

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION [UN-AUDITED]**  
**AS AT MARCH 31, 2023**

	Note	(Unaudited) March 31, 2023	(Audited) December 31, 2022
<b>ASSETS</b>			
Cash and balances with treasury banks	6	125,585,005	116,437,350
Balances with other banks	7	52,743,375	127,875,540
Non-current asset classified as held for sale	8	-	-
Lendings to financial institutions	9	3,540,761,019	-
Investments	10	36,692,029,485	36,321,015,128
Advances	11	8,649,802,344	9,119,290,062
Fixed assets	12	4,169,852,805	4,181,796,569
Intangible assets	13	5,473,375	6,392,003
Deferred tax assets	17	249,438,877	58,011,030
Other assets	14	1,819,717,960	3,675,883,486
		<b>55,305,404,245</b>	<b>53,606,701,168</b>
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings	15	37,536,090,134	36,774,866,849
Deposits and other accounts	16	3,704,390,856	1,953,000,000
Lease liabilities		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	18	317,571,138	835,273,389
		<b>41,558,052,128</b>	<b>39,563,140,238</b>
<b>NET ASSETS</b>		<b>13,747,352,117</b>	<b>14,043,560,930</b>
<b>REPRESENTED BY</b>			
Share capital		6,765,000,000	6,765,000,000
Statutory reserve		1,431,486,211	1,431,486,211
General reserve		358,662,940	358,662,940
Surplus on revaluation of assets - net	19	1,530,695,294	1,313,231,385
Unappropriated / unremitted profit		3,661,507,672	4,175,180,394
		<b>13,747,352,117</b>	<b>14,043,560,930</b>

**CONTINGENCIES AND COMMITMENTS**


20

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 MARCH 31, 2023**

		Quarter Ended		Period Ended	
	Note	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
------(Rupees)-----					
Mark-up / Return / Interest earned	21	1,646,655,783	899,015,082	1,646,655,783	899,015,082
Mark-up / Return / Interest expensed	22	1,563,569,259	765,609,769	1,563,569,259	765,609,769
<b>Net Mark-up / Interest Income</b>		<b>83,086,524</b>	<b>133,405,313</b>	<b>83,086,524</b>	<b>133,405,313</b>
<b>NON MARK-UP / INTEREST INCOME</b>					
Fee and commission income	23	1,582,895	-	1,582,895	-
Dividend income		105,453,348	113,365,240	105,453,348	113,365,240
Foreign exchange income		7,559,879	806,185	7,559,879	806,185
Income / (loss) from derivatives		-	-	-	-
Gain / (Loss) on securities	24	(45,522,655)	31,837,671	(45,522,655)	31,837,671
Other income	25	72,880,491	60,091,210	72,880,491	60,091,210
<b>Total non-markup / interest income</b>		<b>141,953,958</b>	<b>206,100,306</b>	<b>141,953,958</b>	<b>206,100,306</b>
<b>Total income</b>		<b>225,040,482</b>	<b>339,505,619</b>	<b>225,040,482</b>	<b>339,505,619</b>
<b>NON MARK-UP / INTEREST EXPENSES</b>					
Operating expenses	26	122,359,403	110,559,824	122,359,403	110,559,824
Workers Welfare Fund		-	-	-	-
Other charges	27	-	-	-	-
<b>Total Non-markup / Interest Expenses</b>		<b>122,359,403</b>	<b>110,559,824</b>	<b>122,359,403</b>	<b>110,559,824</b>
<b>Profit / (loss) before credit loss allowance / Provisions</b>		<b>102,681,079</b>	<b>228,945,795</b>	<b>102,681,079</b>	<b>228,945,795</b>
Credit loss allowance / Provisions and write offs - net	28	(93,451,418)	(24,255,299)	(93,451,418)	(24,255,299)
Extra ordinary / unusual items		-	-	-	-
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>196,132,497</b>	<b>253,201,094</b>	<b>196,132,497</b>	<b>253,201,094</b>
Taxation	29	50,131,301	65,287,820	50,131,301	65,287,820
<b>PROFIT/(LOSS) AFTER TAXATION</b>		<b>146,001,196</b>	<b>187,913,274</b>	<b>146,001,196</b>	<b>187,913,274</b>
------(Rupee)-----					
Basic Earnings/(loss) per share	30	0.216	Restated 0.278	0.216	Restated 0.278
Diluted Earnings/(loss) per share	31	0.216	0.278	0.216	0.278

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

  
Chief Financial Officer

  
GM/Chief Executive

  
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**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

	Quarter Ended		Period Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	----- (Rupees) -----			
Profit / (loss) after taxation for the period	146,001,196	187,913,274	146,001,196	187,913,274
<b>Other comprehensive income</b>				
<b>Items that may be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus / (deficit) on revaluation of debt instrument through FVOCI / Investment - net of tax	(360,670,293)	(108,683,367)	(360,670,293)	(108,683,367)
	(360,670,293)	(108,683,367)	(360,670,293)	(108,683,367)
<b>Items that will not be reclassified to profit and loss account in subsequent periods:</b>				
Movement in surplus / (deficit) on revaluation of equity investments - net of tax	(29,641,700)	-	(29,641,700)	-
	(29,641,700)	-	(29,641,700)	-
<b>Total comprehensive income / (loss)</b>	<b>(244,310,797)</b>	<b>79,229,907</b>	<b>(244,310,797)</b>	<b>79,229,907</b>

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

  
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**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

	Share capital	Statutory reserve	General reserve	Surplus/(deficit) on revaluation of		Unappropriated/ Unremitted profit	Total
				Investments	Property & Equipment / Non banking		
	Rupees						
<b>Balance as at January 1, 2022</b>	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 March 31, 2022	-	-	-	-	-	187,913,274	187,913,274
Other comprehensive income - net of tax	-	-	-	(108,683,367)	-	-	(108,683,367)
Total comprehensive income	-	-	-	(108,683,367)	-	187,913,274	79,229,907
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(21,712,600)	21,712,600	-
<b>Balance as at March 31, 2022</b>	<b>6,600,000,000</b>	<b>1,369,329,367</b>	<b>358,662,940</b>	<b>(989,099,037)</b>	<b>2,819,648,064</b>	<b>4,379,468,325</b>	<b>14,538,009,659</b>
Profit after taxation for the period ended December 31, 2022	-	-	-	-	-	122,870,946	122,870,946
Other comprehensive income / (loss) - net of tax	-	-	-	(298,285,947)	-	(139,833)	(298,425,780)
Total comprehensive income / (loss)	-	-	-	(298,285,947)	-	122,731,113	(175,554,834)
Transfer to statutory reserve	-	62,156,844	-	-	-	(62,156,844)	-
Impact of rate change	-	-	-	-	(153,893,895)	-	(153,893,895)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(65,137,800)	65,137,800	-
Bonus shares issued equally issued to GOP & KSA	165,000,000	-	-	-	-	(165,000,000)	-
Dividend 2021: 2.5% per ordinary share	-	-	-	-	-	(165,000,000)	(165,000,000)
<b>Balance as at December 31, 2022 (Audited)</b>	<b>6,765,000,000</b>	<b>1,431,486,211</b>	<b>358,662,940</b>	<b>(1,287,384,984)</b>	<b>2,600,616,369</b>	<b>4,175,180,394</b>	<b>14,043,560,930</b>
Adjustment on initial application of IFRS - 9	-	-	-	628,278,692	-	(680,176,708)	(51,898,016)
<b>Balance as at December 31, 2022 (Revised))</b>	<b>6,765,000,000</b>	<b>1,431,486,211</b>	<b>358,662,940</b>	<b>(659,106,292)</b>	<b>2,600,616,369</b>	<b>3,495,003,686</b>	<b>13,991,662,914</b>
Profit after taxation for the year ended March 31, 2023	-	-	-	-	-	146,001,196	146,001,196
Other comprehensive Loss - net of tax	-	-	-	(390,311,993)	-	-	(390,311,993)
Total comprehensive income / (loss)	-	-	-	(390,311,993)	-	146,001,196	(244,310,797)
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(20,502,790)	20,502,790	-
<b>Balance as at March 31, 2023</b>	<b>6,765,000,000</b>	<b>1,431,486,211</b>	<b>358,662,940</b>	<b>(1,049,418,285)</b>	<b>2,580,113,579</b>	<b>3,661,507,672</b>	<b>13,747,352,117</b>

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

  
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GM/Chief Executive

  
Director

  
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**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

Note	March 31, 2023	March 31, 2022
	-----Rupees-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	196,132,497	253,201,094
Less: dividend income	(105,453,348)	(113,365,240)
	90,679,149	139,835,854
<b>Adjustments:</b>		
Depreciation	46,876,522	45,199,251
Amortization	918,628	1,118,085
Credit loss allowance and write-offs	(93,451,418)	(24,255,299)
(Gain) / loss on sale of fixed assets	(37,982)	(71,978)
Gain on sale of non banking assets	-	-
Finance charges on leased assets	1,091,020	-
Charge for defined benefit plan	2,450,759	2,198,367
	(82,149,450)	24,188,426
	8,529,699	164,024,280
<b>(Increase) / decrease in operating assets</b>		
Lendings to financial institutions	(3,538,789,440)	-
Held-for-trading securities / Securities classified as FVPL	-	67,927,999
Advances	381,759,403	53,724,344
Others assets (excluding advance taxation)	842,460,081	293,484,208
	(2,314,569,956)	415,136,551
<b>Increase/ (decrease) in operating liabilities</b>		
Borrowings from financial institutions	116,836,368	4,134,907,633
Deposits	1,712,000,000	9,269,721
Other liabilities (excluding current taxation)	166,976,873	(26,506,109)
	1,995,813,241	4,117,671,245
Payments against off-balance sheet obligations	-	-
Payment to defined benefit plan	(10,219,869)	(10,308,832)
Payment for compensated absences	(177,072)	(433,632)
Income tax paid	(353,054,416)	(204,649,010)
<b>Net cash flow generated from/(used in) operating activities</b>	<b>(673,678,373)</b>	<b>4,481,440,602</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investments in securities classified as FVOCI / AFS	410,896,815	(4,649,439,518)
Net investments in amortized cost securities / HTM	150,000,000	150,913,908
Dividend received	81,035,000	116,321,793
Investments in fixed assets	(37,242,424)	(4,225,104)
Investments in fixed assets and intangibles assets	-	(1,743,885)
Proceeds from sale of fixed assets	3,124,159	1,238,387
Proceeds from sale of non banking assets	-	-
<b>Net cash flow (used in) / generated from investing activities</b>	<b>607,813,550</b>	<b>(4,386,934,419)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	-
<b>Net cash flow generated from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
Effects of exchange rate changes on cash and cash equivalents	-	-
<b>Decrease in cash and cash equivalents</b>	<b>(65,864,823)</b>	<b>94,506,183</b>
Cash and cash equivalents at beginning of the period	244,312,890	236,426,396
Cash and cash equivalents at end of the period	178,448,067	330,932,579

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

  
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**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

**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 MARCH 31, 2023**

- 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 No. 02 of 2023 dated February 09, 2023 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, 2022.

### **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, 2022 except for early adoption of IFRS-9 as disclosed below.

#### **3.1 Impacts of Adoption of IFRS-9**

##### **Classification and measurement of financial instruments**

IFRS-9 contains three main classification categories for financial assets, i.e. to be measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit & loss (FVPTL). The classification and subsequent measurement is dependent on the business models as mentioned in IFRS-9 that comprises of Hold to Collect – financial assets held with the objective to collect contractual cash flows; Hold to Collect and Sell – financial assets held with the objective of both collecting contractual cash flows and selling financial assets Other – financial assets held with trading intent or that do not meet the above criteria.



**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

Financial liabilities will be measured at amortized cost except those classified as held for trading and opted to measure them at fair value.

**Impairment of financial assets**

The IFRS-9 has replaced the incurred credit loss method to "expected credit loss method", i.e. "ECL". It requires to record an allowance for all financial assets not held at FVPTL.

The Company, under IFRS-9 follows a three stage approach to impairment, i.e. Stage 1 (Performing / low credit risk), Stage 2 (Underperforming / SICR) & Stage 3 (Non-performing).

Under Stage 1, provisions are recognized at an amount equal to 12-month expected credit loss on the credit instrument.

Under Stage 2, provisions are recognized at an amount equal to lifetime expected credit loss on the credit instrument. The lifetime expected credit loss is based on the lifetime probability of default over the residual tenure of the credit instrument.

Under Stage 3, provisions are recognized at an amount as specified in the prevailing SBP Prudential Regulations or the lifetime expected credit loss on the credit instrument, whichever is higher. The lifetime expected credit loss is based on a 100% probability of default.

**Transitioning adjustments**

The comparative period have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS-9 have been recognized in opening retained earnings as of January 01, 2023, as per detail given below:-

	<b>Rupees</b>
Retained earnings as of December 31, 2022	4,175,180,394
Reversals of provisions held against advances	2,355,248,518
Reversals of provisions against Investments	609,452,501
Reversal of markup (previously suspended)	812,564,189
Deferred tax on ECL	262,864,895
Deferred tax on FVTPL	28,945,409
Recognition of ECL (December 31, 2022)	(4,573,825,496)
Reclassification of AFS equity investments to FVTPL	(175,426,724)
<b>Revised Retained Earnings as of December 31, 2022</b>	<b>3,495,003,686</b>

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

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2023 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.



**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

**3.3 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, 2022.

**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, 2022. 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.

	Unaudited March 31, 2023	Audited December 31, 2022
	-----Rupees-----	
<b>6 CASH AND BALANCES WITH TREASURY BANKS</b>		
In hand		
Local currency	261,929	285,888
With State Bank of Pakistan in		
Local currency current account	125,323,076	116,151,462
	<u>125,585,005</u>	<u>116,437,350</u>
<b>7 BALANCES WITH OTHER BANKS</b>		
In Pakistan		
In current accounts	6,007,419	84,376,565
In deposit accounts	46,855,643	43,498,975
Less: Credit loss allowance held against balance with other banks	(119,687)	-
	<u>52,743,375</u>	<u>127,875,540</u>
<b>8 NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE</b>		
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	(576,676,075)	(576,676,075)
	-	-
Less: Amounts received	-	-
	<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 MARCH 31, 2023**

- 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 March 31, 2023	Audited December 31, 2022
	-----Rupees-----	
<b>9 LENDINGS TO FINANCIAL INSTITUTIONS</b>		
Repurchase agreement lendings (Reverse Repo)	3,340,558,060	-
Letter based placement	200,336,986	-
	3,540,895,046	-
Less: Credit loss allowance held against lending to financial institutions	(134,027)	-
Lendings to Financial Institutions - net of provision	3,540,761,019	-

**9.1 Lending to Fls- Particulars of credit loss allowance**

			Audited	
			31 March 2023	31 December 2022
			Classified Lending	Credit loss allowance held
			Rupees	Rupees
<b>Domestic</b>				
Performing	Stage 1		3,540,895,046	134,027
Under performing	Stage 2		-	-
Non-performing	Stage 3			
Substandard			-	-
Doubtful			-	-
Loss			-	-
			3,540,895,046	134,027
Total			3,540,895,046	134,027

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]  
FOR THE PERIOD ENDED MARCH 31, 2023

10 INVESTMENTS

10.1 Investments by type:	March 31, 2023 (Unaudited)				December 31, 2022 (Audited)			
	Cost / Amortised cost	Credit loss allowance	Surplus / (Deficit)	Carrying value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying value
	-----Rupees-----				-----Rupees-----			
<b>FVTPL</b>								
Shares- Quoted securities	2,128,153,590	(467,590,447)	(135,429,745)	1,525,133,398	-	-	-	-
	2,128,153,590	(467,590,447)	(135,429,745)	1,525,133,398	-	-	-	-
<b>FVOCI</b>								
Federal Government Securities								
-Pakistan Investment Bonds (PIBs)	27,053,220,238	-	(1,618,221,561)	25,434,998,677	-	-	-	-
Shares- Quoted securities	1,135,219,601	(473,921,133)	41,054,401	702,352,869	-	-	-	-
Non Government Debt Securities								
-Term Finance Certificates (TFCs) / Sukuk	974,002,561	(157,171,214)	760,800	817,592,147	-	-	-	-
Un-quoted securities	783,833,048	(273,833,040)	-	510,000,008	-	-	-	-
	29,946,275,448	(904,925,387)	(1,576,406,360)	27,464,943,701	-	-	-	-
<b>Amortised cost</b>								
Federal Government Securities								
-Pakistan Investment Bonds (PIBs)	6,305,644,514	-	-	6,305,644,514	-	-	-	-
Non Government Debt Securities								
-Term Finance Certificates (TFCs) / Sukuk	1,686,107,206	(789,799,334)	-	896,307,872	-	-	-	-
	7,991,751,720	(789,799,334)	-	7,201,952,386	-	-	-	-
<b>Available-for-sale securities</b>								
Federal Government Securities								
-Pakistan Investment Bonds (PIBs)	-	-	-	-	32,994,355,755	-	(1,800,587,455)	31,193,768,300
-Market Treasury Bills	-	-	-	-	-	-	-	-
	-	-	-	-	32,994,355,755	-	(1,800,587,455)	31,193,768,300
Provincial Government Securities								
Shares- Quoted securities	-	-	-	-	3,265,391,260	(941,511,580)	(98,873,281)	2,225,006,399
Non Government Debt Securities								
-Term Finance Certificates (TFCs) / Sukuk	-	-	-	-	969,651,845	(80,266,424)	2,340,000	891,725,421
-Commercial paper	-	-	-	-	-	-	-	-
Un-quoted securities	-	-	-	-	783,833,048	(273,833,040)	-	510,000,008
	-	-	-	-	38,013,231,908	(1,295,611,044)	(1,897,120,736)	34,820,500,128
<b>Held-to-maturity securities</b>								
Non Government Debt Securities								
-Term Finance Certificates (TFCs) / Sukuk	-	-	-	-	1,529,701,077	(529,186,077)	-	1,000,515,000
<b>Subsidiaries</b>								
Saudi Pak Real Estate Company Limited	500,000,000	-	-	500,000,000	500,000,000	-	-	500,000,000
<b>Total Investments</b>	<b>40,566,180,758</b>	<b>(2,162,315,168)</b>	<b>(1,711,836,105)</b>	<b>36,692,029,485</b>	<b>40,042,932,985</b>	<b>(1,824,797,121)</b>	<b>(1,897,120,736)</b>	<b>36,321,015,128</b>

10.1.1 Saudi Pak Real Estate Company Limited is 100% owned subsidiary incorporated in Pakistan. As per latest audited accounts of December 31, 2022, it total assets were Rs. 811.046 million, Liabilities were Rs. 21.981 million, total revenue was Rs. 33.286 million, profit after tax was Rs. 42.903 million and total comprehensive income was Rs. 42.938 million.



**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

	Unaudited March 31, 2023	Audited December 31, 2022
<b>10.2 Investments given as collateral</b>	<b>-----Rupees-----</b>	
The market value of investments given as collateral is as follows:		
Pakistan Investment Bonds (PIBs)	26,516,068,600	27,399,908,300
Treasury Bills	-	-
	<u>26,516,068,600</u>	<u>27,399,908,300</u>

**10.3 Credit Loss Allowance / Provision for diminution in value of investments**

<b>10.3.1 Opening balance</b>	<b>1,824,797,121</b>	<b>1,620,682,243</b>
Impact of reclassification due to adoption of IFRS-9	277,499,335	-
Impact of remeasurement due to adoption of IFRS-9	65,777,941	-
Charge / reversals		
Charge for the period / year	-	264,524,009
Reversals for the period / year	(5,759,229)	(16,471,728)
Reversal on disposals	-	(43,937,403)
	<u>(5,759,229)</u>	<u>204,114,878</u>
Transfers - net	-	-
Closing balance	<u>2,162,315,168</u>	<u>1,824,797,121</u>

**10.3.2 Particulars of credit loss allowance / provision against debt securities**

Category of classification	Unaudited March 31, 2023		Audited December 31, 2022	
	Outstanding amount	Credit loss allowance	NPI	Provision
	<b>-----Rupees-----</b>		<b>-----Rupees-----</b>	
<b>Domestic</b>				
Performing	Stage 1	1,216,816,882	22,961,200	
Under performing	Stage 2	520,949,192	35,415,655	
Non-performing	Stage 3	-	-	-
Substandard		-	-	-
Doubtful		-	-	-
Loss		922,343,693	888,593,693	643,202,501
		<u>2,660,109,767</u>	<u>946,970,548</u>	<u>643,202,501</u>
<b>Overseas</b>		-	-	-
Total		<u>2,660,109,767</u>	<u>946,970,548</u>	<u>643,202,501</u>

**10.4** Market value of held-to-maturity securities other than non performing investments as at March 31, 2023 is Rs. 424 million (December 31, 2022: Rs. 576 million).

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]  
FOR THE PERIOD ENDED MARCH 31, 2023

11 ADVANCES

	Performing		Non Performing		Total	
	Unaudited March 31, 2023	Audited December 31, 2022	Unaudited March 31, 2023	Audited December 31, 2022	Unaudited March 31, 2023	Audited December 31, 2022
	-----Rupees-----					
Loans, leases, running finances- gross	8,863,802,605	8,696,407,690	3,313,195,744	2,778,130,890	12,176,998,349	11,474,538,580
Credit loss allowance / Provision against advances						
- Stage 1	(149,954,181)	-	-	-	(149,954,181)	-
- Stage 2	(358,326,639)	-	-	-	(358,326,639)	-
- Stage 3	-	-	(3,018,915,185)	-	(3,018,915,185)	-
- Specific	-	-	-	(2,268,864,901)	-	(2,268,864,901)
- General	-	(86,383,617)	-	-	-	(86,383,617)
	(508,280,820)	(86,383,617)	(3,018,915,185)	(2,268,864,901)	(3,527,196,005)	(2,355,248,518)
Advances - net of provision	8,355,521,785	8,610,024,073	294,280,559	509,265,989	8,649,802,344	9,119,290,062

11.1 Particulars of advances (Gross)

	Unaudited March 31, 2023	Audited December 31, 2022
	-----Rupees-----	
In local currency	12,176,998,349	11,474,538,580
In foreign currencies	-	-
	12,176,998,349	11,474,538,580

11.2 Advances include Rs. 3,313,195,744 (December 31, 2022: Rs. 2,778,130,890) which have been placed under non-performing / Stage 3 status as detailed below:-

Category of Classification		Unaudited March 31, 2023		Audited December 31, 2022	
		Non Performing Loans	Credit loss allowance	Non Performing Loans	Provision
		-----Rupees-----		-----Rupees-----	
Domestic					
Substandard	Stage 3	-	-	-	-
Doubtful	Stage 3	280,046,707	125,079,493	270,000,000	-
Loss	Stage 3	3,033,149,037	2,893,835,692	2,508,130,890	2,268,864,901
Total		3,313,195,744	3,018,915,185	2,778,130,890	2,268,864,901

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]  
FOR THE PERIOD ENDED MARCH 31, 2023

	Unaudited March 31, 2023				Audited December 31, 2022		
	Stage 3	Stage 2	Stage 1	Total	Specific	General	Total
	-----Rupees-----				-----Rupees-----		
<b>11.3 Particulars of credit loss allowance / provision against advances</b>							
Opening balance	2,268,864,901	43,191,808	43,191,809	2,355,248,518	2,241,352,677	-	2,241,352,677
Impact of reclassification due to adoption of IFRS-9	535,064,854	-	-	535,064,854			
Impact of remeasurement due to adoption of IFRS-9	214,985,430	393,380,016	120,472,661	728,838,107			
Charge for the period/year	-	-	860,076	860,076	146,592,629	86,383,617	232,976,246
Reversals	-	(78,245,185)	(14,570,365)	(92,815,550)	(119,080,405)	-	(119,080,405)
	-	(78,245,185)	(13,710,289)	(91,955,474)	27,512,224	86,383,617	113,895,841
Amounts written off	-	-	-	-	-	-	-
Closing balance	<u>3,018,915,185</u>	<u>358,326,639</u>	<u>149,954,181</u>	<u>3,527,196,005</u>	<u>2,268,864,901</u>	<u>86,383,617</u>	<u>2,355,248,518</u>

**11.3.1** The net FSV benefit already availed has been increased by Rs. 374.266 million, which has resulted reduction in specific provision for the year by the same amount. Had the FSV benefit not taken, before and after tax profit for the year would have been decreased by Rs. 374.266 million (December 31, 2022: Rs. 374.266 million) and Rs. 265.729 million (December 31, 2022: Rs. 265.729 million) respectively. Further, at March 31, 2023, cumulative net of tax benefit availed for Forced Sale Value (FSV) was Rs. 265.729 million (December 31, 2022: Rs. 265.729 million) under BSD circular No. 1 of 2011 dated October 21, 2011. Reserves and unappropriated profit to that extent are not available for distribution by way of cash or stock dividend. No FSV benefit however taken in calculation of ECL for the quarter end March 31, 2023.



SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]  
FOR THE PERIOD ENDED MARCH 31, 2023

	Unaudited March 31, 2023				Audited December 31, 2022		
	Stage 3	Stage 2	Stage 1	Total	Specific	General	Total
	-----Rupees-----				-----Rupees-----		
11.4 Advances - Particulars of credit loss allowance / provision							
Opening balance	2,268,864,901	43,191,808	43,191,809	2,355,248,518	-	-	-
Impact of reclassification due to adoption of IFRS-9	535,064,854	-	-	535,064,854			
Impact of remeasurement due to adoption of IFRS-9	214,985,430	393,380,016	120,472,661	728,838,107	-	-	-
New advances	-	-	860,076	860,076	-	-	-
Advances derecognised or repaid	-	(23,614,266)	(4,912,108)	(28,526,374)	-	-	-
Transfer to stage 1	-	-	-	-	-	-	-
Transfer to stage 2	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-
	-	(23,614,266)	(4,052,032)	(27,666,298)	-	-	-
Amounts written off	-	-	-	-	-	-	-
Change in risk parameters	-	(54,630,919)	(9,658,257)	(64,289,176)	-	-	-
Closing balance	3,018,915,185	358,326,639	149,954,181	3,527,196,005	-	-	-

Category of Classification		Unaudited March 31, 2023		Audited December 31, 2022	
		Outstanding amount	Credit loss allowance	Non Performing Loans	Provision
		-----Rupees-----		-----Rupees-----	
Domestic					
Performing	Stage 1	4,684,135,873	149,954,181	-	-
Under performing	Stage 2	4,179,666,732	358,326,639	-	-
Non-performing	Stage 3				
Substandard		-	-	-	-
Doubtful		280,046,707	125,079,493	270,000,000	-
Loss		3,033,149,037	2,893,835,692	2,508,130,890	2,268,864,901
Total		12,176,998,349	3,527,196,005	2,778,130,890	2,268,864,901

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

		Unaudited March 31, 2023	Audited December 31, 2022
<b>12</b>	<b>FIXED ASSETS</b>	<b>-----Rupees-----</b>	
	Capital work-in-progress	44,351,693	40,256,613
	Property and equipment	4,088,302,912	4,100,125,336
	Right of use assets under IFRS-16 Leases	37,198,200	41,414,620
		<u>4,169,852,805</u>	<u>4,181,796,569</u>
		<b>Unaudited</b>	
		<b>For the three months ended</b>	
		<b>March 31,</b>	<b>March 31,</b>
		<b>2023</b>	<b>2022</b>
<b>12.1</b>	<b>Additions to fixed assets</b>	<b>-----Rupees-----</b>	
	The following additions have been made to fixed assets during the period:		
	Capital work-in-progress	4,095,080	1,897,500
	<b>Property and equipment</b>		
	Building on leasehold land	1,190,978	-
	Furniture and fixtures	560,679	-
	Office equipment	1,775,885	528,000
	Vehicles	27,251,076	-
	Security systems	262,600	498,641
	Electrical fitting, fire fighting equipment and others	2,106,126	4,505,301
		<u>33,147,344</u>	<u>5,531,942</u>
	<b>Total</b>	<u>37,242,424</u>	<u>7,429,442</u>
<b>12.2</b>	<b>Disposal of fixed assets</b>		
	The net book value of fixed assets disposed off during the period is as follows:		
	Furniture and fixture	12	-
	Office equipment	336,740	23
	Vehicles	2,749,420	1,166,386
	Electrical fitting, fire fighting equipment and others	5	-
	<b>Total</b>	<u>3,086,177</u>	<u>1,166,409</u>
		<b>Unaudited</b>	<b>Audited</b>
		<b>March 31,</b>	<b>December 31,</b>
		<b>2023</b>	<b>2022</b>
<b>13</b>	<b>INTANGIBLE ASSETS</b>	<b>-----Rupees-----</b>	
	Computer Software	5,473,375	6,392,003
		<b>Unaudited</b>	
		<b>For the three months ended</b>	
		<b>March 31,</b>	<b>March 31,</b>
		<b>2023</b>	<b>2022</b>
<b>13.1</b>	<b>Additions to intangible assets</b>	<b>-----Rupees-----</b>	
	The following additions have been made to intangible assets during the period:		
	Directly purchased	-	1,743,885

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

		Unaudited March 31, 2023	Audited December 31, 2022
14	OTHER ASSETS	Note	Rupees
	Income/ mark-up accrued in local currency - net of provision		
	On investments		1,672,475,796
	On advances		530,155,076
	On lending to financial institutions		-
	On deposits		1,074,553
			2,203,705,425
	Advances, deposits, advance rent and other prepayments		24,433,976
	Advance taxation (payments less provisions)		1,576,060,604
	Excise duty		78,817,895
	Non-banking assets acquired in satisfaction of claims	14.1	51,113,396
	Dividend receivable		59,060,121
	Other receivables		7,833,611
			1,797,319,603
	Less: Credit Loss Allowance / Provision held against other assets	14.2	(256,792)
	Other assets (net of provision)		1,797,062,811
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		22,655,149
	Other assets - total		1,819,717,960
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	Credit Loss Allowance / Provision held against other assets	Note	Rupees
	Advances, deposits, advance rent & other prepayments		256,792
15	<b>BORROWINGS</b>		
	<b>Secured</b>		
	State Bank of Pakistan (SBP) refinance scheme		
	Long term financing facility		2,184,381,187
	Temporary economic relief facility		492,636,231
			2,677,017,418
	Repurchase agreement borrowings		27,859,336,620
	Against book debts/receivables		3,951,707,328
	<b>Total secured</b>		34,488,061,366
	<b>Unsecured</b>		
	Call borrowings		3,048,028,768
	<b>Total unsecured</b>		3,048,028,768
			37,536,090,134



**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

			Unaudited March 31, 2023	Audited December 31, 2022
			Rupees	
<b>16</b>	<b>DEPOSITS AND OTHER ACCOUNTS</b>	Note		
	Customers			
	- Term deposits (local currency)	16.1	<u>3,704,390,856</u>	<u>1,953,000,000</u>
<b>16.1</b>	<b>Composition of deposits</b>			
	- Public Sector Entities		3,072,710,426	1,343,000,000
	- Non-Banking Financial Institutions		10,061,690	10,000,000
	- Private Sector		621,618,740	600,000,000
			<u>3,704,390,856</u>	<u>1,953,000,000</u>
<b>16.1.1</b>	These Certificate of Investments (COIs) carry mark up at the rates ranging from 17.06% to 21.08% (2022: 16.12% to 17.06%) per annum with maturity on April 2023 to January 2024 (2022: March 2023 to November 2023).			
<b>16.1.2</b>	All deposits are in local currency.			
			Unaudited March 31, 2023	Audited December 31, 2022
<b>17</b>	<b>DEFERRED TAX LIABILITIES / (ASSETS)</b>		Rupees	
	<b>Deductible temporary differences on</b>			
	Actuarial loss on defined benefit plan		(7,201,506)	(7,201,506)
	Deficit on revaluation of securities - FVOCI / AFS		(526,988,075)	(609,735,752)
	Deficit on revaluation of securities - FVTPL / HFT		(22,345,907)	-
	Credit loss allowance		(232,025,927)	-
	Provision on non-performing loans		(656,967,000)	(656,967,000)
	Impairment loss on available for sale quoted securities		(124,562,615)	(106,340,876)
			<u>(1,570,091,030)</u>	<u>(1,380,245,134)</u>
	<b>Taxable temporary differences on</b>			
	Accelerated tax depreciation		42,936,739	39,252,624
	Dividend receivable		16,512,435	10,046,114
	Right of Use Assets		1,559,281	3,310,736
	Surplus on revaluation of securities - HFT		-	-
	Surplus on revaluation of operating fixed assets		1,259,643,698	1,269,624,630
			<u>1,320,652,153</u>	<u>1,322,234,104</u>
			<u>(249,438,877)</u>	<u>(58,011,030)</u>
<b>18</b>	<b>OTHER LIABILITIES</b>			
	Mark-up / return / interest payable in local currency		-	378,356,147
	Accrued expenses		10,175,424	32,301,635
	Advance rental income		105,386,904	154,619,487
	Security deposits against rented properties		40,411,665	40,959,597
	Payable to defined benefit plan		2,450,759	10,219,869
	Provision for compensated absences		9,495,442	9,672,514
	Directors' remuneration		-	-
	Payable to stock brokers - net		-	76,825,002
	Lease liability against ROU assets as per IFRS - 16 Leases		32,473,106	31,382,086
	Dividend payable to shareholder - MOF-KSA		82,500,000	82,500,000
	Credit loss allowance against off-balance sheet obligations		5,953,811	-
	Others		28,724,027	18,437,052
			<u>317,571,138</u>	<u>835,273,389</u>

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

		Unaudited March 31, 2023	Audited December 31, 2022
	Note		
<b>18.1</b>	<b>Credit loss allowance against off-balance sheet obligations</b>	<b>Rupees</b>	
	Opening balance	-	-
	Impact of remeasurement due to adoption of IFRS-9	1,362,403.00	-
	Charge for the period / year	4,591,408.00	-
	Reversals	-	-
		4,591,408.00	-
	Closing balance	5,953,811.00	-
<b>19</b>	<b>SURPLUS ON REVALUATION OF ASSETS - NET</b>		
	(Deficit) / surplus on revaluation of		
	- Securities measured at FVOCI - Debt	10.1 (1,617,460,761)	(1,897,120,736)
	- Securities measured at FVOCI - Equity	41,054,401	-
	- Fixed assets (Property and equipment)	3,817,102,128	3,847,347,375
	- Non-banking assets acquired in satisfaction of claims	22,655,149	22,893,624
		2,263,350,917	1,973,120,263
	Deferred tax on (deficit) / surplus on revaluation of:		
	- Securities measured at FVOCI - Debt	533,762,051	609,735,752
	- Securities measured at FVOCI - Equity	(6,773,976)	-
	- Fixed assets (Property and equipment)	(1,259,643,698)	(1,269,624,630)
		(732,655,623)	(659,888,878)
		1,530,695,294	1,313,231,385
<b>20</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	-Guarantees	20.1 300,098,560	70,000,000
	-Commitments	20.2 1,113,113,656	759,115,718
		1,413,212,216	829,115,718
<b>20.1</b>	<b>Guarantees:</b>		
		300,098,560	70,000,000
<b>20.2</b>	<b>Commitments:</b>		
	Commitments for acquisition of:		
	- Operating fixed assets	5,714,245	8,935,734
	- Intangible assets	2,525,000	2,525,000
		8,239,245	11,460,734
	Non disbursed commitment for term and working capital finance	1,104,874,411	747,654,984
		1,113,113,656	759,115,718
<b>20.3</b>	<b>Contingencies</b>		
<b>20.3.1</b>	<b>Other contingent liabilities</b>		
	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, 2022.		

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

		<b>Unaudited</b>	
		<b>For the three months ended</b>	
		<b>March 31,</b>	<b>March 31,</b>
		<b>2023</b>	<b>2022</b>
		<b>-----Rupees-----</b>	
<b>21</b>	<b>MARK-UP/RETURN/INTEREST EARNED</b>		
	On:		
	Loans and advances	315,031,514	177,637,445
	Investments	1,303,732,642	720,790,826
	Lendings to financial institutions	26,967,651	237,523
	Balances with banks	923,976	349,288
		<u>1,646,655,783</u>	<u>899,015,082</u>
<b>22</b>	<b>MARK-UP/RETURN/INTEREST EXPENSED</b>		
	On:		
	Deposits	142,411,661	75,057,957
	Borrowings		
	Securities purchased under repurchase agreements	1,057,539,170	525,720,053
	Other short term borrowings	179,700,248	109,377,769
	SBP refinance scheme - LTFF & TERF	24,199,002	5,280,341
	Long term borrowings	158,306,506	49,109,658
		<u>1,419,744,926</u>	<u>689,487,821</u>
	Interest expense on lease liability against ROU assets	1,091,020	-
	Brokerage fee relating to borrowings	321,652	1,063,991
		<u>1,563,569,259</u>	<u>765,609,769</u>

**22.1** The markup expense amounting to Rs. 410,588 (March 31, 2022: Rs. 204,054) relates to Saudi Pak Employees Contributory Provident Fund.

		<b>Unaudited</b>	
		<b>For the three months ended</b>	
		<b>March 31,</b>	<b>March 31,</b>
		<b>2023</b>	<b>2022</b>
		<b>-----Rupees-----</b>	
<b>23</b>	<b>FEE AND COMMISSION INCOME</b>		
	Credit related fees	1,582,895	-
	Others	-	-
		<u>1,582,895</u>	<u>-</u>
<b>24</b>	<b>GAIN / (LOSS) ON SECURITIES</b>		
	Realised	24.1 (85,519,634)	31,837,671
	Unrealised - Measured at FVTPL	39,996,979	-
		<u>(45,522,655)</u>	<u>31,837,671</u>

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

		<b>Unaudited</b>	
		<b>For the three months ended</b>	
		<b>March 31,</b>	<b>March 31,</b>
		<b>2023</b>	<b>2022</b>
		<b>-----Rupees-----</b>	
<b>24.1 Realised gain / (loss) on:</b>			
Federal Government Securities		(85,764,716)	-
Shares - Unlisted		-	-
Shares - listed		245,082	31,837,671
		<u>(85,519,634)</u>	<u>31,837,671</u>
<b>25 OTHER INCOME</b>			
Rent on property- net	25.1	70,454,146	59,571,388
Gain / (loss) on sale of fixed assets-net		37,982	71,978
Gain on sale of non banking assets - net		-	-
Others *		2,388,363	447,844
		<u>72,880,491</u>	<u>60,091,210</u>
<b>25.1 Rent on property - net</b>			
Rental income		125,890,272	110,586,901
<b>Less: property expense</b>			
Salaries, allowances and employee benefits		8,803,265	7,309,382
Depreciation		30,686,136	30,512,256
Other expenses		15,946,725	13,193,875
		<u>55,436,126</u>	<u>51,015,513</u>
		<u>70,454,146</u>	<u>59,571,388</u>



**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

	Unaudited	
	For the three months ended	
	March 31, 2023	March 31, 2022
	-----Rupees-----	
<b>26 OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	<b>59,677,734</b>	<b>51,440,625</b>
<b>Property expense</b>		
Rent and taxes	134,568	97,873
Insurance	82,788	71,541
Utilities cost	3,682,457	4,538,033
Security (including guards)	1,077,847	1,056,711
Repair and maintenance (including janitorial charges)	1,009,534	536,080
Depreciation on ROU assets	4,216,420	3,446,420
Depreciation	4,383,734	4,358,894
	<b>14,587,348</b>	<b>14,105,552</b>
<b>Information technology expenses</b>		
Software maintenance	2,778,954	1,481,362
Hardware maintenance	413,047	23,118
Amortisation	918,628	1,118,085
Network charges	1,828,972	632,564
	<b>5,939,601</b>	<b>3,255,129</b>
<b>Other operating expenses</b>		
Shareholders' fee	-	1,369,573
Directors' fees and allowances	7,290,000	4,950,000
Legal and professional charges	783,770	769,392
Consultancy, custodial and rating services	1,457,993	1,512,599
Outsourced services costs	9,904,699	9,118,238
Travelling and conveyance	4,329,968	9,720,776
Depreciation	7,590,232	6,881,681
Training and development	1,114,665	339,096
Postage and courier charges	65,404	147,117
Communication	791,972	859,606
Stationery and printing	1,298,929	432,764
Marketing, advertisement and publicity	-	-
Donations	-	1,000,000
Auditors remuneration	752,500	500,000
Repair and maintenance	1,094,734	662,677
Insurance	671,985	423,631
Office and general expenses	4,937,210	3,029,716
Bank charges	70,659	41,652
	<b>42,154,720</b>	<b>41,758,518</b>
	<b>122,359,403</b>	<b>110,559,824</b>

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

		<b>Unaudited</b>	
		<b>For the three months ended</b>	
		<b>March 31,</b>	<b>March 31,</b>
		<b>2023</b>	<b>2022</b>
		<b>-----Rupees-----</b>	
<b>27</b>	<b>OTHER CHARGES</b>		
	Penalties imposed by State Bank of Pakistan	-	-
		-	-
<b>28</b>	<b>CREDIT LOSS ALLOWANCE / PROVISIONS AND WRITE OFFS - NET</b>		
	Credit loss allowance / provisions against lending to financial institutions	9.1 134,027	-
	Credit loss allowance / provisions for diminution in value of investments - net	10.3.1 (5,759,229)	3,663,353
	Credit loss allowance / Provisions against loans and advances - net	11.3 (91,955,474)	(27,918,652)
	Other credit loss allowance / write offs	4,129,258	-
		<u>(93,451,418)</u>	<u>(24,255,299)</u>
<b>29</b>	<b>TAXATION</b>		
	Current	32,496,521	59,174,635
	Prior years	-	-
	Deferred tax	17,634,780	6,113,185
		<u>50,131,301</u>	<u>65,287,820</u>
<b>30</b>	<b>BASIC EARNINGS PER SHARE</b>		
	Profit for the period - Rupees	<u>146,001,196</u>	<u>187,913,274</u>
	Weighted average number of ordinary shares	<u>676,500,000</u>	<u>676,500,000</u>
	Basic earnings per share - Rupee	<u>0.216</u>	<u>0.278</u>
<b>31</b>	<b>DILUTED EARNINGS/ (LOSS) PER SHARE</b>		
	There are no dilutive instruments, hence basic and diluted earnings are same.		
		<b>Unaudited</b>	
		<b>For the three months ended</b>	
		<b>March 31,</b>	<b>March 31,</b>
		<b>2023</b>	<b>2022</b>
		<b>-----Rupees-----</b>	
<b>32</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and Balance with Treasury Banks	125,585,005	126,762,885
	Balance with other banks	52,863,062	204,169,694
		<u>178,448,067</u>	<u>330,932,579</u>

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

**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.

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

**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.

	March 31, 2023 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	Rupees			
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Federal Government Securities	-	25,434,998,677	-	25,434,998,677
Shares	2,227,486,267	-	-	2,227,486,267
Non-Government Debt Securities	-	817,592,147	-	817,592,147
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
Federal Government Securities	-	-	6,305,644,514	6,305,644,514
Non-Government Debt Securities	-	-	896,307,872	896,307,872
<b>Off-balance sheet financial instruments - measured at fair value</b>	-	-	-	-
	December 31, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
	Rupees			
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Federal Government Securities	-	31,193,768,300	-	31,193,768,300
Shares	2,225,006,399	-	-	2,225,006,399
Non-Government Debt Securities	-	891,725,421	-	891,725,421
<b>Financial assets - disclosed but not measured at fair value</b>				
Investments				
Non-Government Debt Securities	-	-	1,000,515,000	1,000,515,000
<b>Off-balance sheet financial instruments - measured at fair value</b>	-	-	-	-



**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

**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**

	March 31, 2023 (Unaudited)			
	Level 1	Level 2	Level 3	Total
	Rupees			

**Non-financial assets**

**Fixed assets**

Property and equipment (lease hold land, building and others)

- - 4,016,490,208 4,016,490,208

**Other assets**

Non banking assets acquired in satisfaction of claims

- - 73,768,545 73,768,545

	December 31, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
	Rupees			

**Non-financial assets**

**Fixed assets**

Property and equipment (lease hold land, building and others)

- - 4,049,255,333 4,049,255,333

**Other assets**

Non banking assets acquired in satisfaction of claims

- - 74,545,056 74,545,056

**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.

SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED  
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]  
FOR THE PERIOD ENDED MARCH 31, 2023

34 Segment Details with respect to Business Activities

	March 31, 2023 (Unaudited)			
	Corporate Finance	Trading and sales	Building rental services	Total
	Rupees			
<b>Profit &amp; Loss</b>				
Net mark-up/return/profit	30,427,444	52,659,080	-	83,086,524
Non mark-up / return / interest income	1,582,895	67,528,554	72,842,509	141,953,958
Total income	32,010,339	120,187,634	72,842,509	225,040,482
Segment direct expenses	25,734,679	96,624,724	-	122,359,403
Total expenses	25,734,679	96,624,724	-	122,359,403
Credit loss allowance	(93,645,864)	194,446	-	(93,451,418)
(Loss) / Profit before tax	99,921,524	23,368,464	72,842,509	196,132,497
<b>Balance Sheet</b>				
Cash and bank balances	-	178,328,380	-	178,328,380
Investments	896,307,872	35,795,721,613	-	36,692,029,485
Lendings to financial institutions	-	3,540,761,019	-	3,540,761,019
Advances - performing	8,355,521,785	-	-	8,355,521,785
- non-performing net of Credit loss allowar	294,280,559	-	-	294,280,559
Others	1,377,020,675	2,262,436,974	2,605,025,368	6,244,483,017
<b>Total assets</b>	10,923,130,891	41,777,247,986	2,605,025,368	55,305,404,245
Borrowings	7,361,863,882	30,174,226,252	-	37,536,090,134
Deposits & other accounts	726,533,348	2,977,857,508	-	3,704,390,856
Others	43,561,552	154,143,637	119,865,949	317,571,138
<b>Total liabilities</b>	8,131,958,782	33,306,227,397	119,865,949	41,558,052,128
Equity	-	-	-	13,747,352,117
<b>Total equity &amp; liabilities</b>	8,131,958,782	33,306,227,397	119,865,949	55,305,404,245
<b>Contingencies and commitments</b>	1,405,433,425	1,887,271	5,891,520	1,413,212,216
	March 31, 2022 (Unaudited)			
	Corporate Finance	Trading and sales	Building rental services	Total
	Rupees			
<b>Profit &amp; Loss</b>				
Net mark-up/return/profit	57,140,342	76,264,971	-	133,405,313
Non mark-up / return / interest income	-	146,081,074	60,019,232	206,100,306
Total Income	57,140,342	222,346,045	60,019,232	339,505,619
Segment direct expenses	22,603,699	87,956,125	-	110,559,824
Total expenses	22,603,699	87,956,125	-	110,559,824
Provisions	(30,241,162)	5,985,863	-	(24,255,299)
(Loss) / Profit before tax	64,777,805	128,404,057	60,019,232	253,201,094
	December 31, 2022 (Audited)			
	Corporate Finance	Trading and sales	Building rental services	Total
	Rupees			
<b>Balance Sheet</b>				
Cash and bank balances	-	244,312,890	-	244,312,890
Investments	1,000,515,000	35,320,500,128	-	36,321,015,128
Lendings to financial institutions	-	-	-	-
Advances - performing	8,610,024,073	-	-	8,610,024,073
- non-performing net of provision	509,265,989	-	-	509,265,989
Others	1,691,972,230	3,626,762,851	2,603,348,007	7,922,083,088
<b>Total assets</b>	11,811,777,292	39,191,575,869	2,603,348,007	53,606,701,168
Borrowings	9,544,598,132	27,230,268,717	-	36,774,866,849
Deposits & other accounts	506,884,232	1,446,115,768	-	1,953,000,000
Others	146,307,332	494,232,619	194,733,438	835,273,389
<b>Total liabilities</b>	10,197,789,696	29,170,617,104	194,733,438	39,563,140,238
Equity	-	-	-	14,043,560,930
<b>Total equity &amp; liabilities</b>	10,197,789,696	29,170,617,104	194,733,438	53,606,701,168
<b>Contingencies and commitments</b>	818,560,311	2,582,854	7,972,553	829,115,718

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:

	March 31, 2023 (Unaudited)						December 31, 2022 (Audited)					
	Shareholders	Directors	Key management personnel	Subsidiary	Associate	Other related parties	Shareholders	Directors	Key management personnel	Subsidiary	Associate	Other related parties
	-----Rupees-----						-----Rupees-----					
<b>Non-current asset classified as held for sale</b>												
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	-
<b>Lendings to financial institutions</b>												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	-
Addition during the period / year	-	-	-	-	-	10,561,479,302	-	-	-	-	-	19,492,212,383
Repaid during the period / year	-	-	-	-	-	(10,361,479,302)	-	-	-	-	-	(19,492,212,383)
Closing balance	-	-	-	-	-	200,000,000	-	-	-	-	-	-
ECL held against Lendings to financial institutions	-	-	-	-	-	134,027	-	-	-	-	-	-
<b>Investments</b>												
Opening balance	-	-	-	500,000,000	-	199,640,000	-	-	-	500,000,000	-	199,720,000
Investment made during the period / year	-	-	-	-	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-	-	-	-	(80,000)
Transfer in / (out) - net	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	500,000,000	-	199,640,000	-	-	-	500,000,000	-	199,640,000
ECL for diminution in value of investments	-	-	-	-	-	319,517	-	-	-	-	-	-
<b>Advances</b>												
Opening balance	-	-	24,564,071	-	-	-	-	-	26,026,934	-	-	-
Addition during the period / year	-	-	2,915,526	-	-	-	-	-	10,412,718	-	-	-
Repaid during the period / year	-	-	(1,635,049)	-	-	-	-	-	(12,894,098)	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	-	-	1,018,517	-	-	-
Closing balance	-	-	25,844,548	-	-	-	-	-	24,564,071	-	-	-
ECL held against advances	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>												
Interest / mark-up accrued	-	-	-	-	-	15,256,280	-	-	-	-	-	6,511,442
Security deposit	-	-	-	2,633,280	-	-	-	-	-	2,633,280	-	-
<b>Borrowings</b>												
Opening balance	-	-	-	-	-	-	-	-	-	-	-	6,670,000,000
Borrowings during the period / year	-	-	-	-	-	-	-	-	-	-	-	142,563,911,654
Settled during the period / year	-	-	-	-	-	-	-	-	-	-	-	(149,233,911,654)
Closing balance	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deposits and other accounts</b>												
Opening balance	-	-	-	-	-	1,353,000,000	-	-	-	-	-	2,711,587,775
Received during the period / year	-	-	-	-	-	1,712,000,000	-	-	-	-	-	356,073,379
Withdrawn during the period / year	-	-	-	-	-	-	-	-	-	-	-	(1,714,661,154)
Closing balance	-	-	-	-	-	3,065,000,000	-	-	-	-	-	1,353,000,000
<b>Other Liabilities</b>												
Interest / mark-up payable	-	-	-	-	-	17,772,116	-	-	-	-	-	10,786,083
Payable to defined benefit plan	-	-	-	-	-	2,450,759	-	-	-	-	-	10,219,869
Dividend payable to foreign shareholder	82,500,000	-	-	-	-	-	82,500,000	-	-	-	-	-
Security deposit	-	-	-	426,170	-	2,366,908	-	-	-	426,170	-	2,366,908
Rent received in advance	-	-	-	1,065,425	-	17,672,924	-	-	-	1,065,425	-	24,773,648
	March 31, 2023 (Unaudited)						March 31, 2022 (Unaudited)					
	Shareholders	Directors	Key management personnel	Subsidiary	Associate	Other related parties	Shareholders	Directors	Key management personnel	Subsidiary	Associate	Other related parties
	-----Rupees-----						-----Rupees-----					
<b>Income</b>												
Mark-up / return / interest earned	-	-	188,547	-	-	16,027,627	-	-	184,533	-	-	4,996,788
Rental income	-	-	-	1,278,510	-	7,100,724	-	-	-	1,168,154	-	6,476,835
<b>Expense</b>												
Mark-up / return / interest expensed	-	-	-	-	-	116,951,934	-	-	-	-	-	252,912,788
Contribution to employees' funds	-	-	-	-	-	2,366,031	-	-	-	-	-	2,701,685
Directors' fees and allowances	-	7,290,000	-	-	-	-	-	4,950,000	-	-	-	-
Shareholders' fee	-	-	-	-	-	-	-	-	-	-	-	1,369,573
Operating expenses	-	-	25,677,026	-	113,777	-	-	-	33,525,844	-	90,750	-

**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

	Unaudited March 31, 2023	Audited December 31, 2022
	----- Rs '000' -----	
<b>36 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS</b>		
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	6,765,000	6,765,000
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	11,686,106	12,253,559
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	11,686,106	12,253,559
Eligible Tier 2 Capital	1,232,491	1,124,774
Total Eligible Capital (Tier 1 + Tier 2)	12,918,597	13,378,333
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	20,947,926	22,217,420
Market Risk	6,765,413	6,111,660
Operational Risk	2,876,520	3,268,564
Total	30,589,859	31,597,644
Common Equity Tier 1 Capital Adequacy ratio	38.20%	38.78%
Tier 1 Capital Adequacy Ratio	38.20%	38.78%
Total Capital Adequacy Ratio	42.23%	42.34%

As of March 31, 2023, 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 March 31, 2023	Audited December 31, 2022
	----- Rs '000' -----	
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	11,686,106	12,253,559
Total Exposures	56,194,216	53,966,116
Leverage Ratio	20.80%	22.71%



**SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS [UN-AUDITED]**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

	Unaudited March 31, 2023	Audited December 31, 2022
	----- Rs '000' -----	
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	6,940,817	4,639,985
Total Net Cash Outflow	4,944,296	3,295,451
Liquidity Coverage Ratio	140.38%	140.80%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	36,507,073	36,098,612
Total Required Stable Funding	20,873,968	21,362,298
Net Stable Funding Ratio	174.89%	168.98%

**37 DATE OF AUTHORIZATION**

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on 06 MAY 2023.

  
 Chief Financial Officer

  
 GM/Chief Executive

  
 Director

   
 Director Director