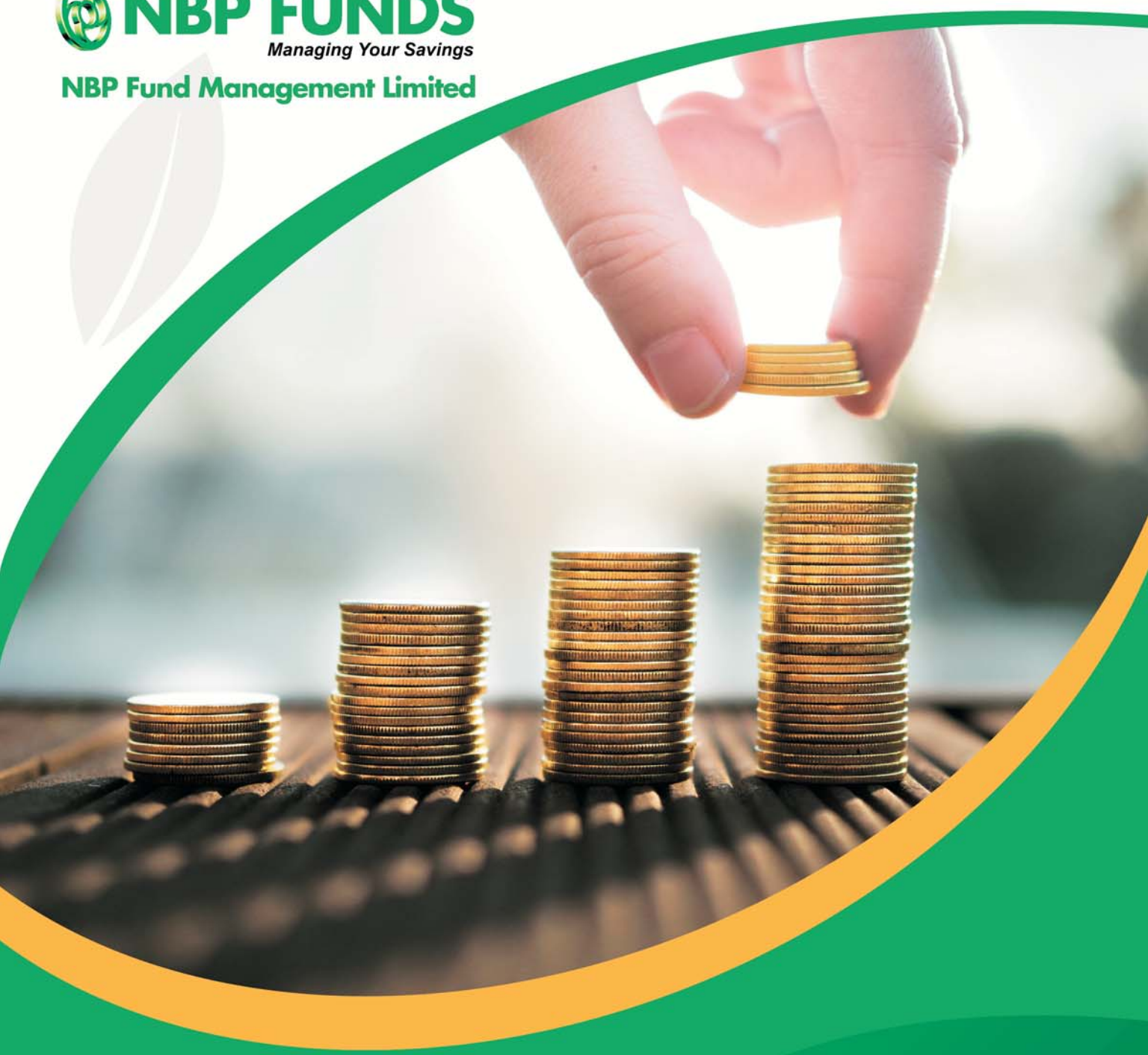




*Managing Your Savings*

**NBP Fund Management Limited**



## **NBP SAVINGS FUND**

**HALF YEARLY** REPORT  
DECEMBER 31, 2022

**AM1**  
Rated by PACRA



# **MISSION STATEMENT**

"To become country's most  
investor-focused company,  
by assisting investors  
in achieving their financial goals."



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## FUND'S INFORMATION

### Management Company

**NBP Fund Management Limited - Management Company**

### Board of Directors of Management Company

Shaikh Muhammad Abdul Wahid Sethi	Chairman
Dr. Amjad Waheed	Chief Executive Officer
Mr. Tauqeer Mazhar	Director
Ms. Mehnaz Salar	Director
Mr. Ali Saigol	Director
Mr. Imran Zaffar	Director
Mr. Khalid Mansoor	Director
Mr. Saad Amanullah Khan	Director
Mr. Ruhail Muhammad	Director

### Company Secretary & COO

Mr. Muhammad Murtaza Ali

### Chief Financial Officer

Mr. Khalid Mehmood

### Audit & Risk Committee

Mr. Ruhail Muhammad	Chairman
Mr. Saad Amanullah Khan	Member
Ms. Mehnaz Salar	Member
Mr. Imran Zaffar	Member

### Human Resource Committee

Mr. Khalid Mansoor	Chairman
Shaikh Muhammad Abdul Wahid Sethi	Member
Mr. Ali Saigol	Member
Mr. Saad Amanullah Khan	Member

### Strategy & Business Planning Committee

Mr. Saad Amanullah Khan	Chairman
Mr. Tauqeer Mazhar	Member
Mr. Ali Saigol	Member
Mr. Imran Zaffar	Member
Mr. Khalid Mansoor	

### Trustee

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block "B" S.M.C.H.S.,  
Main Shahra-e-Faisal, Karachi.

### Bankers to the Fund

Allied Bank Limited	Khushhali Microfinance Bank Limited
Al Baraka Islamic Bank Limited	Habib Metropolitan Bank Limited
Bank Islami Pakistan Limited	Mobilink Microfinance Bank Limited
Bank Alfalah Limited	
Bank Al Habib Limited	
Dubai Islamic Bank Pakistan Limited	
Faysal Bank Limited	
HBL Microfinance Bank Limited	
JS Bank Limited	
MCB Bank Limited	
National Bank of Pakistan	
Silk Bank Limited	
Soneri Bank Limited	
Telenor Microfinance Bank Limited	
The Bank of Khyber	
United Bank Limited	
U Microfinance Bank Limited	



## **Auditors**

A.F. Ferguson & Co. Chartered Accountants  
State Life Building No. 1-C  
I.I. Chundrigar Road,  
P.O.Box 4716  
Karachi.

## **Legal Advisor**

Akhund Forbes  
D-21, Block, Scheme 5,  
Clifton, Karachi 75600, Pakistan.

## **Head Office:**

7th Floor Clifton Diamond Building, Block No. 4,  
Scheme No. 5, Clifton Karachi.  
UAN: 021 (111-111-632),  
(Toll Free): 0800-20002,  
Fax: (021) 35825329  
Website: [www.nbpfunds.com](http://www.nbpfunds.com)

## **Lahore Office:**

7-Noon Avenue, Canal Bank,  
Muslim Town, Lahore.  
UAN: 042-111-111-632  
Fax: 92-42-35861095

## **Islamabad Office:**

1st Floor, Ranjha Arcade  
Main Double Road, Gulberg Greens,  
Islamabad.  
UAN: 051-111-111-632  
Phone: 051-2514987  
Fax: 051-4859031

## **Peshawar Office:**

Opposite Gul Haji Plaza, 2nd Floor  
National Bank Building  
University Road Peshawar,  
UAN: 091-111 111 632  
Fax: 091-5703202

## **Multan Office:**

Khan Center, 1st Floor, Abdali Road, Multan.  
Phone No. : 061-4540301-6, 061-4588661-2&4



## DIRECTORS' REPORT

The Board of Directors of **NBP Fund Management Limited** is pleased to present the reviewed financial statements of **NBP Savings Fund (NBP-SF)** for the half year ended December 31, 2022.

### Fund's Performance

During 1HFY23, Monetary Policy Committee (MPC) held four meetings and raised the policy rate by 225 basis points to 16%, with a view to anchor the inflationary pressures, achieve price stability - ensuring economic sustainability and ease pressure on currency. However, inflation expectations have been raised in anticipation of tough measures that may follow post re-entry into an IMF Program. According to SBP, rising input costs due to global & domestic supply shocks could de-anchor inflation expectations and undermine (medium-short term) growth.

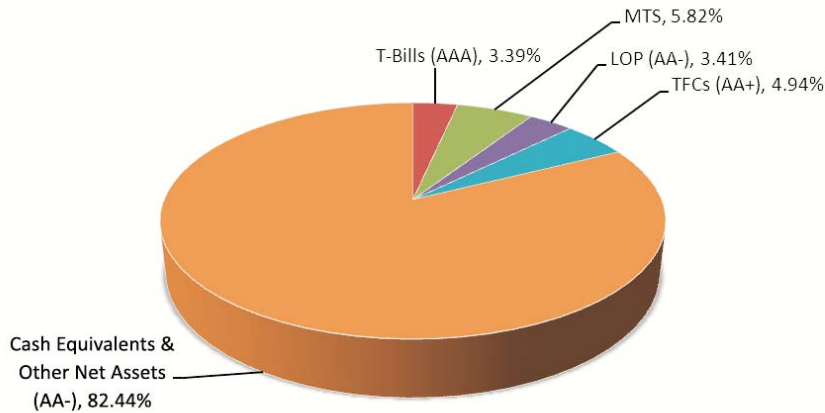
Despite the administrative contraction in the current account deficit, external account management still looks challenging whereas these measures have also created supply-chain bottlenecks. Also, the production cuts by firms due to supply constraints have resulted in decline in LSM growth. The lack of fresh financial inflows and ongoing debt repayments have led to a continuous drawdown in official reserves. The net liquid foreign exchange reserves with SBP were recorded at USD 5.6 billion in December 2022 (depleting by USD 4.2 billion during 1HFY23), posing challenges and risks to the financial stability and fiscal consolidation.

The SBP held thirteen T-Bill auctions, realizing Rs. 19.1 trillion against a target of Rs. 10.8 trillion and maturity of Rs. 10.7 trillion. The T-Bills yields increased by 1.7%, 1.8% and 1.7% for 3-month, 6-month and 12-month tenures, respectively. This uptick in short-term sovereign yields is primarily reflective of increase in policy rates. The market participants constricted in the shorter tenors due to the political noise coupled with global shocks and uncertainty surrounding monetary easing. In the last auction for the half-year ended, cut-off yields on T-Bill for 3-month, 6-month, and 12-month tenures were noted at 16.99%, 16.83% and 16.85%, respectively. Moreover, in the six PIB auctions, SBP realized an amount of Rs. 943 billion. In the last auction for the half-year ended, bids for 3-year, 5-year and 10-year tenures were rejected, while there were no bids for 15-year, 20-year and 30-year tenures.

NBP-SF is categorized as an Income Scheme and has been awarded stability rating of 'A+ (f)' by PACRA

The size of NBP Savings Fund has increased from Rs. 1,728 million to Rs. 2,934 million during the period, a handsome growth of 70%. During the period, the unit price of the Fund has increased from Rs. 9.8335 on June 30, 2022 to Rs. 10.5079 on December 31, 2022 thus showing a return of 13.6% p.a. as compared to the benchmark return of 16.1% p.a. for the same period. The performance of the Fund is net of management fee and all other expenses.

The Fund has earned a total income of Rs.168.16 million during the period. After deducting total expenses of Rs. 26.93 million, the net income is Rs. 141.23 million. The asset allocation of NBP-SF as on December 31, 2022 is as follows:



## Acknowledgement

The Board takes this opportunity to thank its valued unit-holders for their confidence and trust in the Management Company, and providing the opportunity to serve them. It also offers its sincere gratitude to the Securities & Exchange Commission of Pakistan and State Bank of Pakistan for their patronage and guidance.

The Board also wishes to place on record its appreciation for the hard work, dedication and commitment shown by the staff and the Trustee.

On behalf of the Board of  
**NBP Fund Management Limited**

**Chief Executive Officer**

**Director**

Date: **February 21, 2023**  
Place: Karachi.

## ڈائریکٹرز رپورٹ

NBP فنڈ میجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز بصد مسرت 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لئے NBP سیونگ فنڈ (NBP-SF) کے جائزہ شدہ مالیاتی گوشوارے پیش کرتے ہیں۔

### فنڈ کی کارکردگی

مالی سال 23 کی پہلی ششماہی کے دوران، مانیٹری پالیسی کمیٹی (MPC) کے چار اجلاس منعقد ہوئے اور افراط زر کے دباؤ کو قابو کرنے، قیمتوں کا استحکام حاصل کرنے، اقتصادی استحکام کو یقینی بنانے اور کرنسی پر دباؤ کو کم کرنے کے مقصد سے پالیسی شرح کو 225 بیس پوائنٹس سے بڑھا کر 16 فیصد کر دیا گیا۔ تاہم IMF پروگرام میں دوبارہ داخلہ کے باعث متوقع سخت اقدامات کے باعث افراط زر کی توقعات میں مزید اضافہ ہو گیا۔ SBP کے مطابق، عالمی اور ملکی فراہمی کے خطرات کی وجہ سے مہنگائی پیداواری اخراجات کو بڑھا رہی ہے، جو افراط زر کی توقعات کو کم اور (درمیانی مختصر مدت) نمونہ کو کمزور کر سکتی ہے۔

کرنٹ اکاؤنٹ خسارہ میں انتظامی سیکڑاؤ کے باعث بیرونی کھاتوں کا انتظام اب بھی چیلنجنگ نظر آتا ہے جبکہ ان اقدامات نے سپلائی چین میں رکاوٹیں بھی پیدا کی ہیں۔ نیز سپلائی کی ان رکاوٹوں کی وجہ سے فرمز کی طرف سے پیداوار میں کمی کے نتیجے میں LSM کی نمونوں کی واقع ہوئی ہے۔ فریش مالی رقوم کی کمی اور قرضوں کی جاری ادائیگیاں سرکاری ذخائر میں مسلسل کمی کا باعث بنی۔ دسمبر 2022 میں اسٹیٹ بینک نے خالص غیر ملکی زرمبادلہ کے ذخائر 5.6 بلین امریکی ڈالر ریکارڈ کیے (1HFY23 میں 4.2 بلین امریکی ڈالر کی کمی)، جو مالی اور مالیاتی استحکام کے لیے چیلنج اور خطرات پیدا کر رہے ہیں۔

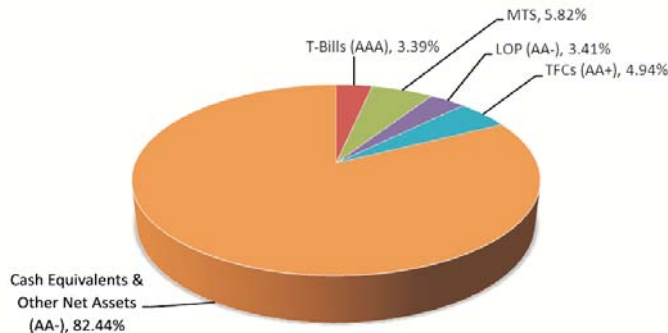
SBP نے ٹی بل کی تیرہ ٹیلا میوں کا انعقاد کیا، جس سے 10.8 ٹریلین روپے ہدف اور 10.7 ٹریلین روپے مپھورٹی کے باعث کل 19.1 ٹریلین روپے کی وصولی ہوئی۔ ٹی بلز کی شرح منافع میں 3 ماہ، 6 ماہ اور 12 ماہ کے لئے بالترتیب 1.7 فیصد، 1.8 فیصد اور 1.7 فیصد تک اضافہ ہوا۔ مختصر مدتی سوریجن منافع میں یہ اضافہ بنیادی طور پر پالیسی ریٹس میں اضافہ کی عکاسی ہے۔ مارکیٹ شرکاء عالمی خطرات اور مانیٹری آسانی کی غیر یقینی کے ساتھ ساتھ سیاسی گہما گہمی کی وجہ سے مختصر مدتوں تک محدود رہے۔ ختم ہونے والی ششماہی کی آخری ٹیلا می میں، 3 ماہ، 6 ماہ اور 12 ماہ کے لئے ٹی بل پر کٹ آف شرح منافع بالترتیب 16.99 فیصد، 16.83 فیصد اور 16.85 فیصد درج کیا گیا۔ مزید برآں، چھ PIB ٹیلا میوں میں، SBP نے 943 بلین روپے کی رقم وصول کی۔ ختم ہونے والی ششماہی کی آخری ٹیلا می میں 3 سال، 5 سال اور 10 سال کی مدتوں کی پیشکشیں مسترد کر دی گئیں، جبکہ 15 سال، 20 سال اور 30 سال کی مدتوں کے لئے کوئی پیشکشیں نہیں تھیں۔

NBP-SF کی انکم اسکیم کے طور پر درجہ بندی کی گئی ہے اور PACRA کی طرف سے 'A(f)' کی مستحکم ریٹنگ دی گئی ہے۔

موجودہ مدت کے دوران NBP سیونگ فنڈ کا سائز 1,728 بلین روپے سے بڑھ کر 2,934 بلین روپے ہو گیا (یعنی 70% کا نمایاں اضافہ ہوا)۔ زیر جائزہ مدت کے دوران، NBP سیونگ فنڈ کے پونٹ کی قیمت 30 جون 2022 کو 9.8335 روپے سے بڑھ کر 31 دسمبر 2022 کو 10.5079 روپے ہو گئی۔ لہذا اس مدت کے دوران فنڈ نے اپنے بیچ مارک ریٹرن %16.1 کے مقابلے میں %13.6 منافع درج کیا ہے۔ فنڈ کی یہ کارکردگی میجمنٹ فیس اور دیگر تمام اخراجات کے بعد خالص ہے۔

فنڈ نے موجودہ مدت کے دوران 168.16 بلین روپے کی مجموعی آمدنی کمائی ہے۔ 26.93 بلین روپے کے اخراجات متہا کرنے کے بعد خالص آمدنی 141.23 بلین روپے ہے۔

31 دسمبر 2022 کے مطابق NBP-SF کی ایٹبلیویشن حسب ذیل ہے:







## اظہار تشکر

بورڈ اس موقع سے فائدہ اٹھاتے ہوئے مینجمنٹ کمیٹی پر اعتماد، اعتبار اور خدمت کا موقع فراہم کرنے پر اپنے قابل قدر پونٹ ہولڈرز کا شکریہ ادا کرتا ہے۔ یہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور اسٹیٹ بینک آف پاکستان کی سرپرستی اور رہنمائی کے لئے ان کے مخلص رویہ کا بھی اعتراف کرتا ہے۔

بورڈ اپنے اسٹاف اور رٹرنی کی طرف سے سخت محنت، لگن اور عزم کے مظاہرے پر اپنا خراج تحسین بھی ریکارڈ پر لانا چاہتا ہے۔

مخائب بورڈ آف ڈائریکٹرز

**NBP** فنانس مینجمنٹ لمیٹڈ

چیف ایگزیکٹو آفیسر

تاریخ: 21 فروری 2023ء

مقام: کراچی

ڈائریکٹر



## TRUSTEE REPORT TO THE UNIT HOLDERS

### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of NBP Savings Fund (the Fund) are of the opinion that NBP Fund Management Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2022 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**

Chief Executive Officer

Central Depository Company of Pakistan Limited

Karachi, February 27, 2023



## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **NBP Savings Fund** (the Fund) as at December 31, 2022 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement for the half year ended December 31, 2022, together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'). The Management Company (NBP Fund Management Limited) is responsible for the preparation and presentation of these condensed 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 condensed interim financial statements based on our review. The figures included in the condensed interim income statement for the quarter ended December 31, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed 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 the accompanying condensed 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.

### **A.F. Ferguson & Co.**

Chartered Accountants

Karachi

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 27, 2023

UDIN: RR2022100612h34HG1u5



## CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2022

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
----- (Rupees in '000) -----			
<b>ASSETS</b>			
Bank balances	4	2,405,118	1,651,129
Investments	5	344,549	72,300
Receivable against Margin Trading System (MTS)		170,685	-
Profit receivable		33,433	18,204
Deposits, prepayments and other receivables		981	1,123
<b>Total assets</b>		<u>2,954,766</u>	<u>1,742,756</u>
<b>LIABILITIES</b>			
Payable to NBP Fund Management Limited - the Management Company	6	18,049	8,482
Payable to Central Depository Company of Pakistan Limited - the Trustee		287	107
Payable to Securities and Exchange Commission of Pakistan	7	213	302
Payable against redemption of units		418	256
Accrued expenses and other liabilities	8	1,472	5,254
<b>Total liabilities</b>		<u>20,439</u>	<u>14,401</u>
<b>NET ASSETS</b>		<u>2,934,327</u>	<u>1,728,355</u>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<u>2,934,327</u>	<u>1,728,355</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		
		(Number of units)	
<b>NUMBER OF UNITS IN ISSUE</b>		<u>279,248,347</u>	<u>175,762,211</u>
		(Rupees)	
<b>NET ASSET VALUE PER UNIT</b>		<u>10.5079</u>	<u>9.8335</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM INCOME STATEMENT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2022

	Note	Half year ended December 31,		Quarter ended December 31,	
		2022	2021	2022	2021
(Rupees in '000)					
<b>Income</b>					
Income on government securities		44,356	7,079	31,162	4,624
Income from term deposit receipts and bank balances		104,040	42,885	49,996	22,191
Income from Margin Trading System		5,110	8,002	4,880	1,409
Income on commercial papers		2,700	5,487	216	4,499
Income on letters of placement		4,723	-	4,065	-
Income on short term sukuk certificates		7,334	-	6,229	-
Other income		-	837	-	327
		168,263	64,290	96,548	33,050
Loss on sale of investments - net		(127)	(91)	(134)	(84)
Unrealised appreciation / (diminution) on re-measurement of investments classified as financial assets 'at fair value through profit or loss' - net	5.7	28	-	(28)	(1)
		(99)	(91)	(162)	(85)
<b>Total income</b>		168,164	64,199	96,386	32,965
<b>Expenses</b>					
Remuneration of NBP Fund Management Limited - the Management Company	6.1	12,422	4,384	7,113	2,242
Sindh Sales Tax on remuneration of the Management Company	6.2	1,615	570	925	292
Reimbursement of allocated expenses	6.4	1,333	943	752	469
Reimbursement of selling and marketing expenses	6.5	8,532	5,487	4,814	2,834
Remuneration of Central Depository Company of Pakistan Limited - the Trustee		800	566	451	282
Sindh Sales Tax on remuneration of the Trustee		104	74	59	37
Annual fee of the Securities and Exchange Commission of Pakistan	7.1	213	151	120	75
Settlement and bank charges		894	1,157	690	380
Listing fee		14	14	7	7
Auditors' remuneration		583	413	373	209
Legal and professional charges		207	689	107	560
Rating fee		194	113	97	104
Printing and other charges		21	18	8	18
<b>Total expenses</b>		26,932	14,579	15,516	7,509
<b>Net income from operating activities</b>		141,232	49,620	80,870	25,456
Reversal of provision against Sindh Workers' Welfare Fund		-	9,160	-	-
<b>Net income for the period before taxation</b>		141,232	58,780	80,870	25,456
Taxation	10	-	-	-	-
<b>Net income for the period</b>		141,232	58,780	80,870	25,456
<b>Earnings per unit</b>	11				
<b>Allocation of net income for the period</b>					
Net income for the period		141,232	58,780		
Income already paid on units redeemed		(8,919)	(2,374)		
		132,313	56,406		
<b>Accounting income available for distribution:</b>					
- Relating to capital gains		-	-		
- Excluding capital gains		132,313	56,406		
		132,313	56,406		

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For NBP Fund Management Limited  
(Management Company)**

Chief Financial Officer

Chief Executive Officer

Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED 31 DECEMBER 2022

	Half year ended December 31,		Quarter ended December 31,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Net income for the period	141,232	58,780	80,870	25,456
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>141,232</u>	<u>58,780</u>	<u>80,870</u>	<u>25,456</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNITHOLDERS' FUND (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Half year ended December 31, 2022			Half year ended December 31, 2021		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	----- (Rupees in '000) -----					
Net assets at beginning of the period (audited)	1,719,315	9,040	1,728,355	1,526,730	5,275	1,532,005
Issuance of 157,194,539 units (2021: 27,711,327 units)						
- Capital value (at ex - net asset value per unit)	1,545,772	-	1,545,772	271,782	-	271,782
- Element of income	67,657	-	67,657	5,086	-	5,086
Total proceeds on issuance of units	1,613,429	-	1,613,429	276,868	-	276,868
Redemption of 53,708,403 units (2021: 37,201,193 units)						
- Capital value (at ex - net asset value per unit)	(528,142)	-	(528,142)	(364,854)	-	(364,854)
- Element of loss	(11,628)	(8,919)	(20,547)	(3,888)	(2,374)	(6,262)
Total payments on redemption of units	(539,770)	(8,919)	(548,689)	(368,742)	(2,374)	(371,116)
Total comprehensive income for the period	-	141,232	141,232	-	58,780	58,780
<b>Net assets at end of the period (un-audited)</b>	<b>2,792,974</b>	<b>141,353</b>	<b>2,934,327</b>	<b>1,434,856</b>	<b>61,681</b>	<b>1,496,537</b>
Undistributed income brought forward						
- Realised		9,040			5,275	
- Unrealised		-			-	
		9,040			5,275	
Accounting income available for distribution:						
- Relating to capital gains		-			-	
- Excluding capital gains		132,313			56,406	
		132,313			56,406	
Undistributed income carried forward		141,353			61,681	
Undistributed income carried forward						
- Realised		141,325			61,881	
- Unrealised		28			-	
		141,353			61,881	
			(Rupees)			(Rupees)
Net assets value per unit at beginning of the period			9.8335			9.8076
Net assets value per unit at end of the period			10.5079			10.2002

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For NBP Fund Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	<b>Half year ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Note</b>	<b>(Rupees in '000)</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the period before taxation	141,232	58,780
<b>Adjustments for:</b>		
Income on government securities	(44,356)	(7,079)
Income from term deposit receipts and bank balances	(104,040)	(42,885)
Income from Margin Trading System	(5,110)	(8,002)
Income on commercial papers	(2,700)	(5,487)
Income on letters of placement	(4,723)	-
Income on short term sukuk certificates	(7,334)	-
Unrealised appreciation on re-measurement of investments at fair value through profit or loss - net	(28)	-
Reversal of provision against Sindh Workers' Welfare Fund	-	(9,160)
	(168,291)	(72,613)
<b>(Increase) / decrease in assets</b>		
Investments - net	(172,672)	(278,158)
Receivable against Margin Trading System	(170,685)	106,404
Deposits, prepayments and other receivables	142	(51)
	(343,215)	(171,805)
<b>Increase / (decrease) in liabilities</b>		
Payable to NBP Fund Management Limited - the Management Company	9,567	181
Payable to Central Depository Company of Pakistan Limited - the Trustee	180	108
Payable to Securities and Exchange Commission of Pakistan	(89)	(161)
Accrued expenses and other liabilities	(3,782)	(5,526)
	5,876	(5,398)
Profit received on bank deposits, term deposit receipts, government securities, commercial papers and letters of placement	153,034	62,412
<b>Net cash used in from operating activities</b>	<b>(211,364)</b>	<b>(128,624)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net receipts from issuance of units	1,613,429	276,868
Net payments against redemption of units	(548,527)	(375,818)
<b>Net cash generated from / (used in) financing activities</b>	<b>1,064,902</b>	<b>(98,950)</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	<b>853,538</b>	<b>(227,574)</b>
Cash and cash equivalents at beginning of the period	1,651,129	1,444,187
<b>Cash and cash equivalents at end of the period</b>	<b>4.2 2,504,667</b>	<b>1,216,613</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

**For NBP Fund Management Limited  
(Management Company)**

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## NOTES TO AND FORMING PART OF THESE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2022

### 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 NBP Savings Fund (the Fund) was established under a Trust Deed executed between NBP Fund Management Limited, as the Management Company and Central Depository Company of Pakistan Limited (CDC), as the Trustee. The Trust Deed was executed on 03 January 2008 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on 14 December 2007 in accordance with the requirements of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules).

During the year ended June 30, 2021, the Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act). The Fund was required to be registered under the Sindh Trust Act. Accordingly, on October 18, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.

- 1.2 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at 7th floor, Clifton Diamond Building, Block No. 4, Scheme No. 5, Clifton, Karachi. The Management Company is also a member of the Mutual Funds Association of Pakistan (MUFAP).
- 1.3 The Fund is an open-ended mutual fund, categorised as an income scheme as per the criteria for categorisation of open end collective investment scheme as specified by the Securities and Exchange Commission of Pakistan (SECP) and the Fund is listed on the Pakistan Stock Exchange. Units are offered for public subscription on a continuous basis. The units are transferable and can be redeemed by surrendering them to the Fund.
- 1.4 The investment objective of the Fund is to earn a competitive rate of return while preserving capital to the extent possible by investing in liquid assets. The Fund comprises of investments of various time horizons with a significant amount invested in short term investments for the purpose of maintaining liquidity.
- 1.5 The Pakistan Credit Rating Agency (PACRA) has determined the asset manager rating of the Management Company of AM1 on June 22, 2022 (June 30, 2022: AM1). The rating reflects the Management Company's experienced management team, structured investment process and sound quality of systems and processes. Furthermore, the Pakistan Credit Rating Agency Limited (PACRA) has updated the stability rating of the Fund at "A+(f)" dated October 19, 2022 (June 30, 2022: "A+(f)" on April 19, 2022).
- 1.6 Title of the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.
- 1.7 The Fund also provides accidental death (free), life insurance / life takaful and health coverage to unit holders of the Fund as stated in the Offering Document.

The cost of premium is borne by the investor (where applicable). Such premium cost is deducted from the unit holder's investment on a monthly basis in case of life insurance and annual basis in case of health insurance and deposited with the Insurance Company / Takaful Operator by the Management Company as per the terms and conditions of the Insurance / Takaful coverage defined in the Insurance / Takaful policy document signed between the Insurance Company / Takaful Operator and Management Company.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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 Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

**2.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of IAS 34. These condensed interim financial statements do not include all the information and disclosures required in a full set of the financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2022.

**2.3** In compliance with Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the directors of the Management Company hereby declare that these condensed interim financial statements give a true and fair view of the state of the Fund's affairs as at and for the year ended June 30, 2022.

### **3 SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES, CRITICAL JUDGMENTS IN APPLICATION OF POLICIES AND CHANGES THEREIN**

**3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2022.

**3.2** The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. In preparing these condensed interim financial statements, the significant judgments made by management in applying the Fund's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the audited annual financial statements as at and for the year ended June 30, 2022. The Fund's financial risk management objectives and policies are consistent with those disclosed in the audited annual financial statements as at and for the year ended June 30, 2022.

#### **3.3 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are effective in the current period**

There are certain amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2022. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

#### **3.4 Standards, interpretations and amendments to the accounting and reporting standards as applicable in Pakistan that are not yet effective**

There are certain new standards, interpretations and amendments to the accounting and reporting standards that are mandatory for the Fund's annual accounting periods beginning on or after July 1, 2023. However, these will not have any significant effects on the Fund's operations and are, therefore, not detailed in these condensed interim financial statements.



4	BANK BALANCES	Note	(Un-audited)	(Audited)
			December 31, 2022	June 30, 2022
	Balances with banks in:			
	Savings accounts	4.1	2,405,118	1,651,129
			<u>2,405,118</u>	<u>1,651,129</u>

4.1 These include balances amounting to Rs 9.735 million, Rs 0.006 million and Rs 0.366 million (June 30, 2022: Rs 7.364 million, 0.006 million and Rs 0.216 million respectively) maintained with BankIslami Pakistan Limited, Telenor Microfinance Bank Limited and National Bank of Pakistan (related parties) respectively, that carry profit at the rates 15.00%, 14.50% and 14.50% per annum respectively (June 30, 2022: 15.25%, 15.50% and 12.25% per annum). Other savings accounts of the Fund carry profits at the rates ranging from 7.00% to 17.65% per annum (June 30, 2022: 12.00% to 17.00% per annum).

#### 4.2 Cash and cash equivalents

Balances with banks	4	2,405,118	1,651,129
Government securities - Market Treasury Bills	5.3	99,549	-
		<u>2,504,667</u>	<u>1,651,129</u>

#### 5 INVESTMENTS

##### At fair value through profit or loss

Term finance certificates - non-performing securities	5.1	-	-
Corporate sukuk certificates - non-performing securities	5.2	-	-
Government securities - Market Treasury Bills	5.3	99,549	-
Commercial papers	5.4	-	72,300
Short term sukuk certificates	5.5	145,000	-
Letters of placement	5.6	100,000	-
		<u>344,549</u>	<u>72,300</u>

#### 5.1 Term finance certificates - non-performing securities

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchases during the period	Sales / redemptions during the period	As at December 31, 2022	Market value as at December 31, 2022	Percentage in relation to	
										net assets of the Fund	total market value of the investment
									(Rupees in '000)	%	
<b>Leasing companies</b>											
Saudi Pak Leasing Company Limited - TFC II (Face value of Rs. 2,755 per certificate)	Unrated	-	March 13, 2025	Fixed rate	15,000	-	-	15,000	-	-	-
<b>Technology &amp; communication</b>											
Worldcall Telecom Limited - TFC III (Face value of Rs. 1,537 per certificate)	D, PACRA	Quarterly	September 20, 2026	6 months KIBOR plus base rate of 1.6%	14,000	-	-	14,000	-	-	-
<b>Chemical</b>											
AgriTech Limited TFC II (Face value of Rs. 4,996 per certificate)	Unrated	-	July 14, 2025	6 months KIBOR plus base rate of 1.75%	30,000	-	-	30,000	-	-	-
AgriTech Limited TFC V (Face value of Rs. 5,000 per certificate)	Unrated	-	January 1, 2025	11% fixed rate	4,436	-	-	4,436	-	-	-



Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchases during the period	Sales / redemptions during the period	As at December 31, 2022	Market value as at December 31, 2022	Percentage in relation to	
										net assets of the Fund	total market value of the investment
									(Rupees in '000)	%	
<b>Total</b>									-	-	-
Carrying value as at December 31, 2022 (un-audited)									-	-	-
Market value as at June 30, 2022 (audited)									-	-	-
Carrying value as at June 30, 2022 (audited)									-	-	-

**5.1.1** The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly had been classified as a non performing asset by Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 234.892 million (June 30, 2022: Rs. 234.892 million) against investee companies have been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

## 5.2 Corporate sukuk certificates - non-performing securities

Name of the security	Security rating	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchases during the period	Sales / redemptions during the period	As at December 31, 2022	Market value as at December 31, 2022	Percentage in relation to	
										net assets of the Fund	total market value of the investment
									Rupees in '000	%	
<b>Miscellaneous</b>											
New Allied Electronic Industries (Private) Limited - Sukuk II (Face value of Rs. 4,905 per certificate)	Unrated	-	December 3, 2025	6 months KIBOR plus base rate of 2.2%	10,000	-	-	10,000	-	-	-
Eden Housing Limited Sukuk (2nd Issue) (Face value of Rs. 984 per certificate)	D, VIS	-	September 29, 2025	6 months KIBOR plus base rate of 2.5%	20,000	-	-	20,000	-	-	-
<b>Total</b>									-	-	-
Carrying value as at December 31, 2022 (un-audited)									-	-	-
Market value as at June 30, 2022 (audited)									-	-	-
Carrying value as at June 30, 2022 (audited)									-	-	-

**5.2.1** The investee companies had defaulted on its obligation on account of principal and profit payments and accordingly had been classified as a non performing asset by the Mutual Funds Association of Pakistan (MUFAP). The accumulated provision amounting to Rs. 68.742 million (June 30, 2022: Rs. 68.742 million) against investee companies has been maintained by valuing the investments as per Circular no. 1 of 2009 and Circular no. 33 of 2012.

## 5.3 Government securities - Market Treasury Bills

Issue date	Tenor in months	Face value				Market value as at December 31, 2022	Market value as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022		total investments of the Fund	net assets of the Fund
						Rupees in '000	%	
June 16, 2022	3	-	1,000,000	1,000,000	-	-	-	-
June 30, 2022	3	-	1,000,000	1,000,000	-	-	-	-
July 14, 2022	3	-	1,000,000	1,000,000	-	-	-	-
July 28, 2022	3	-	800,000	800,000	-	-	-	-
August 11, 2022	3	-	900,000	900,000	-	-	-	-
August 25, 2022	3	-	700,000	700,000	-	-	-	-
September 22, 2022	3	-	700,000	700,000	-	-	-	-



Issue date	Tenor in months	Face value				Market value as at December 31, 2022	Market value as a percentage of	
		As at July 01, 2022	Purchased during the period	Sold / matured during the period	As at December 31, 2022		total investments of the Fund	net assets of the Fund
----- Rupees in '000 -----						----- % -----		
October 6, 2022	3	-	800,000	800,000	-	-	-	-
October 20, 2022	3	-	100,000	-	100,000	99,549	28.89%	3.39%
<b>Total</b>						<u>99,549</u>	<u>28.89%</u>	<u>3.39%</u>
<b>Carrying value as at December 31, 2022 (un-audited)</b>						<u>99,521</u>		
<b>Market value as at June 30, 2022 (audited)</b>						<u>-</u>		
<b>Carrying value as at June 30, 2022 (audited)</b>						<u>-</u>		

## 5.4 Commercial papers

Name of the security	Rating	Face value				Market value as at December 31, 2022	Market value as a percentage of total investments	Market value as a percentage of net assets
		As at July 1, 2022	Purchased during the period	Disposed off / matured during the period	As at December 31, 2022			
----- (Rupees in '000) -----						----- % -----		
<b>Power generation &amp; distribution</b>								
China Power Hub Generation Company Limited	AA+, PACRA	75,000	-	75,000	-	-	-	-
<b>Total</b>						<u>-</u>	<u>-</u>	<u>-</u>
<b>Carrying value as at December 31, 2022 (un-audited)</b>						<u>-</u>		
<b>Market value as at June 30, 2022 (audited)</b>						<u>72,300</u>		
<b>Carrying value as at June 30, 2022 (audited)</b>						<u>72,300</u>		

## 5.5 Short Term Sukuk certificates

Name of the security	Profit payments / principal redemptions	Maturity date	Profit rate	As at July 1, 2022	Purchased during the period	Sold / Redeemed during the period	As at Dec 31, 2022	Carrying value as at December 31, 2022	Market value as at December 31, 2022	Market value as a percentage of	
				----- Number of certificates -----				----- (Rupees in '000) -----		total investments of the Fund	net assets of the Fund
----- % -----											
<b>Power generation &amp; distribution</b>											
K-Electric short term sukuk - 7 (AA, PACRA, traded) (Face value of Rs 1,000,000 per certificate)	Semi-annually	February 10, 2023	6 months KIBOR plus base rate of 1.35%	-	45,000	-	45,000	45,000	45,000	-	-
K-Electric short term sukuk - 10 (AA, PACRA, traded) (Face value of Rs 1,000,000 per certificate)	Semi-annually	April 5, 2023	6 months KIBOR plus base rate of 1.45%	-	100,000	-	100,000	100,000	100,000	-	-
<b>Total as at December 31, 2022 (un-audited)</b>								<u>145,000</u>	<u>145,000</u>	<u>-</u>	<u>-</u>
<b>Total as at June 30, 2022 (audited)</b>								<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>





- 6.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration and sale load were already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Honourable Supreme Court of Pakistan (HSC) which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period till June 30, 2016 amounting to Rs 2.808 million (2021: Rs 2.808 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the HSC. Had the provision for FED not been made, the net asset value per unit of the Fund as at December 31, 2022 would have been higher by Re 0.0101 (June 30, 2022: Re 0.0160) per unit.

- 6.4** In accordance with Regulation 60 of the NBFC Regulations, an asset management company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

Accordingly the Management Company based on its discretion has charged allocated expenses under the following rates:

Rate applicable from July 1, 2022 to December 31, 2022	Rate applicable from July 1, 2021 to June 30, 2022
0.125% of average annual net assets	0.125% of average annual net assets

- 6.5** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at the following rates keeping in view the overall return and the total expense ratio limit of the Fund as defined under the NBFC Regulations.

Rate applicable from July 1, 2022 to December 31, 2022	Rate applicable from November 12, 2021 to June 30, 2022	Rate applicable from July 1, 2021 to November 11, 2021
0.8% per annum of average daily net assets	0.8% per annum of average daily net assets	0.7% per annum of average daily net assets

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
<b>7 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN</b>		----- (Rupees in '000) -----	
Annual fee payable	7.1	<u>213</u>	<u>302</u>

- 7.1** Under the provisions of the NBFC Regulations, a collective investment scheme is required to pay as annual fee to the SECP, an amount equal to 0.02% (June 30, 2022: 0.02%) of the average annual net assets of the Fund.



	(Un-audited) December 31, 2022	(Audited) June 30, 2022
<b>8 ACCRUED EXPENSES AND OTHER LIABILITIES</b>	----- (Rupees in '000) -----	
Auditors' remuneration	499	475
Printing charges payable	63	61
Bank charges payable	99	117
Withholding tax payable	219	3,943
Capital gain tax payable	367	518
Legal and professional charges payable	206	122
Others	19	18
	1,472	5,254

## 9 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2022 and June 30, 2022.

## 10 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the management intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2023 to the unit holders in the manner as explained above, therefore, no provision for taxation has been made in these condensed interim financial statements during the period.

The Fund is also exempt from the provision of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 11 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 12 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund based on the current period is 2.50% (December 31, 2021: 1.86%) which includes 0.18% (December 31, 2021: 0.10%) representing Government Levies on the Fund such as sales taxes and the annual fee to the SECP Fee. The prescribed limit for the ratio is 2.5% (December 31, 2022: 2.5%) (excluding government levies) under the NBFC Regulations for a collective investment scheme categorised as an "income" scheme.

## 13 DETAILS OF NON-COMPLIANT INVESTMENTS

The SECP vide Circular no. 7 of 2009 dated March 6, 2009, required all asset management companies to categorise funds under their management on the basis of criteria laid down in the circular. The Board has approved the category of the fund as 'Income Scheme'.

The SECP vide circular no. 16 dated July 07, 2010, prescribed specific disclosures for the scheme holding investments that are non-compliant either with the minimum investment criteria specified for the category assigned to such schemes or with investment requirements of their constitutive documents.

Following is the detail of non-compliant investments:





Name of non-compliant investment	Non-compliance of clause	Type of investment	Value of investment before provision	Provision held, if any	Value of investment after provision	% of net assets	% of gross assets
----- (Rupees in '000) -----							
Agritech Limited TFC II	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	149,876	(149,876)	-	-	-
Agritech Limited TFC V	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	22,180	(22,180)	-	-	-
Eden Housing Limited Sukuk (2nd Issue)	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Sukuks	19,688	(19,688)	-	-	-
New Allied Electronic Industries (Private) Limited - Sukuk II	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Sukuks	49,054	(49,054)	-	-	-
Saudi Pak Leasing Company Limited - TFC II	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	41,321	(41,321)	-	-	-
Worldcall Telecom Limited - TFC III	Rating is below investment grade as prescribed in clause 9 (v) of annexure of circular 7 of 2009	Term finance certificates	21,515	(21,515)	-	-	-
Total carrying value and accumulated impairment as at December 31, 2022			303,634	(303,634)	-		

## 14 TRANSACTIONS AND BALANCES WITH CONNECTED PERSONS

- 14.1** Connected persons include NBP Fund Management Limited being the Management Company, Central Depository Company of Pakistan Limited being the Trustee, National Bank of Pakistan (NBP) and Baltoro Growth Fund being the sponsors, NAFA Pension Fund and NAFA Provident Fund Trust being the associates of the Management Company, other collective investment schemes managed by the Management Company, any entity in which the Management Company, its CISs or their connected persons have material interest, any person or company beneficially owning directly or indirectly ten percent or more of the capital of the Management Company or the net assets of the Fund, directors and their close family members and key management personnel of the Management Company.
- 14.2** Transactions with related parties / connected persons are executed on an arm's length basis and essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sales load, other charges and distribution payments to related parties / connected persons. The transactions with related parties / connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with the market rates.
- 14.3** Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations, 2008 and the Trust Deed.
- 14.4** Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.
- 14.5** Allocated expenses and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.



## 14.6 Details of the transactions with connected persons

	(Un-audited)	
	Half year ended December 31,	
	2022	2021
	----- (Rupees in '000) -----	
<b>NBP Fund Management Limited - the Management Company</b>		
Remuneration of NBP Fund Management Limited - the Management Company	12,422	4,384
Sindh Sales Tax on remuneration of Management Company	1,615	570
Sales and transfer load paid	11,708	792
Reimbursement of allocated expenses	1,333	943
Reimbursement of selling and marketing expenses	8,532	5,487
ADC charges including Sindh Sales Tax	183	22
<b>Central Depository Company of Pakistan Limited - the Trustee</b>		
Remuneration to the Trustee	800	566
Sindh Sales Tax on remuneration of Trustee	104	74
Settlement charges	117	241
<b>Details of the transactions with connected persons</b>		
<b>Employees of the Management Company</b>		
Units issued - 1,259,635 units (December 31, 2021: 13,446 units)	12,884	135
Units redeemed - 1,975,079 units (December 31, 2021: 12,222 units)	19,916	121
<b>Fauji Fertilizer Company Limited *</b>		
Units redeemed / transferred out - 37 units (December 31, 2021: Nil)	-	-
<b>Portfolio managed by the Management Company</b>		
Units issued / transferred in - 381,289 units (December 31, 2021: Nil)	3,851	-
<b>National Bank of Pakistan - (parent of the Management Company)</b>		
Purchase of Market Treasury Bills	-	273,417
<b>K-Electric Limited***</b>		
Purchase of short term sukuk	145,000	-
Profit of sukuk certificate	7,334	-
<b>National Clearing Company of Pakistan Limited *</b>		
NCCPL charges	-	185
Laga and levy charges	-	639
<b>K.T.H CP Fund (M.T.I) - unit holder with more than 10% holding*</b>		
Units issued - 10,153,598 units (December 31, 2021: 885,266 units)	103,118	8,851
Redeemed - 270,299 units (December 31, 2021: Nil)	2,709	-
<b>Bank Islami Pakistan Limited (Common directorship)</b>		
Profit on bank deposit	388	31
<b>Khushhali Microfinance Bank Limited (Common directorship)*</b>		
Profit on bank deposit	-	6,820



14.7	Amounts outstanding as at period / year end:	(Un-audited) December 31, 2022	(Audited) June 30, 2022
		----- (Rupees in '000) -----	
<b>NBP Fund Management Limited - Management Company</b>			
	Remuneration of the Management Company	2,922	1,458
	Sindh Sales Tax on remuneration of the Management Company	380	190
	Reimbursement of allocated expenses payable	752	483
	Reimbursement of selling and marketing expenses payable	4,815	3,091
	Sales and transfer load payable	5,454	359
	Sindh Sales Tax on sales and transfer load	710	48
	Federal Excise Duty on remuneration of the Management Company	2,808	2,808
	ADC charges payable including Sindh Sales tax	208	45
<b>Central Depository Company of Pakistan Limited (Trustee)</b>			
	Remuneration of the trustee	181	95
	Sindh Sales Tax on remuneration of the trustee	23	12
	Settlement charges payable	83	27
	Security deposit	100	100
<b>National Clearing Company of Pakistan *</b>			
	Security deposit	-	250
<b>National Bank of Pakistan - (parent of the Management Company)</b>			
	Bank balance	366	216
<b>K.T.H CP Fund (M.T.I) - unit holder with more than 10% holding</b>			
	Units held in the fund: 38,821,183 (June 30, 2022: 28,937,884 units)	407,929	284,261
<b>NBP Employees Pension Fund</b>			
	Units held in the fund: 87,369,695 units (June 30, 2022: 87,369,695 units)	918,072	859,150
<b>Employees of the Management Company</b>			
	Units held in the fund: 339,235 units (June 30, 2022: 1,054,679 units)	3,565	10,371
<b>Portfolio managed by the Management Company</b>			
	Units held in the fund: 1,107,015 units (June 30, 2022: 725,726 units)	11,632	7,136
<b>BankIslami Pakistan Limited (Common directorship)</b>			
	Bank balance	9,735	7,364
	Profit receivable on bank balance	2	85
<b>Khushhali Microfinance Bank Limited (Common directorship)*</b>			
	Bank balance	-	2,682
	Profit receivable on bank balance	-	412



	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- (Rupees in '000) -----	
<b>Fauji Fertilizer Company Limited (Common directorship) **</b>		
Units held: Nil (June 30, 2022: 37 units)	-	-
<b>Telenor Microfinance Bank Limited (Common directorship)</b>		
Bank balance	6	6
Profit receivable on bank balance	2	18
<b>K-electric Limited***</b>		
Sukuk certificates	145,000	-
Profit receivable on sukuk certificates	7,334	-

\* Current period figures have not been presented as the person is not classified as a related party / connected person of the Fund as at December 31, 2022.

\*\* Nil figure due to rounding off.

\*\*\* Prior period figures have not been presented as the person was not a related party / connected person as at 30 June 2022

## 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the reporting date. The estimated fair value of all other financial assets and financial liabilities is considered not to be significantly different from the respective book values as the items are either short-term in nature or repriced periodically.

### 15.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

As at December 31, 2022 and June 30, 2022, the Fund held the following financial instruments measured at fair value.



----- Un-audited -----				
----- As at December 31, 2022 -----				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
<b>At fair value through profit or loss</b>				
Government securities - Market Treasury Bills	-	99,549	-	99,549
Commercial papers*	-	-	-	-
Short term sukuk certificates	-	145,000	-	145,000
Letters of placement	-	100,000	-	100,000
	-	344,549	-	344,549
-----				
----- Audited -----				
----- As at June 30, 2022 -----				
Level 1	Level 2	Level 3	Total	
----- (Rupees in '000) -----				
<b>At fair value through profit or loss</b>				
Commercial papers *	-	72,300	-	72,300
	-	72,300	-	72,300
-----				

\* The valuation of commercial papers has been done based on amortisation to their fair value as per the guidelines given in Circular 33 of 2012 issued by the SECP as the residual maturity of these commercial papers is less than six months and these are placed with counterparties which have high credit rating.

## 16 GENERAL

16.1 Figures in these condensed interim financial statements have been rounded off to the nearest thousand of rupees.

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 21, 2023.

For NBP Fund Management Limited  
(Management Company)

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## Head Office

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