	-	-	(36,238)
- Finance lease arrangements	(183,764)	(14,022)	-	-	(197,786)
- Share of profits from associates	(3,152,039)	(851,973)	70,689	(6,006)	(3,939,329)
	(3,391,424)	(854,220)	370,843	(6,006)	(3,880,807)
	<u>(2,979,119)</u>	<u>(761,753)</u>	<u>376,131</u>	<u>(6,006)</u>	<u>(3,370,747)</u>

	Note	September 30,	December 31,
		2022 (Un-audited)	2021 (Audited)
------(Rupees in '000)-----			
16 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		817,135	443,977
Accrued expenses		1,439,745	1,333,015
Defined benefit obligation		115,422	86,003
Security deposits against lease		82,708	60,773
Payable against employees' compensated absences		43,191	48,256
Payable to share brokers on account of purchase of marketable securities		26,503	11,849
Unearned Income		1,174	2,977
Others		18,204	18,671
		<u>2,544,082</u>	<u>2,005,521</u>
17 RESERVES			
Non-distributable reserve	17.1	935,264	935,264
Statutory reserve	17.2	9,793,911	9,793,911
Capital market equalization reserve	17.3	1,659,468	1,659,468
Total reserves		<u>12,388,643</u>	<u>12,388,643</u>

17.1 Non-distributable reserve

This represents share of gain on bargain purchase of an associate. This is recorded as a non distributable reserve in accordance with the SBP instructions letter (BPRD (R&P-02) / 625-110-2014-17729) issued to the associate. This gain may, as per the requirements of the above mentioned SBP letter, become available for distribution as stock dividend only with the prior approval of SBP. Further, this gain may, before distribution of the gain as stock dividend, be adjusted against any subsequent provisions / deficit assessed by the associate or recommended by the Banking Inspection Department of the SBP in subsequent inspections.

17.2 Statutory reserve

According to BPD Circular No. 15 dated May 31, 2004 issued by the 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.

17.3 Capital market equalization reserve

The 'Capital Market Equalization Reserve' has been setup as decided in the 135th board meeting held on December 24, 2014, in order to provide adequate reserve against volatility in the value of capital market portfolio. An amount upto a minimum of ten percent of the profit after tax will be transferred till such time the reserve equals thirty percent of the capital market portfolio at cost.

	Note	September 30, 2022 (Un-audited)	December 31, 2021 (Audited)
------(Rupees in '000)-----			
18 DEFICIT ON REVALUATION OF ASSETS			
(Deficit) / surplus on revaluation of:			
- Available for sale securities	8.1	(3,222,295)	(2,244,060)
- Available for sale securities of associates		<u>153,685</u>	<u>1,183,564</u>
		(3,068,610)	(1,060,496)
Deferred tax on surplus / (deficit) on revaluation of:			
- Available for sale securities		<u>420,370</u>	<u>253,317</u>
- Available for sale securities of associates		<u>19,269</u>	<u>(135,212)</u>
		<u>439,639</u>	<u>118,105</u>
		<u>(2,628,971)</u>	<u>(942,391)</u>
19 CONTINGENCIES AND COMMITMENTS			
-Guarantees	19.1	2,165,814	2,128,264
-Commitments	19.2	<u>19,092,427</u>	<u>22,390,337</u>
		<u>21,258,241</u>	<u>24,518,601</u>
19.1 Guarantees:			
Financial guarantees		<u>2,165,814</u>	<u>2,128,264</u>
19.2 Commitments			
Undisbursed sanctions against:			
- Loans and advances		16,930,167	18,926,650
- TFC & sukuks		200,000	110,000
Letter of comfort		<u>1,962,260</u>	<u>3,353,687</u>
		<u>19,092,427</u>	<u>22,390,337</u>

19.3 Tax Contingencies

- The Income Tax Department has amended the deemed assessment orders for the tax years from 2003 to 2019, raising a tax demand of Rs. 8,982 million, mainly due to additions in respect of allocation of expenses against dividend income subject to tax at reduced rate / Final Tax Regime and capital gains. In such orders, the taxation authority has not accepted the Company's contention on the matter of allocation of expenses on exempt capital gains and dividend income. The total additions made in tax years 2003 to 2019 under this head amount to Rs 8,982 million.

- In the tax year 2003, the Appellate Tribunal Inland Revenue (ATIR) had directed the tax authorities for the allocation to be made considering the 'cost of investment' rather than 'gross turnover'. It had not approved the application of Rule 13 (3) of the Income Tax Rules, 2002 on the common expenditure for the determination of taxable income under each head of income in the case of the company. Subsequently, the action of the Taxation Officer of refusing to issue the appeal effect, in view of the departmental appeal before the High Court, was contested in appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)]. The CIR(A) adjudged the matter in favour of the Company directing the Officer to give effect to the express directions. This was maintained by the ATIR in the subsequent departmental appeal. Thereafter these directions were again not followed in remand proceedings and the CIR(A) vide the appellate order dated October 29, 2018 had again remanded back the matter giving specific directions. The appeal effect order to this latest order has not yet been issued.

Relying on the decision of ATIR in tax year 2003, the CIR(A) through orders dated September 23, 2011, November 30, 2012, June 15, 2015, September 8, 2017, March 6, 2018, March 7, 2018 and July 26, 2019 for tax years 2004 to 2007, tax year 2010, tax years 2011 to 2013, tax year 2015, tax years 2014 and 2017, tax year 2016 and tax year 2018 respectively, directed for the application of provision of section 124A of the Ordinance. For other issues, the appeals of the company for the tax years 2014 to 2018 are pending before the ATIR. In tax years 2008 and 2009, the action was maintained by the CIR(A). Appeals were preferred by the company and the Department before the ATIR.

- Appeal effect orders were issued for the years 2004 to 2007 and 2010 allowing the entire addition on account of the pending appeals. In the order dated June 30, 2020 for tax year 2015, the Officer not following the directions of the CIR(A), had allocated expenses on the basis of turnover. The CIR(A) vide the appellate order dated December 31, 2021 had again remanded back the matter. The appeal effect to this latest order has not yet been issued.

The ATIR in the combined appellate order dated March 10, 2021 has adjudged the departmental appeals in the tax years 2004 to 2007, 2010 and 2011 to 2013, remanding back the matter of allocation of expenses on exempt capital gains and dividend income by placing reliance on its decision in the tax year 2003. The ATIR has further concluded that the provisions of section 124A of the Ordinance are not applicable in the instant case. Directions were given to preferably decide the matter in sixty days. Notices to finalize the matter were issued and responded and the matter is still pending on account of the appeal effect for the year 2003.

- The company's appeal for tax years 2008 and 2009 have also been adjudicated by the ATIR vide combined appellate order dated March 10, 2021 remanding back the matter of allocation of expenses with similar directions.

- In tax year 2019, the CIR(A) vide order dated March 18, 2022 has remanded back the matter by placing reliance on the decision of ATIR dated March 10, 2021.

Further, the Company had made representation before Federal Board of Revenue for necessary clarification and has also referred the above matter to Alternate Dispute Resolution Committee, a mechanism available to provide an opportunity to taxpayers for an easy and efficient resolution of disputes. The same has become infructuous considering the proceedings in appeal.

The Company has made provision of Rs. 1,393 million against the demand for the abovementioned years based on cost of investment. The management is confident that the ultimate outcome of the appeals would be in favor of the Company inter alia on the basis of the advice of the tax consultants and the relevant law and the facts.

Another issue which arises as a consequence of the appellate Order of the ATIR order dated March 10, 2021 for tax years 2010 to 2012 is the disallowance of the Tax loss on pre-mature lease terminations by holding that the provisions of section 77(4) of the Ordinance do not apply on the lease contracts terminated "pre-mature". An amount of Rs 67.224 million is involved and reference has been preferred before the High Court.

In the Amended Order for the tax year 2019, deviating from the past positions, the Officer had also subjected the amount representing Share of Associates in the Profit and Loss Account has been subjected to tax including other issues, which has been deleted by the CIR (A) vide appellate order dated March 18, 2022.

The management is confident that the ultimate outcome of the appeal would be in favor of the Company inter alia based on the advice of the tax consultants and the relevant law and the facts.

	Note	Nine months period ended	
		September 30, 2022	September 30, 2021
		(Un-audited)	
		------(Rupees in '000)-----	
20 MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		2,742,649	667,792
Investments		16,781,138	4,437,076
Lendings to financial institutions		59,634	108,345
Balances with banks		4,255	603
		<u>19,587,676</u>	<u>5,213,816</u>
21 MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		651,449	155,390
Borrowings		2,983,350	3,149,410
Securities sold under repurchase agreements - government securities		14,559,578	210,560
		<u>18,194,377</u>	<u>3,515,360</u>
22 FEE AND COMMISSION INCOME			
Participation fee		24,969	21,777
Commitment fee		3,826	2,462
Commission on guarantees		9,647	4,790
Commission on letter of comfort		6,322	5,496
Arrangement fee		35,669	5,000
Advisory income		5,841	-
Underwriting commission		-	3,500
		<u>86,274</u>	<u>43,025</u>
23 GAIN ON SECURITIES - NET			
Realised gain	23.1	222,725	161,971
Unrealised loss - held for trading	8.1	(1,948)	(1,780)
		<u>220,777</u>	<u>160,191</u>
23.1 Realised gain			
Shares		222,725	141,461
Federal government securities		-	3,697
Associates		-	16,813
		<u>222,725</u>	<u>161,971</u>
24 SHARE IN RESULTS OF ASSOCIATES - NET			
Quoted associates		8,595,027	5,985,422
Un-quoted associates		130,573	263,160
		<u>8,725,600</u>	<u>6,248,582</u>
25 OTHER INCOME			
Nominee directors fee		12,265	8,425
Space / arrangement income		33,377	19,775
Gain on sale of fixed assets		6,965	650
Late payment charges		-	124
Others		1,642	235
		<u>54,249</u>	<u>29,209</u>

	Note	Nine months period ended	
		September 30, 2022	September 30, 2021
		(Un-audited)	
		------(Rupees in '000)-----	
26 OPERATING EXPENSES			
Total compensation expense		758,400	712,290
Property expense			
Rent and taxes		8,354	7,835
Insurance		1,005	441
Utilities cost		8,675	6,065
Security expense		36	-
Repairs and maintenance		24,022	31,337
Depreciation		5,224	4,968
		47,316	50,646
Information technology expenses			
Software maintenance		2,868	1,865
Hardware maintenance		161	145
Depreciation		8,927	9,638
Amortisation		4,084	3,772
Network charges		3,323	1,801
		19,363	17,221
Other operating expenses			
Directors' fees and allowances		77,027	66,431
Legal and professional charges		87,726	79,731
Outsourced services costs		26,471	19,811
Travelling and conveyance		17,424	1,341
Depreciation		21,667	38,108
Training and development		1,952	1,997
Postage and courier charges		561	393
Communication		4,761	8,854
Stationery and printing		4,073	3,915
Marketing, advertisement and publicity		3,316	2,841
Auditors' Remuneration		10,385	3,733
Newspaper, periodicals and subscription dues		7,471	5,686
Repairs and maintenance (others)		975	1,558
Bank charges		181	215
Entertainment expense		9,455	3,850
Others		14,831	13,100
		288,276	251,564
		1,113,355	1,031,721
27 PROVISIONS - NET			
Provision for diminution in value of investments	8.2	690,134	24,963
28 TAXATION			
Current		882,822	657,434
Deferred		885,639	586,060
		1,768,461	1,243,494
29 BASIC EARNINGS PER SHARE			
Profit for the period		6,967,342	5,892,182
		(Numbers in '000)	
Weighted average number of ordinary shares		640	640
		-----Rupees-----	
Basic earnings per share		10,886	9,207
29.1 Diluted earnings per share			

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

30 FAIR VALUE MEASUREMENTS

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 un-quoted equity securities, other than investment in associates is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of un-quoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowing can not 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.

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:

30.1 On balance sheet financial instruments

September 30, 2022 (Un-audited)									
Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
Investments									
- Market treasury bills	-	312,395,664	-	-	312,395,664	-	312,395,664	-	312,395,664
- Pakistan investment bonds	-	91,014,898	-	-	91,014,898	-	91,014,898	-	91,014,898
- Shares of listed companies	104,164	2,479,808	-	-	2,583,972	2,583,972	-	-	2,583,972
- Listed sukuk / term finance certificates	-	3,873,786	-	-	3,873,786	-	3,873,786	-	3,873,786
- Unlisted sukuk / term finance certificates	-	3,776,018	-	-	3,776,018	-	3,776,018	-	3,776,018
Financial assets not measured at fair value									
Cash and balances with treasury banks	-	-	302,682	-	302,682	-	-	-	-
Balances with other banks	-	-	84,328	-	84,328	-	-	-	-
Investments									
- Shares of listed associates	-	33,399,297	-	-	33,399,297	70,846,822	-	-	70,846,822
- Shares in unlisted companies	-	800	-	-	800	-	-	-	-
- Shares of unlisted associates	-	1,871,783	-	-	1,871,783	-	-	-	-
Advances	-	-	43,597,448	-	43,597,448	-	-	-	-
Other assets	-	-	2,899,408	-	2,899,408	-	-	-	-
Financial liabilities not measured at fair value									
Borrowings	-	-	-	(432,495,063)	(432,495,063)	-	-	-	-
Deposits and other accounts	-	-	-	(13,218,703)	(13,218,703)	-	-	-	-
Other liabilities	-	-	-	(2,428,661)	(2,428,661)	-	-	-	-
104,164	448,812,054	-	46,883,866	(448,142,427)	47,657,656				
December 31, 2021 (Audited)									
Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
Investments									
- Pakistan investment bonds	-	62,623,747	-	-	62,623,747	-	62,623,747	-	62,623,747
- Shares of listed companies	53,135	3,296,779	-	-	3,349,914	3,349,914	-	-	3,349,914
- Listed sukuk / term finance certificates	-	4,096,863	-	-	4,096,863	-	4,096,863	-	4,096,863
- Unlisted sukuk / term finance certificates	-	4,122,499	-	-	4,122,499	-	4,122,499	-	4,122,499
Financial assets not measured at fair value									
Cash and balances with treasury banks	-	-	142,662	-	142,662	-	-	-	-
Balances with other banks	-	-	19,152	-	19,152	-	-	-	-
Investments									
- Investment in associates - listed	-	28,248,057	-	-	28,248,057	67,439,809	-	-	67,439,809
- Shares in unlisted companies	-	800	-	-	800	-	-	-	-
- Shares of unlisted associates	-	1,403,049	-	-	1,403,049	-	-	-	-
Advances	-	-	27,359,484	-	27,359,484	-	-	-	-
Other assets	-	-	2,045,095	-	2,045,095	-	-	-	-
Financial liabilities not measured at fair value									
Borrowings	-	-	-	(81,209,024)	(81,209,024)	-	-	-	-
Deposits and other accounts	-	-	-	(6,264,766)	(6,264,766)	-	-	-	-
Other liabilities	-	-	-	(1,919,518)	(1,919,518)	-	-	-	-
53,135	103,791,794	-	29,566,393	(89,393,308)	44,018,014				

The fair value of financial assets and liabilities not carried at fair value are not significantly different from their carrying values since assets and liabilities are either short term in nature or in case of loans are frequently repriced.

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

31 SEGMENT INFORMATION

31.1 Segment Details with respect to Business Activities

The segment analysis with respect to business activities is as follows:

Nine months period ended September 30, 2022 (Un-audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total	
(Rupees in '000)						
Profit & Loss Account						
Net mark-up / return / profit	1,365,011	21,017	-	-	7,271	1,393,299
Non mark-up / return / interest income	77,933	-	7,065,211	2,123,316	54,249	9,320,709
Total Income	1,442,944	21,017	7,065,211	2,123,316	61,520	10,714,008
Segment direct expenses	(80,349)	(34,784)	(41,571)	(13,537)	(318,322)	(488,563)
Segment indirect expenses	(210,397)	(42,079)	(42,079)	(21,040)	(483,913)	(799,508)
Total expenses	(290,746)	(76,863)	(83,650)	(34,577)	(802,235)	(1,288,071)
Provisions	-	-	-	(690,134)	-	(690,134)
Profit before tax	1,152,198	(55,846)	6,981,561	1,398,605	(740,715)	8,735,803

As at September 30, 2022 (Un-audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total	
(Rupees in '000)						
Statement of Financial Position						
Cash & Bank balances	-	386,930	-	-	80	387,010
Investments	7,649,805	403,410,561	35,271,880	2,583,972	-	448,916,218
Advances - performing	43,231,489	-	-	-	325,186	43,556,675
Advances - non-performing	40,773	-	-	-	-	40,773
Others	647,159	2,252,249	-	940	2,779,067	5,679,415
Total Assets	51,569,226	406,049,740	35,271,880	2,584,912	3,104,333	498,580,091
Borrowings	37,651,304	394,843,759	-	-	-	432,495,063
Deposits & other accounts	-	13,218,703	-	-	-	13,218,703
Others	431,854	(260,076)	4,759,215	(45,778)	1,596,661	6,481,876
Total liabilities	38,083,158	407,802,386	4,759,215	(45,778)	1,596,661	452,195,642
Equity	1,206,731	(2,956,328)	172,954	1,434,642	46,526,450	46,384,449
Total Equity & liabilities	39,289,889	404,846,058	4,932,169	1,388,864	48,123,111	498,580,091
Contingencies & Commitments	21,258,241	-	-	-	-	21,258,241

Nine months period ended September 30, 2021 (Un-audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total	
(Rupees in '000)						
Profit & Loss Account						
Net mark-up / return / profit	685,740	1,009,179	-	-	3,537	1,698,456
Non mark-up / return / interest income	37,149	3,697	4,926,685	1,640,002	29,085	6,636,618
Total Income	722,889	1,012,876	4,926,685	1,640,002	32,622	8,335,074
Segment direct expenses	(64,278)	(28,032)	(8,273)	(11,650)	(225,320)	(337,553)
Segment indirect expenses	(180,948)	(33,928)	(33,928)	(22,618)	(565,460)	(836,882)
Total expenses	(245,226)	(61,960)	(42,201)	(34,268)	(790,780)	(1,174,435)
Provisions	-	-	-	(24,963)	-	(24,963)
Profit before tax	477,663	950,916	4,884,484	1,580,771	(758,158)	7,135,676
As at December 31, 2021 (Audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total	
(Rupees in '000)						
Statement of Financial Position						
Cash & Bank balances	-	161,734	-	-	80	161,814
Investments	8,219,362	62,623,747	29,651,906	3,349,914	-	103,844,929
Advances - performing	27,108,365	-	-	-	210,346	27,318,711
Advances - non-performing	40,773	-	-	-	-	40,773
Others	353,515	1,692,683	240,564	187,459	1,193,896	3,668,117
Total Assets	35,722,015	64,478,164	29,892,470	3,537,373	1,404,322	135,034,344
Borrowings	51,577,597	29,631,427	-	-	-	81,209,024
Deposits & other accounts	-	6,264,766	-	-	-	6,264,766
Others	310,418	(242,216)	3,933,322	(22,204)	1,396,948	5,376,268
Total liabilities	51,888,015	35,653,977	3,933,322	(22,204)	1,396,948	92,850,058
Equity	325,240	(729,362)	1,046,337	443,195	41,098,876	42,184,286
Total Equity & liabilities	52,213,255	34,924,615	4,979,659	420,991	42,495,824	135,034,344
Contingencies & Commitments	24,518,601	-	-	-	-	24,518,601

31.2 Segment details with respect to geographical locations

All the Company's business segments operate in Pakistan only.

32 RELATED PARTY TRANSACTIONS

The Company has related party relationship with its associates, associated undertaking, employee benefit plans, key management personnel and its directors.

The Company enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. 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.

Details of transactions with related parties during the period / year ended, other than those which have been disclosed elsewhere in these financial statements are as follows:

	As at September 30, 2022 (Un-audited)				As at December 31, 2021 (Audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
(Rupees in '000)								
Balances with other banks								
In deposit account	-	-	29,828	-	-	-	16,085	-
Investments								
Opening balance	-	-	29,651,106	500	-	-	24,344,147	500
Investment made during the year	-	-	424,993	-	-	-	60,000	-
Investment redeemed / disposed off during the year	-	-	-	-	-	-	(52,599)	-
Equity method accounting adjustments	-	-	5,194,981	-	-	-	5,299,558	-
Closing balance	-	-	35,271,080	500	-	-	29,651,106	500
Advances								
Opening balance	-	132,537	-	-	-	62,310	-	-
Addition during the period / year	-	53,929	-	-	-	83,758	-	-
Repaid during the period / year	-	(9,277)	-	-	-	(13,531)	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	177,189	-	-	-	132,537	-	-
Other Assets								
Interest / mark-up accrued	-	-	264	-	-	-	120	-
Advance against Share Subscription of Planet - N	-	-	-	-	-	-	-	240,564
	-	-	264	-	-	-	120	240,564
Borrowings								
Opening balance	-	-	22,583,809	-	-	-	37,653,706	4,840,227
Borrowings during the period / year	-	-	-	-	-	-	78,845,681	4,068,878
Settled during the period / year	-	-	(22,583,809)	-	-	-	(94,464,921)	(8,938,725)
Transfer in / (out) - net	-	-	-	-	-	-	549,343	29,620
Closing balance	-	-	-	-	-	-	22,583,809	-
Deposits and other accounts								
Opening balance	-	-	-	509,766	-	-	-	-
Received during the period / year	-	-	-	2,830,250	-	-	200,000	1,809,766
Withdrawn during the period / year	-	-	-	(2,733,129)	-	-	(200,000)	(1,300,000)
Closing balance	-	-	-	606,887	-	-	-	509,766
Other Liabilities								
Interest / mark-up payable	-	-	-	16,205	-	-	-	1,728
Payable to Staff Gratuity Fund	-	-	-	115,422	-	-	-	86,003
Payable to Kuwait Investment Authority	-	-	-	-	-	-	-	4,825
Payable to National Clearing Company of Pakistan Limited	-	-	96	-	-	-	139	-
Payable to FTC Management Company (Private) Limited	-	-	-	800	-	-	-	33,783
	-	-	96	132,427	-	-	139	126,339

	Nine months period ended							
	September 30, 2022 (Un-audited)				September 30, 2021 (Un-audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
(Rupees in '000)								
Income								
Mark-up / return / interest earned	-	4,588	1,623	-	-	2,811	438	-
Dividend income from associates	-	-	2,523,089	-	-	-	2,221,084	-
Share in results of associates net of dividend income	-	-	6,202,511	-	-	-	-	-
Other income								
- Nominee Director Fee	-	-	15,675	340	-	-	11,575	300
Expense								
Mark-up / return / interest paid	-	-	68,184	69,779	-	-	2,207,018	93,280
Operating expenses								
- Directors Fee	13,125	-	-	-	13,475	-	-	-
- Remuneration to key management personnel (including retirement benefits)	-	474,020	-	-	-	322,411	-	-
- Nominee Director Fee payment	-	-	-	3,750	-	-	-	3,450
- NCCPL Charges	-	-	655	-	-	-	572	-
- FMCL Office Maintenance Charges	-	-	-	28,851	-	-	-	26,698
- Contribution made to Staff Provident Fund	-	-	-	24,266	-	-	-	26,081
- Contribution made to Staff Gratuity Fund	-	-	-	29,418	-	-	-	25,135

33 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	September 30, 2022 (Un-audited) (Rupees in '000)	December 31, 2021 (Audited)
Minimum Capital Requirement (MCR):		
Paid-up capital	<u>16,000,000</u>	<u>16,000,000</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	16,110,371	17,221,145
Eligible Tier 2 Capital	<u>600,000</u>	<u>600,000</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>16,710,371</u>	<u>17,821,145</u>
Risk Weighted Assets (RWAs):		
Credit Risk	55,006,402	48,451,423
Market Risk	5,581,362	7,162,697
Operational Risk	<u>17,220,117</u>	<u>17,220,117</u>
Total	<u>77,807,881</u>	<u>72,834,237</u>
Common Equity Tier 1 Capital Adequacy ratio		
Tier 1 Capital Adequacy Ratio	<u>20.71%</u>	<u>23.64%</u>
Total Capital Adequacy Ratio	<u>21.48%</u>	<u>24.47%</u>
Leverage Ratio (LR):		
Eligible Tier-1 Capital	16,110,371	17,221,145
Total Exposures	446,760,990	135,604,252
Leverage Ratio	<u>3.61%</u>	<u>12.70%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	14,137,693	16,770,964
Total Net Cash Outflow	9,982,416	9,883,654
Liquidity Coverage Ratio	<u>142%</u>	<u>170%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	93,975,462	76,508,860
Total Required Stable Funding	103,026,153	67,486,706
Net Stable Funding Ratio	<u>91%</u>	<u>113%</u>

34 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on October 25, 2022.

35 GENERAL

35.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

				
Chief Executive	Chief Financial Officer	Director	Director	Director