SAUDI PAK INDUSTRIAL AND AGRICULTURAL INVESTMENT COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
JUNE 30, 2022

Grant Thornton

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of
Saudi Pak industrial and Agricultural Investment Company Limited (the Company)
Report on the review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of the Company as at 30 June 2022 and the related unconsolidated condensed interim profit or loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim cash flow statement, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Emphasis of matter

a. We draw attention to note 14.1 to the accompanying interim financial statements describing the status of non-banking asset acquired in satisfaction of claim. Our conclusion is not modified in respect of this matter.

b. We draw attention to note 20.3.1 to the accompanying interim financial statements describing in detail the tax contingencies. Our conclusion is not modified in respect of this matter.

Other matters

The financial statements of the Company for the year ended 31 December 2021 and the unconsolidated condensed interim financial statements for the six months' period ended 30 June 2021 were audited and reviewed by another auditor whose reports dated 26 March 2022 and 30 August 2021 respectively, expressed an unmodified opinion and conclusion thereon.

The figures for the unconsolidated condensed interim statement of profit or loss account and unconsolidated condensed interim statement of comprehensive income for the quarter ended 30 June 2022 have not been reviewed and we do not express a conclusion on them.

The engagement partner on this audit resulting in this independent auditor's report is Hassaan Riaz.

Grant Thornton Anjum Rah

GRANT THORNTON ANJUM RAHMAN
Chartered Accountants
Islamabad
Dated: August 29, 2022
UDIN: RR202210164nZsqT6iHa

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

	Note	(Unaudited) June 30, 2022	(Audited) December 31, 2021
		----------Rupees----------	
ASSETS			
Cash and balances with treasury banks	6	89,310,466	101,939,997
Balances with other banks	7	95,199,362	134,486,399
Non-current asset classified as held for sale	8	-	-
Lendings to financial institutions	9	2,114,057,240	-
Investments	10	38,890,905,036	31,130,696,425
Advances	11	7,214,436,073	6,867,783,165
Fixed assets	12	4,171,450,920	4,243,479,479
Intangible assets	13	5,610,785	6,109,050
Deferred tax assets		-	-
Other assets	14	2,843,750,316	2,203,325,411
		55,424,720,198	44,687,819,926
LIABILITIES			
Bills payable		-	-
Borrowings	15	37,806,354,258	26,456,618,972
Deposits and other accounts	16	2,621,643,395	2,911,587,775
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities	17	333,442,544	441,365,024
Other liabilities	18	736,246,005	419,468,403
		41,497,686,202	30,229,040,174
NET ASSETS		13,927,033,996	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	1,486,893,516	1,960,944,994
Unappropriated / unremitted profit		3,947,148,173	4,169,842,451
		13,927,033,996	14,458,779,752

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 JUNE 30, 2022

	Note	Quarter Ended		Period Ended	
		June 30, 2022	June 30, 2021	**June 30, 2022**	June 30, 2021
		------(Rupees)------			
Mark-up / Return / Interest earned	21	**1,130,495,503**	757,546,496	**2,029,510,585**	1,519,560,429
Mark-up / Return / Interest expensed	22	**1,082,835,218**	565,061,536	**1,848,444,987**	1,142,714,156
Net Mark-up / Interest Income		**47,660,285**	192,484,960	**181,065,598**	376,846,273
NON MARK-UP / INTEREST INCOME					
Fee and commission income	23	**20,000**	415,000	**20,000**	485,000
Dividend income		**40,594,803**	49,629,402	**153,960,043**	142,391,854
Foreign exchange income		**2,945,914**	608,648	**3,752,099**	(336,386)
Income / (loss) from derivatives		**-**	-	**-**	-
Gain / (Loss) on securities	24	**33,962,849**	(663,510)	**65,800,520**	(76,921,703)
Other income	25	**53,579,045**	53,044,802	**113,670,255**	173,093,413
Total non-markup / interest income		**131,102,611**	103,034,342	**337,202,917**	238,712,178
Total income		**178,762,896**	295,519,302	**518,268,515**	615,558,451
NON MARK-UP / INTEREST EXPENSES					
Operating expenses	26	**134,932,539**	124,356,514	**245,492,363**	231,838,344
Workers Welfare Fund		**-**	-	**-**	-
Other charges	27	**-**	130,429	**-**	130,429
Total Non-markup / Interest Expenses		**134,932,539**	124,486,943	**245,492,363**	231,968,773
PROFIT BEFORE PROVISIONS		**43,830,357**	171,032,359	**272,776,152**	383,589,678
Provisions and write offs - net	28	**191,711,932**	(11,599,485)	**167,456,633**	82,555,855
Extra ordinary / unusual items		**-**	-	**-**	-
PROFIT/(LOSS) BEFORE TAXATION		**(147,881,575)**	182,631,844	**105,319,519**	301,033,823
Taxation	29	**(23,848,823)**	62,362,905	**41,438,997**	67,026,314
PROFIT/(LOSS) AFTER TAXATION		**(124,032,752)**	120,268,939	**63,880,522**	234,007,509
		------(Rupee)------			
			Restated		Restated
Basic Earnings/(loss) per share	30	**(0.183)**	0.178	**0.094**	0.346
Diluted Earnings/(loss) per share	31	**(0.183)**	0.178	**0.094**	0.346

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 JUNE 30, 2022

	Quarter Ended		Period Ended	
	June 30, 2022	June 30, 2021	**June 30, 2022**	June 30, 2021
	---(Rupees)---			
Profit / (loss) after taxation for the period	**(124,032,752)**	120,268,939	**63,880,522**	234,007,509
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	**(321,942,911)**	293,443,532	**(430,626,278)**	36,421,084
	(321,942,911)	293,443,532	**(430,626,278)**	36,421,084
Total comprehensive income / (loss)	**(445,975,663)**	413,712,471	**(366,745,756)**	270,428,593

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 CHANGES IN EQUITY [UN-AUDITED]
FOR THE PERIOD ENDED JUNE 30, 2022

	Share capital	Statutory reserve	General reserve	Surplus/(deficit) on revaluation of Investments	Surplus/(deficit) on revaluation of Fixed / Non banking assets	Unappropriated/ Unremitted profit	Total
	-------------------------------	-------------------------------	-------------------------------	-------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 June 30, 2021	-	-	-	-	-	234,007,509	234,007,509
Other comprehensive income - net of tax	-	-	-	36,421,084	-	-	36,421,084
Total comprehensive income	-	-	-	36,421,084	-	234,007,509	270,428,593
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(47,290,445)	47,290,445	-
Balance as at June 30, 2021	**6,600,000,000**	**1,184,865,766**	**358,662,940**	**(459,736,866)**	**1,863,691,848**	**3,635,083,956**	**13,182,567,644**
Profit after taxation for the period ended December 31, 2021	-	-	-	-	-	688,310,498	688,310,498
Other comprehensive income / (loss) - net of tax	-	-	-	(420,678,804)	1,010,588,814	(2,008,400)	587,901,610
Total comprehensive income / (loss)	-	-	-	(420,678,804)	1,010,588,814	686,302,098	1,276,212,108
Transfer to statutory reserve	-	184,463,601	-	-	-	(184,463,601)	-
Transfer from surplus on revaluation of assets to unappropriated profit - net of tax	-	-	-	-	(32,919,998)	32,919,998	-
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 June 30, 2022	-	-	-	-	-	63,880,522	63,880,522
Other comprehensive Loss - net of tax	-	-	-	(430,626,278)	-	-	(430,626,278)
Total comprehensive income / (loss)	-	-	-	(430,626,278)	-	63,880,522	(366,745,756)
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	-	-	-	-	(43,425,200)	43,425,200	-
Balance as at June 30, 2022	**6,765,000,000**	**1,369,329,367**	**358,662,940**	**(1,311,041,948)**	**2,797,935,464**	**3,947,148,173**	**13,927,033,996**

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 JUNE 30, 2022

	Note	June 30, 2022	June 30, 2021
		---Rupees---	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		105,319,519	301,033,823
Less: dividend income		(153,960,043)	(142,391,854)
		(48,640,524)	158,641,969
Adjustments:			
Depreciation		90,397,922	77,614,997
Amortization		2,242,142	2,725,763
Provision and write-offs		221,675,795	82,555,855
(Gain) / loss on sale of fixed assets		(321,031)	894,248
Gain on sale of non banking assets		-	(60,630,049)
Finance charges on leased assets		-	977,442
Charge for defined benefit plan		7,710,896	3,740,050
		321,705,724	107,878,306
		273,065,200	266,520,275
(Increase) / decrease in operating assets			
Lendings to financial institutions		(2,114,057,240)	119,988,000
Held-for-trading securities		67,927,999	55,074,499
Advances		(493,245,537)	517,121,146
Others assets (excluding advance taxation)		(474,077,742)	106,177,081
		(3,013,452,520)	798,360,726
Increase/ (decrease) in operating liabilities			
Borrowings from financial institutions		11,349,735,286	(3,035,633,575)
Deposits		(289,944,380)	(50,707,822)
Other liabilities (excluding current taxation)		238,154,048	(190,115,904)
		11,297,944,954	(3,276,457,301)
Payments against off-balance sheet obligations		-	-
Payment to defined benefit plan		(10,318,832)	(8,358,804)
Payment for compensated absences		(1,268,512)	(2,211,935)
Income tax paid		(271,088,984)	(235,777,531)
Net cash flow generated from/(used in) operating activities		8,274,881,306	(2,457,924,570)
CASH FLOW FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(8,545,422,091)	1,933,278,352
Net investments in held-to-maturity securities		150,058,000	2,935,103
Dividend received		169,305,404	122,593,489
Investment in operating fixed assets and intangibles		(20,787,451)	(27,603,772)
Sale proceeds of property and equipment diposed off		2,548,264	4,283,002
Proceeds from sale of non banking assets		-	158,000,000
Net cash flow (used in) / generated from investing activities		(8,244,297,874)	2,193,486,174
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		(51,916,568)	(264,438,396)
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	184,509,828	400,562,637

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 JUNE 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;

- 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.

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

5.1 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 JUNE 30, 2022

	Unaudited June 30, 2022	Audited December 31, 2021
	----Rupees----	
6 CASH AND BALANCES WITH TREASURY BANKS		
In hand		
Local currency	**258,582**	327,130
With State Bank of Pakistan in		
Local currency current account	**89,051,884**	101,612,867
	89,310,466	101,939,997
7 BALANCES WITH OTHER BANKS		
In Pakistan		
In current accounts	**25,471,131**	6,882,985
In deposit accounts	**69,728,231**	127,603,414
	95,199,362	134,486,399
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	**(576,676,075)**	(576,676,075)
	-	-
Less: Amounts received	**-**	-
	-	-

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 June 30, 2022	Audited December 31, 2021
	----Rupees----	
9 LENDINGS TO FINANCIAL INSTITUTIONS		
Repurchase agreement lendings (Reverse Repo)	**2,114,057,240**	-
	2,114,057,240	-
Less: Provision held against lending to Financial Institutions	**-**	-
Lendings to Financial Institutions - net of provision	**2,114,057,240**	-

10 INVESTMENTS

10.1 Investments by type:	June 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)	33,006,774,935	-	(1,373,848,135)	31,632,926,800	26,156,748,679	-	(988,367,679)	25,168,381,000
-Market Treasury Bills	1,943,476,471	-	2,969,529	1,946,446,000	-	-	-	-
	34,950,251,406	-	(1,370,878,606)	33,579,372,800	26,156,748,679	-	(988,367,679)	25,168,381,000
Provincial Government Securities								
Shares- Quoted securities	3,062,599,993	(796,008,140)	(143,085,049)	2,123,506,804	3,208,180,629	(720,924,974)	(32,280,058)	2,454,975,597
Non Government Debt Securities								
-Term Finance Certificates (TFCs) / Sukuk	1,069,651,845	(80,266,424)	15,630,000	1,005,015,421	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
	39,866,336,292	(1,150,107,604)	(1,498,333,655)	37,217,895,033	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	1,716,345,298	(543,335,295)	-	1,173,010,003	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	42,082,681,590	(1,693,442,899)	(1,498,333,655)	38,890,905,036	33,755,745,494	(1,620,682,243)	(1,004,366,826)	31,130,696,425

10.1.1 Markup payment of Rs. 14.310 million against the unsecured subordinated TFCs of Rs. 300 million issued by the Silk Bank Limited (the Issuer) due on February 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.

	Unaudited June 30, 2022	Audited December 31, 2021
10.2 Investments given as collateral	Rupees	
The market value of investments given as collateral is as follows:		
Pakistan Investment Bonds (PIBs)	**30,362,324,300**	21,908,529,525
Treasury Bills	**1,934,456,000**	-
	32,296,780,300	21,908,529,525

10.3 Provision for diminution in value of investments

	Unaudited June 30, 2022	Audited December 31, 2021
10.3.1 Opening balance	**1,620,682,243**	1,519,406,251
Charge / reversals		
Charge for the period / year	**75,083,166**	207,601,400
Reversals for the period / year	**(2,322,510)**	(3,757,789)
Reversal on disposals	-	(102,567,619)
	72,760,656	101,275,992
Transfers - net	-	-
Closing balance	**1,693,442,899**	1,620,682,243

10.3.2 Particulars of provision against debt securities

Category of classification	Unaudited June 30, 2022 NPI	Unaudited June 30, 2022 Provision	Audited December 31, 2021 NPI	Audited December 31, 2021 Provision
	Rupees		Rupees	
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	**657,351,719**	**623,601,719**	659,674,229	625,924,229
	657,351,719	**623,601,719**	659,674,229	625,924,229
Overseas	-	-	-	-
Total	**657,351,719**	**623,601,719**	659,674,229	625,924,229

10.4 Market value of held-to-maturity securities other than non performing investments as as at June 30, 2022 is Rs. 775 million (December 31, 2021: Rs. 1,193 million).

11 ADVANCES

	Performing		Non Performing		Total	
	Unaudited June 30, 2022	Audited December 31, 2021	**Unaudited June 30, 2022**	Audited December 31, 2021	**Unaudited June 30, 2022**	Audited December 31, 2021
	Rupees					
Loans, leases, running finances- gross	**6,975,170,084**	6,721,837,122	**2,575,314,643**	2,387,298,720	**9,550,484,727**	9,109,135,842
Provision against advances						
- Specific	**-**	-	**(2,336,048,654)**	(2,241,352,677)	**(2,336,048,654)**	(2,241,352,677)
- General	**-**	-	**-**	-	**-**	-
	-	-	**(2,336,048,654)**	(2,241,352,677)	**(2,336,048,654)**	(2,241,352,677)
Advances - net of provision	**6,975,170,084**	6,721,837,122	**239,265,989**	145,946,043	**7,214,436,073**	6,867,783,165

11.1 Particulars of advances (Gross)

	Unaudited March 31, 2022	Audited December 31, 2021
	Rupees	
In local currency	**9,550,484,727**	9,109,135,842
In foreign currencies	**-**	-
	9,550,484,727	9,109,135,842

11.2 Advances include Rs. 2,575,314,643 (December 31, 2021: Rs. 2,387,798,720) which have been placed under non-performing status as detailed below:-

Category of Classification	**Unaudited June 30, 2022**		Audited December 31, 2021	
	Non Performing Loans	**Provision**	Non Performing Loans	Provision
	Rupees		Rupees	
Domestic				
Other Assets Especially Mentioned			-	-
Substandard	**-**	**-**	-	-
Doubtful	**239,265,989**	**-**	291,892,086	145,946,043
Loss	**2,336,048,654**	**2,336,048,654**	2,095,406,634	2,095,406,634
Total	**2,575,314,643**	**2,336,048,654**	2,387,298,720	2,241,352,677

	Unaudited			Audited		
	June 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	**(51,896,652)**	-	**(51,896,652)**	(418,438,954)	-	(418,438,954)
	94,695,977	-	**94,695,977**	(241,560,274)	-	(241,560,274)
Amounts written off	-	-	-	(50,934,063)	-	(50,934,063)
Closing balance	**2,336,048,654**	-	**2,336,048,654**	2,241,352,677	-	2,241,352,677

11.3.1 The net FSV benefit already availed has been increased by Rs.119.633 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. 119.633 million (December 31, 2021: nil) and Rs. 84.94 million (December 31, 2021: nil) respectively. Further, at June 30, 2022, cumulative net of tax benefit availed for Forced Sale Value (FSV) was Rs. 119.633 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.

			Unaudited June 30, 2022	Audited December 31, 2021
12	**FIXED ASSETS**	Note	Rupees	
	Capital work-in-progress		**8,997,551**	3,204,338
	Property and equipment		**4,159,636,939**	4,230,565,871
	Right of use assets under IFRS-16 Leases		**2,816,430**	9,709,270
			4,171,450,920	4,243,479,479

		Unaudited For the six months ended June 30, 2022	Unaudited For the six months ended June 30, 2021
12.1	**Additions to fixed assets**	Rupees	
	The following additions have been made to fixed assets during the period:		
	Capital work-in-progress	**8,997,551**	7,389,807
	Property and equipment		
	Office equipment	**2,974,621**	7,788,432
	Security systems	**498,641**	92,728
	Electrical fitting, fire fighting equipment and others	**9,777,090**	9,538,532
		13,250,352	17,419,692
	Total	**22,247,903**	24,809,499
12.2	**Disposal of fixed assets**		
	The net book value of fixed assets disposed off during the period is as follows:		
	Office equipment	**3,788**	63,314
	Vehicles	**2,223,445**	5,113,936
	Total	**2,227,233**	5,177,250
12.3	**Transfers to fixed assets**		
	Capital work-in-progress	**3,204,338**	1,463,518

		Unaudited June 30, 2022	Audited December 31, 2021
13	**INTANGIBLE ASSETS**	Rupees	
	Computer Software	**5,610,785**	6,109,050

		Unaudited For the six months ended June 30, 2022	Unaudited For the six months ended June 30, 2021
13.1	**Additions to intangible assets**	Rupees	
	The following additions have been made to intangible assets during the period:		
	Directly purchased	**1,743,885**	2,794,273
	Through business combinations	-	-
13.2	**Disposals of intangible assets**		
	The net book value of intangible assets disposed off during the period is as follows:		
	Developed internally	-	-
	Directly purchased	-	-
	Through business combinations	-	-
	Total	-	-

		Note	Unaudited June 30, 2022	Audited December 31, 2021
14	**OTHER ASSETS**		**Rupees**	
	Income/ mark-up accrued in local currency - net of provision			
	On investments		**1,220,910,320**	842,458,570
	On advances		**367,716,762**	311,550,059
	On lending to financial institutions		**784,407**	-
			1,589,411,489	1,154,008,629
	Income/ mark-up accrued in foreign currency - net of provision		**-**	-
	Advances, deposits, advance rent and other prepayments		**23,254,388**	13,663,883
	Advance taxation (payments less provisions)		**1,019,133,379**	835,887,833
	Excise duty		**78,817,895**	78,817,895
	Non-banking assets acquired in satisfaction of claims	14.1	**52,250,554**	53,803,576
	Dividend receivable		**27,522,543**	42,867,904
	Other receivables		**29,769,336**	684,959
			2,820,159,584	2,179,734,679
	Less: Provision held against other assets	14.2	**(256,792)**	(256,792)
	Other assets (net of provision)		**2,819,902,792**	2,179,477,887
	Surplus on revaluation of non-banking assets acquired in satisfaction of claims		**23,847,524**	23,847,524
	Other assets - total		**2,843,750,316**	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.

		Note	Unaudited June 30, 2022	Audited December 31, 2021
14.2	**Provision held against other assets**		**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		**1,268,149,458**	845,810,022
	Temporary economic relief facility		**491,424,500**	491,424,500
			1,759,573,958	1,337,234,522
	Repurchase agreement borrowings		**32,296,780,300**	21,831,884,450
	Against book debts/receivables		**3,750,000,000**	3,287,500,000
	Total secured		**37,806,354,258**	26,456,618,972
	Unsecured			
	Call borrowings		**-**	-
	Overdrawn nostro accounts		**-**	-
	Total unsecured		**-**	-
			37,806,354,258	26,456,618,972

		Note	Unaudited June 30, 2022	Audited December 31, 2021
			Rupees	
16	**DEPOSITS AND OTHER ACCOUNTS**			
	Customers			
	- Term deposits (local currency)	16.1	**2,621,643,395**	2,911,587,775
16.1	**Composition of deposits**			
	- Public Sector Entities		**2,411,643,395**	2,701,587,775
	- Non-Banking Financial Institutions		**10,000,000**	10,000,000
	- Private Sector		**200,000,000**	200,000,000
			2,621,643,395	2,911,587,775

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. 2,235 milion (December 31, 2021: Rs. 2,235 million), National Fertilizer Corporation of Pakistan for Rs. 176.643 million (December 31, 2021: Rs. 466.58 million) and Air Link Communication for Rs. 200 million (December 31, 2021: Rs. 200 million). These COIs carry mark up at the rate ranging from 12.05% to 15.33% per annum (December 31, 2021: 7.75% to 11.14%) and having maturity from June 2022 to December 2022 (December 31, 2021: January to December 2022).

16.1.2 All deposits are in local currency.

		Unaudited June 30, 2022	Audited December 31, 2021
		Rupees	
17	**DEFERRED TAX LIABILITIES**		
	Deductible temporary differences on		
	Actuarial loss on defined benefit plan	**(5,914,941)**	(5,914,941)
	Deficit on revaluation of securities - AFS	**(187,291,707)**	(125,773,667)
	Provision on non-performing loans	**(575,870,000)**	(549,082,000)
	Impairment loss on available for sale quoted securities	**(63,920,664)**	(67,767,173)
		(832,997,312)	(748,537,781)
	Taxable temporary differences on		
	Accelerated tax depreciation	**25,469,477**	25,281,541
	Dividend receivable	**6,880,636**	10,716,976
	Right of Use Assets	**816,765**	2,815,688
	Surplus on revaluation of securities - HFT	**-**	273,377
	Surplus on revaluation of operating fixed assets	**1,133,272,979**	1,150,815,223
		1,166,439,856	1,189,902,805
		333,442,544	441,365,024
18	**OTHER LIABILITIES**		
	Mark-up / return / interest payable in local currency	**424,682,178**	149,516,538
	Mark-up / return / interest payable in foreign currency	**-**	-
	Accrued expenses	**7,735,694**	61,574,046
	Advance rental income	**79,968,943**	122,988,692
	Security deposits against rented properties	**37,490,543**	35,333,783
	Payable to defined benefit plan	**6,132,479**	12,128,514
	Provision for compensated absences	**11,537,608**	9,491,958
	Directors' remuneration	**8,368,085**	5,293,500
	Payable to stock brokers - net	**61,492,904**	119,060
	Dividend payable to shareholder - MOF-KSA	**82,500,000**	-
	Others	**16,337,571**	23,022,312
		736,246,005	419,468,403

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		Note	Unaudited June 30, 2022	Audited December 31, 2021
			Rupees	
19	**SURPLUS ON REVALUATION OF ASSETS - NET**			
	(Deficit) / surplus on revaluation of			
	- Available for sale securities	10.1	**(1,498,333,655)**	(1,006,189,337)
	- Fixed assets		**3,907,837,869**	3,968,328,363
	- Non-banking assets acquired in satisfaction of claims		**23,370,574**	23,847,524
			2,432,874,788	2,985,986,550
	Deferred tax on (deficit) / surplus on revaluation of:			
	- Available for sale securities		**187,291,707**	125,773,667
	- Fixed assets		**(1,133,272,979)**	(1,150,815,223)
			(945,981,272)	(1,025,041,556)
			1,486,893,516	1,960,944,994
20	**CONTINGENCIES AND COMMITMENTS**			
	-Guarantees	20.1	**-**	-
	-Commitments	20.2	**1,884,665,869**	1,342,595,377
			1,884,665,869	1,342,595,377
20.1	**Guarantees:**			
	Financial guarantees		**-**	-
20.2	**Commitments:**			
	Commitments for acquisition of:			
	- Operating fixed assets		**1,956,995**	5,527,051
	- Intangible assets		**1,518,874**	3,940,759
			3,475,869	9,467,810
	Non disbursed commitment for term and working capital finance		**1,881,190,000**	1,333,127,567
			1,884,665,869	1,342,595,377

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 cummulative 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.

		Unaudited For the six months ended	
		June 30, 2022	June 30, 2021
		Rupees	
21	**MARK-UP/RETURN/INTEREST EARNED**		
	On:		
	Loans and advances	**393,003,525**	244,976,278
	Investments	**1,631,389,546**	1,270,065,461
	Lendings to financial institutions	**3,554,633**	2,696,142
	Balances with banks	**1,562,881**	1,822,548
		2,029,510,585	1,519,560,429
22	**MARK-UP/RETURN/INTEREST EXPENSED**		
	On:		
	Deposits	**164,455,638**	92,249,931
	Borrowings		
	Securities purchased under repurchase agreements	**1,297,926,076**	768,861,210
	Other short term borrowings	**261,640,797**	124,465,582
	SBP refinance scheme - LTFF & TERF	**6,861,787**	10,562,182
	Long term borrowings	**114,055,732**	140,539,651
		1,680,484,392	1,044,428,625
	Interest expense on lease liability against ROU assets	**-**	977,442
	Brokerage fee relating to borrowings	**3,504,957**	5,058,158
		1,848,444,987	1,142,714,156

22.1 The markup expense amounting to Rs. 504,479 (June 30, 2021: Rs. 378,397) relates to Saudi Pak Employees Contributory Provident Fund.

		Note	Unaudited For the six months ended	
			June 30, 2022	June 30, 2021
			Rupees	
23	**FEE AND COMMISSION INCOME**			
	Credit related fees		**20,000**	485,000
	Others		**-**	-
			20,000	485,000
24	**GAIN / (LOSS) ON SECURITIES**			
	Realised	24.1	**65,800,520**	(76,921,703)
	Unrealised - held for trading		**-**	-
			65,800,520	(76,921,703)

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		Unaudited	
		For the six months ended	
		June 30, 2022	June 30, 2021
		Rupees	
24.1 Realised gain / (loss) on:			
Federal Government Securities		**51,000**	(81,030,125)
Shares - Unlisted		**28,604,681**	-
Shares - listed		**37,144,839**	4,108,422
		65,800,520	(76,921,703)
25 OTHER INCOME			
Rent on property- net	25.1	**112,472,698**	112,715,269
Gain / (loss) on sale of fixed assets-net		**321,031**	(894,248)
Gain on sale of non banking assets - net		**-**	60,630,049
Others		**876,526**	642,343
		113,670,255	173,093,413
25.1 Rent on property - net			
Rental income		**224,638,583**	205,791,142
Less: property expense			
Salaries, allowances and employee benefits		**16,459,837**	13,991,703
Depreciation		**60,896,915**	50,773,452
Other expenses		**34,809,133**	28,310,718
		112,165,885	93,075,873
		112,472,698	112,715,269

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	Unaudited For the six months ended June 30, 2022	Unaudited For the six months ended June 30, 2021
	----------Rupees----------	
26 OPERATING EXPENSES		
Total compensation expense	**121,619,780**	124,634,999
Property expense		
Rent and taxes	**378,190**	261,063
Insurance	**151,075**	133,713
Utilities cost	**10,278,842**	6,493,845
Security (including guards)	**2,320,772**	2,217,041
Repair and maintenance (including janitorial charges)	**1,943,723**	1,486,790
Depreciation on ROU assets	**6,892,840**	6,892,841
Depreciation	**8,699,559**	7,253,350
	30,665,001	24,738,643
Information technology expenses		
Software maintenance	**3,704,432**	2,842,493
Hardware maintenance	**594,069**	648,044
Amortisation	**2,242,142**	2,725,763
Network charges	**2,005,207**	1,724,650
	8,545,850	7,940,950
Other operating expenses		
Shareholders' fee	**3,074,585**	2,365,544
Directors' fees and allowances	**10,200,000**	9,490,000
Legal and professional charges	**2,659,975**	2,387,030
Consultancy, custodial and rating services	**3,331,335**	2,828,154
Outsourced services costs	**19,894,371**	19,315,162
Travelling and conveyance	**12,651,969**	4,022,003
Depreciation	**13,908,608**	12,695,354
Training and development	**1,348,597**	725,062
Postage and courier charges	**236,106**	392,271
Communication	**1,838,979**	1,856,894
Stationery and printing	**4,157,251**	3,963,878
Marketing, advertisement and publicity	**185,826**	257,383
Donations	**1,000,000**	1,000,000
Auditors remuneration	**1,216,001**	1,304,000
Repair and maintenance	**1,691,535**	1,667,030
Insurance	**838,148**	1,055,026
Office and general expenses	**6,314,096**	9,043,643
Bank charges	**114,350**	155,318
	84,661,732	74,523,752
	245,492,363	231,838,344

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		Note	Unaudited For the six months ended June 30, 2022	June 30, 2021
			------Rupees------	
27	**OTHER CHARGES**			
	Penalties imposed by State Bank of Pakistan		-	130,429
			-	130,429
28	**PROVISIONS AND WRITE OFFS - NET**			
	(Reversal of provision) / provisions for diminution in value of investments - net	10.3.1	**72,760,656**	(74,023,984)
	Provisions against loans and advances - net	11.3	**94,695,977**	156,020,017
	Other write offs		-	559,822
			167,456,633	82,555,855
29	**TAXATION**			
	Current		**87,843,437**	94,888,037
	Prior years		-	-
	Deferred tax		**(46,404,440)**	(27,861,723)
			41,438,997	67,026,314
30	**BASIC EARNINGS PER SHARE**			
	Profit for the period - Rupees		**63,880,522**	234,007,509
	Weighted average number of ordinary shares		**676,500,000**	676,500,000
				Restated
	Basic earnings per share - Rupee		**0.094**	0.346

31 DILUTED EARNINGS/ (LOSS) PER SHARE

There are no dilutive instruments, hence basic and diluted earnings are same.

		Unaudited For the six months ended June 30, 2022	June 30, 2021
		------Rupees------	
32	**CASH AND CASH EQUIVALENTS**		
	Cash and Balance with Treasury Banks	**89,310,466**	117,122,148
	Balance with other banks	**95,199,362**	283,440,489
		184,509,828	400,562,637

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.

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.

	June 30, 2022 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
On balance sheet financial instruments	---------- Rupees ----------			
Financial assets - measured at fair value				
Investments				
Federal Government Securities	**-**	**33,579,372,800**	**-**	**33,579,372,800**
Shares	**2,123,506,804**	**-**	**-**	**2,123,506,804**
Non-Government Debt Securities	**-**	**1,005,015,421**	**-**	**1,005,015,421**
Financial assets - disclosed but not measured at fair value				
Investments				
Non-Government Debt Securities	**-**	**-**	**1,173,010,003**	**1,173,010,003**
Off-balance sheet financial instruments - measured at fair value	**-**	**-**	**-**	**-**

	December 31, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
On balance sheet financial instruments	---------- Rupees ----------			
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	-	-	-	-

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

	June 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)	-	-	4,117,612,217	4,117,612,217
Other assets				
Non banking assets acquired in satisfaction of claims	-	-	76,098,078	76,098,078

	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.

34 Segment Details with respect to Business Activities

	June 30, 2022 (Unaudited)			
	Corporate Finance	Trading and sales	Building rental services	Total
	Rupees			
Profit & Loss				
Net mark-up/return/profit	84,861,720	96,203,878	-	181,065,598
Non mark-up / return / interest income	20,000	223,512,662	113,670,255	337,202,917
Total income	84,881,720	319,716,540	113,670,255	518,268,515
Segment direct expenses	51,365,378	194,126,985	-	245,492,363
Total expenses	51,365,378	194,126,985	-	245,492,363
Provisions	94,695,977	72,760,656	-	167,456,633
(Loss) / Profit before tax	(61,179,635)	52,828,899	113,670,255	105,319,519
Balance Sheet				
Cash and bank balances	-	184,509,828	-	184,509,828
Investments	1,173,010,003	37,717,895,033	-	38,890,905,036
Lendings to financial institutions	-	2,114,057,240	-	2,114,057,240
Advances - performing	6,975,170,084	-	-	6,975,170,084
- non-performing net of provision	239,265,989	-	-	239,265,989
Others	413,363,340	2,512,976,619	4,094,472,062	7,020,812,021
Total assets	8,800,809,416	42,529,438,720	4,094,472,062	55,424,720,198
Borrowings	6,457,377,599	31,348,976,659	-	37,806,354,258
Deposits & other accounts	447,780,318	2,173,863,077	-	2,621,643,395
Others	(477,632,563)	288,199,444	1,259,121,668	1,069,688,549
Total liabilities	6,427,525,354	33,811,039,180	1,259,121,668	41,497,686,202
Equity	-	-	-	13,927,033,996
Total equity & liabilities	6,427,525,354	33,811,039,180	1,259,121,668	55,424,720,198
Contingencies and commitments	1,881,430,262	1,166,413	2,069,194	1,884,665,869

	June 30, 2021 (Unaudited)			
	Corporate Finance	Trading and sales	Building rental services	Total
	Rupees			
Profit & Loss				
Net mark-up/return/profit	91,221,034	285,625,239	-	376,846,273
Non mark-up / return / interest income	485,000	124,869,566	113,357,612	238,712,178
Total Income	91,706,034	410,494,805	113,357,612	615,558,451
Segment direct expenses	42,359,420	189,609,353	-	231,968,773
Total expenses	42,359,420	189,609,353	-	231,968,773
Provisions	170,607,736	(88,051,881)	-	82,555,855
(Loss) / Profit before tax	(121,261,122)	308,937,333	113,357,612	301,033,823

	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:

	June 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	-	-	-	-	6,097,046,782	-	-	-	-	4,386,994,540
Repaid during the period / year	-	-	-	-	(4,977,857,542)	-	-	-	-	(4,386,994,540)
Closing balance	-	-	-	-	1,119,189,240	-	-	-	-	-
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	-	8,777,612	-	-	-	-	8,034,694	-	-	-
Repaid during the period / year	-	(6,249,898)	-	-	-	-	(12,347,584)	-	-	-
Transfer in / (out) - net	-	-	-	-	-	-	8,025,000	-	-	-
Closing balance	-	28,554,648	-	-	-	-	26,026,934	-	-	-
Other Assets										
Interest / mark-up accrued	-	-	-	-	8,746,094	-	-	-	-	3,826,416
Security deposit	-	-	2,702,760	-	-	-	-	2,633,280	-	-
Borrowings										
Opening balance	-	-	-	-	6,670,000,000	-	-	-	-	13,000,000,000
Borrowings during the period / year	-	-	-	-	98,103,863,035	-	-	-	-	94,074,973,235
Settled during the period / year	-	-	-	-	(97,341,198,235)	-	-	-	-	(100,404,973,235)
Closing balance	-	-	-	-	7,432,664,800	-	-	-	-	6,670,000,000
Deposits and other accounts										
Opening balance	-	-	-	-	2,711,587,775	-	-	-	-	2,445,800,000
Received during the period / year	-	-	-	-	13,073,379	-	-	-	-	406,587,775
Withdrawn during the period / year	-	-	-	-	(303,017,759)	-	-	-	-	(140,800,000)
Closing balance	-	-	-	-	2,421,643,395	-	-	-	-	2,711,587,775
Other Liabilities										
Interest / mark-up payable	-	-	-	-	230,381,091	-	-	-	-	43,413,083
Payable to defined benefit plan	-	-	-	-	4,396,734	-	-	-	-	10,308,832
Security deposit	-	-	426,170	-	2,276,590	-	-	401,960	-	1,697,850
Rent received in advance	-	-	1,065,425	-	12,440,707	-	-	973,462	-	22,596,961

	June 30, 2022 (Unaudited)					June 30, 2021 (Unaudited)				
	Directors	Key manage-ment personnel	Subsidiary	Associate	Other related parties	Directors	Key manage-ment personnel	Subsidiary	Associate	Other related parties
		Rupees					Rupees			
Income										
Mark-up / return / interest earned	-	369,066	-	-	7,661,780	-	1,055,811	-	-	-
Rental income	-	-	2,354,701	-	15,751,086	-	-	2,186,913	-	-
Expense										
Mark-up / return / interest expensed	-	-	-	-	582,828,182	-	-	-	-	378,397
Contribution to employees' funds	-	-	-	-	5,344,321	-	-	-	-	5,000,625
Directors' fees and allowances	10,200,000	-	-	-	-	9,490,000	-	-	-	-
Shareholders' fee	-	-	-	-	3,074,585	-	-	-	-	2,365,544
Operating expenses	-	69,316,929	-	185,854	-	-	62,377,661	-	184,908	-

	Unaudited June 30, 2022	Audited December 31, 2021
	---------------- 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	12,001,400	11,993,920
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	12,001,400	11,993,920
Eligible Tier 2 Capital	1,207,444	1,662,546
Total Eligible Capital (Tier 1 + Tier 2)	13,208,844	13,656,466
Risk Weighted Assets (RWAs):		
Credit Risk	20,796,619	18,537,351
Market Risk	6,395,799	7,191,165
Operational Risk	3,238,102	3,238,102
Total	30,430,520	28,966,618
Common Equity Tier 1 Capital Adequacy ratio	39.44%	41.41%
Tier 1 Capital Adequacy Ratio	39.44%	41.41%
Total Capital Adequacy Ratio	43.41%	47.15%

As of June 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 June 30, 2022	Audited December 31, 2021
	---------------- Rs '000' ----------------	
Leverage Ratio (LR):		
Eligible Tier-1 Capital	12,001,400	11,993,920
Total Exposures	56,876,942	45,532,808
Leverage Ratio	21.10%	26.34%

	Unaudited June 30, 2022	Audited December 31, 2021
	---------- Rs '000'	----------
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	4,747,000	5,109,796
Total Net Cash Outflow	2,065,000	2,266,280
Liquidity Coverage Ratio	229.88%	225.47%
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	36,117,339	30,780,826
Total Required Stable Funding	19,245,506	18,385,334
Net Stable Funding Ratio	187.67%	167.42%

37 DATE OF AUTHORIZATION

These unconsolidated financial statements were authorized for issue by the Board of Directors of the Company on 27 AUG 2022.

Chief Financial Officer | GM/Chief Executive | Director | Director | Director