

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION [UN-AUDITED]
AS AT SEPTEMBER 30, 2022

	Note	(Unaudited) September 30, 2022	(Audited) December 31, 2021
-----Rupees-----			
ASSETS			
Cash and balances with treasury banks	6	102,180,026	101,939,997
Balances with other banks	7	54,217,423	134,486,399
Non-current asset classified as held for sale	8	-	-
Lendings to financial institutions	9	-	-
Investments	10	36,731,684,506	31,130,696,425
Advances	11	9,041,268,892	6,867,783,165
Fixed assets	12	4,146,644,722	4,243,479,479
Intangible assets	13	4,519,099	6,109,050
Deferred tax assets		-	-
Other assets	14	2,785,649,141	2,203,325,411
		52,866,163,809	44,687,819,926
LIABILITIES			
Bills payable		-	-
Borrowings	15	34,903,437,676	26,456,618,972
Deposits and other accounts	16	2,545,000,000	2,911,587,775
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities	17	142,891,963	441,365,024
Other liabilities	18	949,919,775	419,468,403
		38,541,249,414	30,229,040,174
NET ASSETS		14,324,914,395	14,458,779,752
REPRESENTED BY			
Share capital		6,765,000,000	6,600,000,000
Statutory reserve		1,369,329,367	1,369,329,367
General reserve		358,662,940	358,662,940
Surplus on revaluation of assets - net	19	1,809,250,071	1,960,944,994
Unappropriated / unremitted profit		4,022,672,017	4,169,842,451
		14,324,914,395	14,458,779,752


CONTINGENCIES AND COMMITMENTS


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The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.


 Chief Financial Officer


 GM/Chief Executive


 Director


 Director


 Director

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

		Quarter Ended		Period Ended	
	Note	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
----- (Rupees) -----					
Mark-up / Return / Interest earned	21	1,497,306,047	981,164,591	3,526,816,632	2,500,725,020
Mark-up / Return / Interest expensed	22	1,405,659,583	555,503,069	3,254,104,570	1,698,217,225
Net Mark-up / Interest Income		91,646,464	425,661,522	272,712,062	802,507,795
NON MARK-UP / INTEREST INCOME					
Fee and commission income	23	7,945,000	500,000	7,965,000	985,000
Dividend income		112,760,551	92,721,226	266,720,594	235,113,080
Foreign exchange income		3,227,291	1,748,752	6,979,390	1,412,366
Income / (loss) from derivatives		-	-	-	-
Gain / (Loss) on securities	24	348,234	36,756,933	66,148,754	(40,164,770)
Other income	25	60,180,183	48,852,982	173,850,438	221,946,395
Total non-markup / interest income		184,461,259	180,579,893	521,664,176	419,292,071
Total income		276,107,723	606,241,415	794,376,238	1,221,799,866
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	26	139,669,755	117,581,031	385,162,118	349,419,375
Workers Welfare Fund		-	-	-	-
Other charges	27	30,000	-	30,000	130,429
Total Non-markup / Interest Expenses		139,699,755	117,581,031	385,192,118	349,549,804
PROFIT BEFORE PROVISIONS		136,407,968	488,660,384	409,184,120	872,250,062
Provisions and write offs - net	28	52,107,328	(129,880,768)	219,563,961	(47,324,913)
Extra ordinary / unusual items		-	-	-	-
PROFIT/(LOSS) BEFORE TAXATION		84,300,640	618,541,152	189,620,159	919,574,975
Taxation	29	30,489,396	162,957,036	71,928,393	229,983,350
PROFIT/(LOSS) AFTER TAXATION		53,811,244	455,584,116	117,691,766	689,591,625
----- (Rupee) -----					
		Restated		Restated	
Basic Earnings/(loss) per share	30	0.080	0.673	0.174	1.019
Diluted Earnings/(loss) per share	31	0.080	0.673	0.174	1.019

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.

Chief Financial Officer

GM/Chief Executive

Director

Director

Director

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Quarter Ended		Period Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	------(Rupees)-----			
Profit / (loss) after taxation for the period	53,811,244	455,584,116	117,691,766	689,591,625
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in surplus / (deficit) on revaluation of investments - net of tax	344,069,155	(270,689,238)	(86,557,123)	(234,268,154)
	344,069,155	(270,689,238)	(86,557,123)	(234,268,154)
Total comprehensive income / (loss)	397,880,399	184,894,878	31,134,643	455,323,471

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 Chief Financial Officer


 GM/Chief Executive


 Director


 Director


 Director

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Share capital	Statutory reserve	General reserve	Surplus/(deficit) on revaluation of		Unappropriated/ Unremitted profit	Total
				Investments	Fixed / Non banking assets		
	Rupees						
Balance as at January 1, 2021	6,600,000,000	1,184,865,766	358,662,940	(496,157,950)	1,910,982,293	3,353,786,002	12,912,139,051
Profit after taxation for the period ended September 30, 2021	-	-	-	-	-	689,591,625	689,591,625
Other comprehensive income - net of tax	-	-	-	(234,268,154)	-	-	(234,268,154)
Total comprehensive income	-	-	-	(234,268,154)	-	689,591,625	455,323,471
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(63,750,444)	63,750,444	-
Balance as at September 30, 2021	6,600,000,000	1,184,865,766	358,662,940	(730,426,104)	1,847,231,849	4,107,128,071	13,367,462,522
Profit after taxation for the period ended December 31, 2021	-	-	-	-	-	232,726,382	232,726,382
Other comprehensive income / (loss) - net of tax	-	-	-	(149,989,566)	1,010,588,814	(2,008,400)	858,590,848
Total comprehensive income / (loss)	-	-	-	(149,989,566)	1,010,588,814	230,717,982	1,091,317,230
Transfer to statutory reserve	-	184,463,601	-	-	-	(184,463,601)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(16,459,999)	16,459,999	-
Balance as at December 31, 2021 (Audited)	6,600,000,000	1,369,329,367	358,662,940	(880,415,670)	2,841,360,664	4,169,842,451	14,458,779,752
Profit after taxation for the period ended September 30, 2022	-	-	-	-	-	117,691,766	117,691,766
Other comprehensive Loss - net of tax	-	-	-	(86,557,123)	-	-	(86,557,123)
Total comprehensive income / (loss)	-	-	-	(86,557,123)	-	117,691,766	31,134,643
Bonus shares issued equally issued to GOP & KSA	165,000,000	-	-	-	-	(165,000,000)	-
Dividend paid to GOP	-	-	-	-	-	(82,500,000)	(82,500,000)
Dividend payable to KSA	-	-	-	-	-	(82,500,000)	(82,500,000)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(65,137,800)	65,137,800	-
Balance as at September 30, 2022	6,765,000,000	1,369,329,367	358,662,940	(966,972,793)	2,776,222,864	4,022,672,017	14,324,914,395

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


GM/Chief Executive


Director


Director


Director

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Note	September 30, 2022	September 30, 2021
		-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		189,620,159	919,574,975
Less: dividend income		(266,720,594)	(235,113,080)
		(77,100,435)	684,461,895
Adjustments:			
Depreciation		134,984,110	116,963,600
Amortization		3,333,836	3,654,524
Provision and write-offs		219,563,961	(47,324,913)
(Gain) / loss on sale of fixed assets		(464,747)	804,277
Gain on sale of non banking assets		-	(60,630,049)
Finance charges on leased assets		-	1,466,163
Charge for defined benefit plan		9,909,263	9,061,088
		367,326,423	23,994,690
		290,225,988	708,456,585
(Increase) / decrease in operating assets			
Lendings to financial institutions		-	119,988,000
Held-for-trading securities		67,927,999	55,074,499
Advances		(2,238,627,705)	992,864,810
Others assets (excluding advance taxation)		(112,935,032)	739,656,908
		(2,283,634,738)	1,907,584,217
Increase/ (decrease) in operating liabilities			
Borrowings from financial institutions		8,446,818,704	(4,848,394,953)
Deposits		(366,587,775)	258,689,454
Other liabilities (excluding current taxation)		451,253,170	(93,026,171)
		8,531,484,099	(4,682,731,670)
Payments against off-balance sheet obligations		-	-
Payment to defined benefit plan		(10,308,832)	(8,358,804)
Payment for compensated absences		(2,902,229)	(3,123,776)
Income tax paid		(555,174,558)	(463,630,167)
Net cash flow generated from/(used in) operating activities		5,969,689,730	(2,541,803,615)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(6,467,619,994)	1,928,795,864
Net investments in held-to-maturity securities		307,592,059	(96,676,530)
Dividend received		229,908,216	197,115,698
Investments in fixed assets		(38,870,224)	(33,476,738)
Investments in fixed assets and intangibles assets		(1,743,885)	(2,794,273)
Proceeds from sale of fixed assets		3,515,151	4,373,003
Proceeds from sale of non banking assets		-	158,000,000
Net cash flow (used in) / generated from investing activities		(5,967,218,677)	2,155,337,024
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(82,500,000)	-
Net cash flow generated from / (used in) financing activities		(82,500,000)	-
Effects of exchange rate changes on cash and cash equivalents		-	-
Decrease in cash and cash equivalents		(80,028,947)	(386,466,591)
Cash and cash equivalents at beginning of the period		236,426,396	665,001,033
Cash and cash equivalents at end of the period	32	156,397,449	278,534,442

The annexed notes 1 to 37 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


GM/Chief Executive


Director


Director


Director

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

1 STATUS AND NATURE OF BUSINESS

Saudi Pak Industrial and Agricultural Investment Company Limited (the Company) was incorporated in Pakistan as a private limited company on December 23, 1981 and subsequently converted to public limited company on April 30, 2008. The Company is jointly sponsored by the Government of Kingdom of Saudi Arabia (KSA) and the Government of the Islamic Republic of Pakistan (GOP). The Company is a Development Financial Institution (DFI) and principally engaged in lendings and investments in the industrial and agro-based industrial companies in Pakistan on commercial basis. The Company was initially setup for a period of fifty years and upon mutual consent of the KSA and Government of Pakistan the duration of Company has been further extended for another period of fifty years.

The registered office of the Company is situated at Saudi Pak Tower, Jinnah Avenue, Islamabad. The Company is also operating through its offices in Lahore and Karachi.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

2.1 BASIS OF PREPARATION

- 2.1.1** These unconsolidated condensed interim financial statements represent separate financial statements of the Company.
- 2.1.2** These unconsolidated condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentational currency.
- 2.1.3** These unconsolidated condensed interim financial statements have been prepared under the historical cost convention except the certain classes of fixed assets and non banking assets acquired in satisfaction of claims, which are stated at revalued amounts and certain investments have been marked to market and carried at fair value. In addition, obligations in respect of staff retirement benefits are carried at present value.

2.2 STATEMENT OF COMPLIANCE

- 2.2.1** These unconsolidated condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. Approved accounting standards comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

- Provisions of and directives issued under the Banking Companies Ordinance, 1962, the Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

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

2.2.2 The SBP, vide its Banking Supervision Department (BSD) Circular Letter no. 11 dated September 11, 2002 has deferred the applicability of IAS 40, Investment Property, for banking companies and DFI till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks and DFIs. Accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements.

2.2.3 The SECP through its SRO 633 (I)/2014 dated July 10, 2014 adopted IFRS 10, Consolidated Financial Statements for periods starting from June 30, 2014. However, SECP through SRO 56 (I)/2016 dated January 28, 2016, notified that the requirements of IFRS 10 and section 228 of the Companies Act, 2017 will not be applicable with respect to the investment in mutual funds established under trust structure.

2.2.4 These unconsolidated condensed interim financial statements have been presented in accordance with the requirements of format prescribed by SBP vide BPRD Circular Letter No. 5 dated March 22, 2019 and IAS 34. These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the audited annual unconsolidated financial statements and should be read in conjunction with the audited annual unconsolidated financial statements for the year ended December 31, 2021.

3 SIGNIFICANT ACCOUNTING POLICIES

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

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

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

As per the SBP's BPRD Circular Letter no. 03 dated July 05, 2022, the implementation date of IFRS-9 for DFIs has been advised as January 01, 2023 in line with instructions conveyed vide the said circular.

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

3.2 Standards, interpretations of and amendments to published approved accounting and reporting standards that are not yet effective

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these unconsolidated condensed interim financial statements is the same as that applied in the preparation of the audited annual unconsolidated 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 audited annual unconsolidated financial statements for the year ended December 31, 2021. These risk management policies continue to remain robust and the Company is reviewing its portfolio regularly and conducts rapid portfolio reviews in line with the emerging risks.

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Unaudited September 30, 2022	Audited December 31, 2021
	-----Rupees-----	
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	223,368	327,130
With State Bank of Pakistan in		
Local currency current account	101,956,658	101,612,867
	<u>102,180,026</u>	<u>101,939,997</u>
7 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	10,511,765	6,882,985
In deposit accounts	43,705,658	127,603,414
	<u>54,217,423</u>	<u>134,486,399</u>
8 NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE		
Cost of investment reclassified from investments		
- Investment in ordinary shares	243,467,574	243,467,574
- Investment in preference shares	333,208,501	333,208,501
Less: Provision on investment	<u>(576,676,075)</u>	<u>(576,676,075)</u>
	-	-
Less: Amounts received	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

- 8.1** The Company's investment in Saudi Pak Leasing Company Limited (the "associate company") has been classified as non-current asset held for sale in accordance with International Financial Reporting Standards 5 "Non-current Assets Held for Sales and Discontinued Operations" and measured at lower of carrying amount at designation and fair value less cost to sell.

	Unaudited September 30, 2022	Audited December 31, 2021
	-----Rupees-----	
9 LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	-	-
	-	-
Less: Provision held against lending to Financial Institutions	-	-
Lendings to Financial Institutions - net of provision	<u>-</u>	<u>-</u>

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

10 INVESTMENTS

10.1 Investments by type:	September 30, 2022 (Unaudited)				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-----				-----Rupees-----			
Held-for-trading securities								
Quoted shares	-	-	-	-	66,105,488	-	1,822,511	67,927,999
Available-for-sale securities								
Federal Government Securities								
-Pakistan Investment Bonds (PIBs)	33,007,896,266	-	(1,260,887,966)	31,747,008,300	26,156,748,679	-	(988,367,679)	25,168,381,000
-Market Treasury Bills	-	-	-	-	-	-	-	-
	33,007,896,266	-	(1,260,887,966)	31,747,008,300	26,156,748,679	-	(988,367,679)	25,168,381,000
Provincial Government Securities								
Shares- Quoted securities	3,028,561,638	(884,289,618)	(86,991,243)	2,057,280,777	3,208,180,629	(720,924,974)	(32,280,058)	2,454,975,597
Non Government Debt Securities								
-Term Finance Certificates (TFCs) / Sukuk	969,651,845	(80,266,424)	5,000,000	894,385,421	1,171,060,447	(81,675,026)	14,458,400	1,103,843,821
-Commercial paper	-	-	-	-	-	-	-	-
Un-quoted securities	783,833,048	(273,833,040)	-	510,000,008	786,333,048	(273,833,040)	-	512,500,008
	37,789,942,797	(1,238,389,082)	(1,342,879,209)	35,208,674,506	31,322,322,803	(1,076,433,040)	(1,006,189,337)	29,239,700,426
Held-to-maturity securities								
Non Government Debt Securities								
-Term Finance Certificates (TFCs) / Sukuk	1,559,725,144	(536,715,144)	-	1,023,010,000	1,867,317,203	(544,249,203)	-	1,323,068,000
Subsidiaries								
Saudi Pak Real Estate Company Limited	500,000,000	-	-	500,000,000	500,000,000	-	-	500,000,000
Total Investments	39,849,667,941	(1,775,104,226)	(1,342,879,209)	36,731,684,506	33,755,745,494	(1,620,682,243)	(1,004,366,826)	31,130,696,425

10.1.1 Principal and markup payment of Rs. 33.038 million against the unsecured subordinated TFCs of Rs. 300 million issued by the Silk Bank Limited (the Issuer) due on February 10, 2022 and August 10, 2022 has not been received to date. No provision in this respect has been made in these financial statements as the delay in above payment is due to Lock in Event restricting the Issuer to make any payment without the approval of the State Bank of Pakistan (SBP) and pursuant to clause 2.8 of the Trust Deed the above delay in payment does not constitute a breach of the issuer's redemption obligations. The Issuers application for allowing the payment is pending with SBP.

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Unaudited September 30, 2022	Audited December 31, 2021
	-----Rupees-----	
10.2 Investments given as collateral		
The market value of investments given as collateral is as follows:		
Pakistan Investment Bonds (PIBs)	27,416,561,500	21,908,529,525
Treasury Bills	-	-
	<u>27,416,561,500</u>	<u>21,908,529,525</u>

10.3 Provision for diminution in value of investments

10.3.1 Opening balance	1,620,682,243	1,519,406,251
Charge / reversals		
Charge for the period / year	207,302,047	207,601,400
Reversals for the period / year	(8,942,661)	(3,757,789)
Reversal on disposals	(43,937,403)	(102,567,619)
	154,421,983	101,275,992
Transfers - net	-	-
Closing balance	<u>1,775,104,226</u>	<u>1,620,682,243</u>

10.3.2 Particulars of provision against debt securities

Category of classification	Unaudited September 30, 2022		Audited December 31, 2021	
	NPI	Provision	NPI	Provision
	-----Rupees-----		-----Rupees-----	
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	650,731,568	616,981,568	659,674,229	625,924,229
	<u>650,731,568</u>	<u>616,981,568</u>	<u>659,674,229</u>	<u>625,924,229</u>
Overseas	-	-	-	-
Total	<u>650,731,568</u>	<u>616,981,568</u>	<u>659,674,229</u>	<u>625,924,229</u>

- 10.4** Market value of held-to-maturity securities other than non performing investments as at September 30, 2022 is Rs. 614 million (December 31, 2021: Rs. 1,193 million).

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

11 ADVANCES

	Performing		Non Performing		Total	
	Unaudited September 30, 2022	Audited December 31, 2021	Unaudited September 30, 2022	Audited December 31, 2021	Unaudited September 30, 2022	Audited December 31, 2021
	-----Rupees-----					
Loans, leases, running finances- gross	8,532,002,903	6,721,837,122	2,815,760,644	2,387,298,720	11,347,763,547	9,109,135,842
Provision against advances						
- Specific	-	-	(2,306,494,655)	(2,241,352,677)	(2,306,494,655)	(2,241,352,677)
- General	-	-	-	-	-	-
	-	-	(2,306,494,655)	(2,241,352,677)	(2,306,494,655)	(2,241,352,677)
Advances - net of provision	<u>8,532,002,903</u>	<u>6,721,837,122</u>	<u>509,265,989</u>	<u>145,946,043</u>	<u>9,041,268,892</u>	<u>6,867,783,165</u>

11.1 Particulars of advances (Gross)

	Unaudited September 30, 2022	Audited December 31, 2021
	-----Rupees-----	
In local currency	11,347,763,547	9,109,135,842
In foreign currencies	-	-
	<u>11,347,763,547</u>	<u>9,109,135,842</u>

11.2 Advances include Rs. 2,815,760,644 (December 31, 2021: Rs. 2,387,798,720) which have been placed under non-performing status as detailed below:-

Category of Classification	Unaudited September 30, 2022		Audited December 31, 2021	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	-----Rupees-----		-----Rupees-----	
Domestic				
Other Assets Especially Mentioned			-	-
Substandard	270,000,000	-	-	-
Doubtful	239,265,989	-	291,892,086	145,946,043
Loss	2,306,494,655	2,306,494,655	2,095,406,634	2,095,406,634
Total	<u>2,815,760,644</u>	<u>2,306,494,655</u>	<u>2,387,298,720</u>	<u>2,241,352,677</u>

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	Unaudited			Audited		
	September 30, 2022			December 31, 2021		
	Specific	General	Total	Specific	General	Total
	-----Rupees-----			-----Rupees-----		
11.3 Particulars of provision against advances						
Opening balance	2,241,352,677	-	2,241,352,677	2,533,847,014	-	2,533,847,014
Charge for the period/year	146,592,629	-	146,592,629	176,878,680	-	176,878,680
Reversals	(81,450,651)	-	(81,450,651)	(418,438,954)	-	(418,438,954)
	65,141,978	-	65,141,978	(241,560,274)	-	(241,560,274)
Amounts written off	-	-	-	(50,934,063)	-	(50,934,063)
Closing balance	2,306,494,655	-	2,306,494,655	2,241,352,677	-	2,241,352,677

11.3.1 The net FSV benefit already availed has been increased by Rs. 187.133 million, which has resulted reduction in specific provision for the year by the same amount. Had the FSV benefit not changed, before and after tax profit for the year would have been decreased by Rs. 187.133 million (December 31, 2021: nil) and Rs. 132.864 million (December 31, 2021: nil) respectively. Further, at September 30, 2022, cumulative net of tax benefit availed for Forced Sale Value (FSV) was Rs. 132.864 million (December 31, 2021: Rs. Nil) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and un-appropriated profit to that extent are not available for distribution by way of cash or stock dividend.

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		Unaudited September 30, 2022	Audited December 31, 2021
12	FIXED ASSETS		
	Capital work-in-progress	21,306,288	3,204,338
	Property and equipment	4,125,338,434	4,230,565,871
	Right of use assets under IFRS-16 Leases	-	9,709,270
		<u>4,146,644,722</u>	<u>4,243,479,479</u>
		Unaudited	
		For the nine months ended	
		September 30, 2022	September 30, 2021
		-----Rupees-----	
12.1	Additions to fixed assets		
	The following additions have been made to fixed assets during the period:		
	Capital work-in-progress	18,101,950	3,654,788
	Property and equipment		
	Building on leasehold land	498,910	409,920
	Furniture and fixtures	392,146	351,825
	Office equipment	2,796,000	7,788,432
	Vehicles	-	8,249,495
	Heating and air conditioning	497,880	3,991,318
	Security systems	498,641	92,728
	Electrical fitting, fire fighting equipment and others	16,084,697	12,304,714
		<u>20,768,274</u>	<u>33,188,432</u>
	Total	<u>38,870,224</u>	<u>36,843,220</u>
12.2	Disposal of fixed assets		
	The net book value of fixed assets disposed off during the period is as follows:		
	Building on leasehold land	27,532	-
	Furniture and fixture	33	-
	Office equipment	109,998	63,344
	Vehicles	2,744,742	5,113,936
	Heating and air conditioning	56,612	-
	Security systems	74,515	-
	Electrical fitting, fire fighting equipment and others	36,972	-
	Total	<u>3,050,404</u>	<u>5,177,280</u>
		Unaudited	Audited
		September 30, 2022	December 31, 2021
13	INTANGIBLE ASSETS		
	Computer Software	4,519,099	6,109,050
		<u>4,519,099</u>	<u>6,109,050</u>
		Unaudited	
		For the nine months ended	
		September 30, 2022	September 30, 2021
		-----Rupees-----	
13.1	Additions to intangible assets		
	The following additions have been made to intangible assets during the period:		
	Directly purchased	1,743,885	2,794,273
		<u>1,743,885</u>	<u>2,794,273</u>

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		Unaudited September 30, 2022	Audited December 31, 2021
	Note	Rupees	
14 OTHER ASSETS			
Income/ mark-up accrued in local currency - net of provision			
On investments		724,469,216	842,458,570
On advances		466,763,056	311,550,059
On lending to financial institutions		-	-
		1,191,232,272	1,154,008,629
Income/ mark-up accrued in foreign currency - net of provision		-	-
Advances, deposits, advance rent and other prepayments		28,500,389	13,663,883
Advance taxation (payments less provisions)		1,270,793,686	835,887,833
Excise duty		78,817,895	78,817,895
Non-banking assets acquired in satisfaction of claims	14.1	52,189,468	53,803,576
Dividend receivable		79,680,282	42,867,904
Other receivables		61,559,842	684,959
		2,762,773,834	2,179,734,679
Less: Provision held against other assets	14.2	(256,792)	(256,792)
Other assets (net of provision)		2,762,517,042	2,179,477,887
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		23,132,099	23,847,524
Other assets - total		2,785,649,141	2,203,325,411
14.1	The subject property located in a building situated in Township Lahore acquired in settlement transaction of outstanding facility of M/s Irfan Textile (Pvt.) Limited in the year 2007. Business activity could not be started since the building was constructed due to pending approval of building map and the issuance of completion certificate from Lahore Development Authority (LDA). Management is hopeful to dispose off the same once the NOC is arranged and provided by the plaza owners.		
14.2 Provision held against other assets			
	Note	Rupees	
Advances, deposits, advance rent & other prepayments		256,792	256,792
15 BORROWINGS			
Secured			
State Bank of Pakistan (SBP) refinance scheme			
Long term financing facility		1,234,319,176	845,810,022
Temporary economic relief facility		491,424,500	491,424,500
		1,725,743,676	1,337,234,522
Repurchase agreement borrowings		27,490,194,000	21,831,884,450
Against book debts/receivables		4,187,500,000	3,287,500,000
Total secured		33,403,437,676	26,456,618,972
Unsecured			
Call borrowings		1,500,000,000	-
Total unsecured		1,500,000,000	-
		34,903,437,676	26,456,618,972

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			Unaudited September 30, 2022	Audited December 31, 2021
			Rupees	
16	DEPOSITS AND OTHER ACCOUNTS	Note		
	Customers			
	- Term deposits (local currency)	16.1	2,545,000,000	2,911,587,775
16.1	Composition of deposits			
	- Public Sector Entities		1,935,000,000	2,701,587,775
	- Non-Banking Financial Institutions		10,000,000	10,000,000
	- Private Sector		600,000,000	200,000,000
			<u>2,545,000,000</u>	<u>2,911,587,775</u>
16.1.1	These represent certificate of investments (COIs) issued to Saudi Pak Employees Contributory Provident Fund for Rs 10 million (December 31, 2021: Rs. 10 million), Port Qasim Authority for Rs. 1,935 million (December 31, 2021: Rs. 2,235 million), National Fertilizer Corporation of Pakistan for nil (December 31, 2021: Rs. 466.58 million), Air Link Communication for Rs. 200 million (December 31, 2021: Rs. 200 million) and Select Technologies for Rs. 400 million (December 31, 2021: Nil). These COIs carry mark up at the rate ranging from 15.33% to 16.12% per annum (December 31, 2021: 7.75% to 11.14%) and having maturity from October 2022 to July 2023 (December 31, 2021: January to December 2022).			
16.1.2	All deposits are in local currency.			
			Unaudited September 30, 2022	Audited December 31, 2021
17	DEFERRED TAX LIABILITIES		Rupees	
	Deductible temporary differences on			
	Actuarial loss on defined benefit plan		(5,914,941)	(5,914,941)
	Deficit on revaluation of securities - AFS		(375,906,416)	(125,773,667)
	Provision on non-performing loans		(565,379,000)	(549,082,000)
	Impairment loss on available for sale quoted securities		(74,955,849)	(67,767,173)
			<u>(1,022,156,206)</u>	<u>(748,537,781)</u>
	Taxable temporary differences on			
	Accelerated tax depreciation		24,126,241	25,281,541
	Dividend receivable		16,420,071	10,716,976
	Right of Use Assets		-	2,815,688
	Surplus on revaluation of securities - HFT		-	273,377
	Surplus on revaluation of operating fixed assets		1,124,501,857	1,150,815,223
			<u>1,165,048,169</u>	<u>1,189,902,805</u>
			<u>142,891,963</u>	<u>441,365,024</u>
18	OTHER LIABILITIES			
	Mark-up / return / interest payable in local currency		667,678,187	149,516,538
	Accrued expenses		335,586	61,574,046
	Advance rental income		83,336,392	122,988,692
	Security deposits against rented properties		37,748,244	35,333,783
	Payable to defined benefit plan		6,595,101	10,308,832
	Provision for compensated absences		9,903,891	9,491,958
	Directors' remuneration		10,458,751	5,293,500
	Payable to stock brokers - net		31,154,609	119,060
	Dividend payable to shareholder - MOF-KSA		82,500,000	-
	Others		20,209,014	24,841,994
			<u>949,919,775</u>	<u>419,468,403</u>

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		Unaudited September 30, 2022	Audited December 31, 2021
	Note	Rupees	
19 SURPLUS ON REVALUATION OF ASSETS - NET			
(Deficit) / surplus on revaluation of			
- Available for sale securities	10.1	(1,342,879,209)	(1,006,189,337)
- Fixed assets		3,877,592,622	3,968,328,363
- Non-banking assets acquired in satisfaction of claims		23,132,099	23,847,524
		<u>2,557,845,512</u>	<u>2,985,986,550</u>
Deferred tax on (deficit) / surplus on revaluation of:			
- Available for sale securities		375,906,416	125,773,667
- Fixed assets		(1,124,501,857)	(1,150,815,223)
		<u>(748,595,441)</u>	<u>(1,025,041,556)</u>
		<u>1,809,250,071</u>	<u>1,960,944,994</u>
20 CONTINGENCIES AND COMMITMENTS			
-Guarantees	20.1	-	-
-Commitments	20.2	628,007,992	1,342,595,377
		<u>628,007,992</u>	<u>1,342,595,377</u>
20.1 Guarantees:		-	-
20.2 Commitments:			
Commitments for acquisition of:			
- Operating fixed assets		1,322,861	5,527,051
- Intangible assets		1,420,436	3,940,759
		<u>2,743,297</u>	<u>9,467,810</u>
Non disbursed commitment for term and working capital finance		625,264,695	1,333,127,567
		<u>628,007,992</u>	<u>1,342,595,377</u>

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20.3 Contingencies

20.3.1 Tax contingencies

- i) The Appellate Tribunal Inland Revenue (ATIR) Islamabad did not accept the Company's contention on certain matters in appeals relating to tax years 2004 to 2006, 2008 to 2010 and 2012 to 2014. These issues mainly relate to disallowance of provision for non performing loans and apportionment of expenses between income subject to final tax regime and normal tax regime. The Company has filed tax references before the Islamabad High Court that are pending adjudication. The Company however, accounted for the impact of tax of Rs. 617.237 million on provision for non performing loans & advances by routing it through Profit & Loss in the year 2018.

The related tax demands for all the aforesaid tax years aggregate to Rs 1,091.694 million, out of which Rs 635.194 million has been paid by / recovered from the Company.

- ii) For the tax years 2015 to 2018, the assessing officer amended the Company's assessment under section 122(5A) of the income tax Ordinance 2001 and created an aggregate tax demand of Rs. 1,463.932 million by making various add backs and disallowances. The Company preferred appeals before Commissioner Inland Revenue - Appeals [CIR(A)] who in terms of separate appellate orders remanded majority of the matters to the assessing officer and on certain matters upheld the actions of assessing officer. The Company has preferred separate appeals before ATIR for aforesaid cases which are pending adjudication.

- iii) For tax years 2015 to 2017 proceedings under section 161 were initiated and cumulative demand of Rs. 276.482 million was created on account of alleged default in withholding of tax out of which Rs 26.034 million has been paid by / recovered from the Company. The Company preferred appeal before the CIR(A) who remanded certain issues and upheld certain matters. The Company preferred further appeal before ATIR which is pending adjudication.

The management, based on the opinion of its legal counsels, believes that the above mentioned matters are likely to be decided in favour of the Company at superior appellate forums and therefore no further charge is required to be recognised in these unconsolidated condensed interim financial

20.3.2 Other contingent liabilities

- i) There is no change in the status of contingencies and commitments of the Company from the status given in the preceding audited annual financial statements for the year ended December 31,2021.

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		Unaudited	
		For the nine months ended	
		September 30, 2022	September 30, 2021
		-----Rupees-----	
21	MARK-UP/RETURN/INTEREST EARNED		
	On:		
	Loans and advances	683,303,973	583,001,137
	Investments	2,818,033,505	1,910,836,773
	Lendings to financial institutions	22,418,766	4,170,787
	Balances with banks	3,060,388	2,716,323
		<u>3,526,816,632</u>	<u>2,500,725,020</u>

22	MARK-UP/RETURN/INTEREST EXPENSED		
	On:		
	Deposits	266,947,425	139,569,285
	Borrowings		
	Securities purchased under repurchase agreements	2,323,828,125	1,119,703,904
	Other short term borrowings	423,994,286	211,278,098
	SBP refinance scheme - LTFF & TERF	19,668,954	16,225,705
	Long term borrowings	215,162,755	202,963,781
		<u>2,982,654,120</u>	<u>1,550,171,488</u>
	Interest expense on lease liability against ROU assets	-	1,466,163
	Brokerage fee relating to borrowings	4,503,025	7,010,289
		<u>3,254,104,570</u>	<u>1,698,217,225</u>

22.1 The markup expense amounting to Rs. 819,355 (September 30, 2021: Rs. 576,403) relates to Saudi Pak Employees Contributory Provident Fund.

		Unaudited	
		For the nine months ended	
		September 30, 2022	September 30, 2021
		-----Rupees-----	
23	FEE AND COMMISSION INCOME		
	Credit related fees	7,965,000	485,000
	Others	-	500,000
		<u>7,965,000</u>	<u>985,000</u>

24	GAIN / (LOSS) ON SECURITIES			
	Realised	24.1	66,148,754	(40,164,770)
	Unrealised - held for trading		-	-
			66,148,754	(40,164,770)

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		Unaudited	
		For the nine months ended	
		September 30, 2022	September 30, 2021
		-----Rupees-----	
24.1 Realised gain / (loss) on:			
Federal Government Securities		51,000	(81,030,125)
Shares - Unlisted		28,604,681	-
Shares - listed		37,493,073	40,865,355
		<u>66,148,754</u>	<u>(40,164,770)</u>
25 OTHER INCOME			
Rent on property- net	25.1	171,975,362	161,285,242
Gain / (loss) on sale of fixed assets-net		464,747	(804,277)
Gain on sale of non banking assets - net		-	60,630,049
Others		1,410,329	835,381
		<u>173,850,438</u>	<u>221,946,395</u>
25.1 Rent on property - net			
Rental income		340,304,318	307,543,768
Less: property expense			
Salaries, allowances and employee benefits		24,892,441	20,996,927
Depreciation		91,469,144	76,356,019
Other expenses		51,967,371	48,905,580
		<u>168,328,956</u>	<u>146,258,526</u>
		<u>171,975,362</u>	<u>161,285,242</u>

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	Unaudited	
	For the nine months ended	
	September 30,	September 30,
	2022	2021
	-----Rupees-----	
26 OPERATING EXPENSES		
Total compensation expense	182,896,886	187,980,958
Property expense		
Rent and taxes	301,379	407,062
Insurance	230,608	196,670
Utilities cost	19,947,280	11,342,931
Security (including guards)	3,488,247	3,369,237
Repair and maintenance (including janitorial charges)	2,712,731	2,127,481
Depreciation on ROU assets	9,709,270	10,339,261
Depreciation	13,067,021	10,908,003
	49,456,536	38,690,645
Information technology expenses		
Software maintenance	5,404,158	4,431,423
Hardware maintenance	888,674	734,858
Amortisation	3,333,836	3,654,524
Network charges	3,024,566	2,410,711
	12,651,234	11,231,516
Other operating expenses		
Shareholders' fee	5,165,251	3,835,010
Directors' fees and allowances	16,850,000	15,590,000
Legal and professional charges	3,770,575	4,666,998
Consultancy, custodial and rating services	4,434,987	3,959,471
Outsourced services costs	29,812,769	29,036,274
Travelling and conveyance	28,794,396	5,961,747
Depreciation	20,738,675	19,360,317
Training and development	2,106,369	1,602,082
Postage and courier charges	339,400	502,378
Communication	2,745,782	2,537,403
Stationery and printing	4,731,452	4,538,757
Marketing, advertisement and publicity	1,035,877	257,083
Donations	3,000,000	1,000,000
Auditors remuneration	1,798,502	1,891,999
Repair and maintenance	2,665,979	2,689,384
Insurance	1,234,141	1,561,200
Office and general expenses	10,732,910	12,305,021
Bank charges	200,397	221,132
	140,157,462	111,516,256
	385,162,118	349,419,375

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		Unaudited	
		For the nine months ended	
		September 30,	September 30,
		2022	2021
		-----Rupees-----	
27	OTHER CHARGES		
	Penalties imposed by State Bank of Pakistan	<u>30,000</u>	<u>130,429</u>
		<u>30,000</u>	<u>130,429</u>
28	PROVISIONS AND WRITE OFFS - NET		
	(Reversal of provision) / provisions for diminution in value of investments - net	10.3.1 154,421,983	(52,068,670)
	Provisions against loans and advances - net	11.3 65,141,978	4,183,935
	Other write offs	-	559,822
		<u>219,563,961</u>	<u>(47,324,913)</u>
29	TAXATION		
	Current	120,436,787	226,720,666
	Prior years	(168,082)	(1,057,879)
	Deferred tax	(48,340,312)	4,320,563
		<u>71,928,393</u>	<u>229,983,350</u>
30	BASIC EARNINGS PER SHARE		
	Profit for the period - Rupees	<u>117,691,766</u>	<u>689,591,625</u>
	Weighted average number of ordinary shares	<u>676,500,000</u>	<u>676,500,000</u>
	Basic earnings per share - Rupee	<u>0.174</u>	<u>1.019</u>
31	DILUTED EARNINGS/ (LOSS) PER SHARE		
	There are no dilutive instruments, hence basic and diluted earnings are same.		
		Unaudited	
		For the nine months ended	
		September 30,	September 30,
		2022	2021
		-----Rupees-----	
32	CASH AND CASH EQUIVALENTS		
	Cash and Balance with Treasury Banks	102,180,026	132,327,421
	Balance with other banks	54,217,423	146,207,021
		<u>156,397,449</u>	<u>278,534,442</u>

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33 FAIR VALUE MEASUREMENTS

The fair value of traded investments is based on quoted market prices, except for securities classified by the Company as 'held to maturity'. Securities classified as held to maturity are carried at amortized cost. Value of unquoted equity investments, other than subsidiary and associates, are determined on the basis of break up value of these investments as per the latest available audited financial statements. Further, financial statements of several unquoted equity investments are not available whether due to liquidation or litigation, hence, breakup value of these investments cannot be determined.

Fair value of unquoted debt securities, fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Company's accounting policy.

Fair value of remaining financial assets and liabilities except fixed term loans, staff loans, non-performing advances and fixed term deposits is not significantly different from the carrying amounts since assets and liabilities are either short term in nature or are frequently repriced in the case of customer loans.

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33.1 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 (Pakistan Stock Exchange) 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) available at Mutual Fund Association of Pakistan (MUFAP), Reuters page, redemption prices determined by valuers on the panel of Pakistan Bank's Association.
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. Valuation of investments is carried out as per guidelines specified by the SBP. In case of non-financial assets, the Company has adopted revaluation model (as per IAS 16) in respect of leasehold land, building and certain other assets and non-banking assets acquired in satisfaction of claims.

	September 30, 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	Rupees			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	31,747,008,300	-	31,747,008,300
Shares	2,057,280,777	-	-	2,057,280,777
Non-Government Debt Securities	-	894,385,421	-	894,385,421
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government Debt Securities	-	-	1,023,010,000	1,023,010,000
Off-balance sheet financial instruments - measured at fair value	-	-	-	-
	December 31, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
	Rupees			
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal Government Securities	-	25,168,381,000	-	25,168,381,000
Shares	2,522,903,596	-	-	2,522,903,596
Non-Government Debt Securities	-	1,103,843,821	-	1,103,843,821
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government Debt Securities	-	-	1,323,068,000	1,323,068,000
Off-balance sheet financial instruments - measured at fair value	-	-	-	-

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Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Items	Valuation approach and input used
Federal Government securities	The fair values of Federal Government securities are determined on the basis of PKRV rates.
Non-Government Debt Securities	Non Government Debt Securities are valued on the basis of rates announced by MUFAP.

33.2 The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date of the event or change in circumstances that caused such transfer. There were no transfers between levels 1 and 2 during the period.

33.3 Fair value of non-financial assets

	September 30, 2022 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	Rupees			
Non-financial assets				
Fixed assets				
Property and equipment (lease hold land, building and others)	-	-	4,083,982,768	4,083,982,768
Other assets				
Non banking assets acquired in satisfaction of claims	-	-	75,321,567	75,321,567
	December 31, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
	Rupees			
Non-financial assets				
Fixed assets				
Property and equipment (lease hold land, building and others)	-	-	4,174,157,516	4,174,157,516
Other assets				
Non banking assets acquired in satisfaction of claims	-	-	77,651,100	77,651,100

Valuation techniques used in determination of fair valuation of financial instruments within level 2 and level 3

Items	Valuation approach and input used
Fixed assets and non-banking assets acquired in satisfaction of claims	Land, buildings and other fixed assets and non-banking assets acquired in satisfaction of claims are revalued on a periodic basis using professional valuers. The valuation is based on their assessment of the market value of the assets. The effect of changes in the unobservable inputs used in the valuations cannot be determined with certainty, accordingly a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

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34 Segment Details with respect to Business Activities

	September 30, 2022 (Unaudited)			
	Corporate Finance	Trading and sales	Building rental services	Total
	Rupees			
Profit & Loss				
Net mark-up/return/profit	122,843,984	149,868,078	-	272,712,062
Non mark-up / return / interest income	7,965,000	340,313,485	173,385,691	521,664,176
Total income	130,808,984	490,181,563	173,385,691	794,376,238
Segment direct expenses	81,139,060	304,053,058	-	385,192,118
Total expenses	81,139,060	304,053,058	-	385,192,118
Provisions	56,199,317	163,364,644	-	219,563,961
(Loss) / Profit before tax	(6,529,393)	22,763,861	173,385,691	189,620,159
Balance Sheet				
Cash and bank balances	-	156,397,449	-	156,397,449
Investments	1,023,010,000	35,708,674,506	-	36,731,684,506
Lendings to financial institutions	-	-	-	-
Advances - performing	8,532,002,903	-	-	8,532,002,903
- non-performing net of provision	509,265,989	-	-	509,265,989
Others	954,067,972	2,024,131,126	3,958,613,864	6,936,812,962
Total assets	11,018,346,864	37,889,203,081	3,958,613,864	52,866,163,809
Borrowings	9,084,434,362	25,819,003,314	-	34,903,437,676
Deposits & other accounts	662,395,655	1,882,604,345	-	2,545,000,000
Others	(359,026,834)	186,820,916	1,265,017,656	1,092,811,738
Total liabilities	9,387,803,183	27,888,428,575	1,265,017,656	38,541,249,414
Equity	-	-	-	14,324,914,395
Total equity & liabilities	9,387,803,183	27,888,428,575	1,265,017,656	52,866,163,809
Contingencies and commitments	625,608,955	978,427	1,420,610	628,007,992
	September 30, 2021 (Unaudited)			
	Corporate Finance	Trading and sales	Building rental services	Total
	Rupees			
Profit & Loss				
Net mark-up/return/profit	256,539,095	545,968,700	-	802,507,795
Non mark-up / return / interest income	985,000	256,186,448	162,120,623	419,292,071
Total income	257,524,095	802,155,148	162,120,623	1,221,799,866
Segment direct expenses	84,947,872	264,601,932	-	349,549,804
Total expenses	84,947,872	264,601,932	-	349,549,804
Provisions	17,860,968	(65,185,881)	-	(47,324,913)
(Loss) / Profit before tax	154,715,255	602,739,097	162,120,623	919,574,975
	December 31, 2021 (Audited)			
	Corporate Finance	Trading and sales	Building rental services	Total
	Rupees			
Balance Sheet				
Cash and bank balances	-	236,426,396	-	236,426,396
Investments	1,323,068,000	29,807,628,425	-	31,130,696,425
Lendings to financial institutions	-	-	-	-
Advances - performing	6,721,837,122	-	-	6,721,837,122
- non-performing net of provision	145,946,043	-	-	145,946,043
Others	854,579,982	1,642,074,661	3,956,259,297	6,452,913,940
Total assets	9,045,431,147	31,686,129,482	3,956,259,297	44,687,819,926
Borrowings	6,977,336,527	19,479,282,445	-	26,456,618,972
Deposits & other accounts	767,865,605	2,143,722,170	-	2,911,587,775
Others	(472,347,293)	35,209,749	1,297,970,971	860,833,427
Total liabilities	7,272,854,839	21,658,214,364	1,297,970,971	30,229,040,174
Equity	-	-	-	14,458,779,752
Total equity & liabilities	7,272,854,839	21,658,214,364	1,297,970,971	44,687,819,926
Contingencies and commitments	1,334,211,192	3,025,258	5,358,927	1,342,595,377

35 RELATED PARTY TRANSACTIONS

The Governments of Kingdom of Saudi Arabia and the Islamic Republic of Pakistan each own 50% shares of the Company. Therefore, all entities owned by and controlled by these governments are related parties of the Company. Other related parties comprise of entities over which the Company has control (subsidiaries), entities over which the directors are able to exercise significant influence (associated undertakings), entities with common directors, major shareholders, directors, key management personnel and employees' funds. The Company in normal course of business pays for electricity, gas and telephone to entities controlled by Government of Pakistan.

Transactions which are made under the terms of employment with related parties mainly comprise of loans and advances etc.

Advances for the house building, conveyance and personal use have also been provided to staff and executives in accordance with the employment and pay policy. Facility of group life insurance and hospitalization facility is also provided to staff and executives. In addition to this, majority of executives of the Company have been provided with Company maintained car.

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

	September 30, 2022 (Unaudited)					December 31, 2021 (Audited)				
	Directors	Key management personnel	Subsidiary	Associate	Other related parties	Directors	Key management personnel	Subsidiary	Associate	Other related parties
	Rupees					Rupees				
Non-current asset classified as held for sale										
Opening balance	-	-	-	576,676,075	-	-	-	-	576,676,075	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	576,676,075	-	-	-	-	576,676,075	-
Provision for Non-current asset classified as held for sale	-	-	-	576,676,075	-	-	-	-	576,676,075	-
Lendings to financial institutions										
Opening balance	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	-	-	15,805,422,412	-	-	-	-	4,386,994,540
Repaid during the period / year	-	-	-	-	(15,805,422,412)	-	-	-	-	(4,386,994,540)
Closing balance	-	-	-	-	-	-	-	-	-	-
Investments										
Opening balance	-	-	500,000,000	-	199,720,000	-	-	500,000,000	-	199,800,000
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the year	-	-	-	-	(40,000)	-	-	-	-	(80,000)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	500,000,000	-	199,680,000	-	-	500,000,000	-	199,720,000
Advances										
Opening balance	-	26,026,934	-	-	-	-	22,314,824	-	-	-
Addition during the period / year	-	10,092,224	-	-	-	-	8,034,694	-	-	-
Repaid during the period / year	-	(9,829,302)	-	-	-	-	(12,347,584)	-	-	-
Transfer in / (out) - net	-	1,018,517	-	-	-	-	8,025,000	-	-	-
Closing balance	-	27,308,373	-	-	-	-	26,026,934	-	-	-
Other Assets										
Interest / mark-up accrued	-	-	-	-	13,280,591	-	-	-	-	3,826,416
Security deposit	-	-	2,633,280	-	-	-	-	2,633,280	-	-
Borrowings										
Opening balance	-	-	-	-	6,670,000,000	-	-	-	-	13,000,000,000
Borrowings during the period / year	-	-	-	-	135,826,137,794	-	-	-	-	94,074,973,235
Settled during the period / year	-	-	-	-	(142,496,137,794)	-	-	-	-	(100,404,973,235)
Closing balance	-	-	-	-	-	-	-	-	-	6,670,000,000
Deposits and other accounts										
Opening balance	-	-	-	-	2,711,587,775	-	-	-	-	2,445,800,000
Received during the period / year	-	-	-	-	672,500,891	-	-	-	-	406,587,775
Withdrawn during the period / year	-	-	-	-	(1,439,088,666)	-	-	-	-	(140,800,000)
Closing balance	-	-	-	-	1,945,000,000	-	-	-	-	2,711,587,775
Other Liabilities										
Interest / mark-up payable	-	-	-	-	9,200,525	-	-	-	-	43,413,083
Payable to defined benefit plan	-	-	-	-	6,595,101	-	-	-	-	10,308,832
Security deposit	-	-	426,170	-	1,697,850	-	-	401,960	-	1,697,850
Rent received in advance	-	-	1,065,425	-	3,166,445	-	-	973,462	-	22,596,961
	September 30, 2022 (Unaudited)					September 30, 2021 (Unaudited)				
	Directors	Key management personnel	Subsidiary	Associate	Other related parties	Directors	Key management personnel	Subsidiary	Associate	Other related parties
	Rupees					Rupees				
Income										
Mark-up / return / interest earned	-	557,613	-	-	31,364,744	-	1,352,174	-	-	-
Rental income	-	-	3,633,211	-	19,430,505	-	-	3,355,067	-	-
Expense										
Mark-up / return / interest expensed	-	-	-	-	720,847,625	-	-	-	-	576,403
Contribution to employees' funds	-	-	-	-	7,891,771	-	-	-	-	7,476,859
Directors' fees and allowances	16,850,000	-	-	-	-	15,590,000	-	-	-	-
Shareholders' fee	-	-	-	-	5,165,251	-	-	-	-	3,835,010
Operating expenses	-	103,965,484	-	290,660	-	-	90,761,118	-	275,658	-

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	----- Rs '000' -----	
36 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS		
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	6,765,000	6,600,000
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	12,091,302	11,993,920
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	12,091,302	11,993,920
Eligible Tier 2 Capital	1,535,630	1,662,546
Total Eligible Capital (Tier 1 + Tier 2)	13,626,932	13,656,466
Risk Weighted Assets (RWAs):		
Credit Risk	20,983,665	18,537,351
Market Risk	6,366,707	7,191,165
Operational Risk	3,238,102	3,238,102
Total	30,588,474	28,966,618
Common Equity Tier 1 Capital Adequacy ratio	39.53%	41.41%
Tier 1 Capital Adequacy Ratio	39.53%	41.41%
Total Capital Adequacy Ratio	44.55%	47.15%

As of September 30, 2022, the Company must meet a Tier 1 to RWA ratio and CAR, including CCB, of 7.5% and 11.5% respectively.

Standardized Approach is used for calculating the Capital Adequacy for Market and Credit Risk while Basic Indicator Approach (BIA) is used for Operational Risk.

	Unaudited September 30, 2022	Audited December 31, 2021
	----- Rs '000' -----	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	12,091,302	11,993,920
Total Exposures	53,075,301	45,532,808
Leverage Ratio	22.78%	26.34%

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	----- Rs '000' -----	
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	5,346,379	5,109,796
Total Net Cash Outflow	3,872,790	2,266,280
Liquidity Coverage Ratio	138.05%	225.47%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	35,093,089	30,780,826
Total Required Stable Funding	20,255,480	18,385,334
Net Stable Funding Ratio	173.25%	167.42%

37 DATE OF AUTHORIZATION

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on 22 OCT 2022.

				
_____ Chief Financial Officer	_____ GM/Chief Executive	_____ Director	_____ Director	_____ Director