



**PAK BRUNEI INVESTMENT COMPANY LTD.**

**CONSOLIDATED FINANCIAL STATEMENTS  
(UN-AUDITED)**

**FOR THE PERIOD ENDED MARCH 31, 2021**

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2021**

(Audited)		(Audited)	
March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
----- USD in '000 -----		----- Rupees in '000 -----	
<b>ASSETS</b>			
627	1,100	6	95,841
4,800	4,129	7	734,203
46	3,640	8	7,000
164,688	101,207	9	25,189,075
126,012	136,601	10	19,273,506
922	1,007	11	141,095
50	38	12	7,645
2,304	2,202	13	352,412
9,627	10,480	14	1,472,466
3,540	3,796	15	541,509
312,616	264,200		47,814,752
			40,409,231
<b>LIABILITIES</b>			
-	-	16	-
231,847	179,342	17	35,460,996
3,269	5,427		500,000
-	-		-
-	-		-
-	-		-
8,641	8,469	18	1,321,798
243,757	193,238		37,282,794
68,859	70,962		29,555,573
<b>NET ASSETS</b>			
			10,531,958
			10,853,658
<b>REPRESENTED BY</b>			
39,229	39,229		6,000,000
12,064	11,270		1,845,127
(3,479)	(2,569)	19	(532,093)
21,030	23,017		3,216,564
68,844	70,947		10,529,598
15	15		2,360
68,859	70,962		10,531,958
			2,345
			10,853,658

**CONTINGENCIES AND COMMITMENTS** 20

The annexed notes 1 to 36 forms an integral part of these financial statements.

\_\_\_\_\_  
**President/Chief Executive**

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

\_\_\_\_\_  
**Director**

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**Director**

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**Director**

**PAK BRUNEI INVESTMENT COMPANY LIMITED  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED MARCH 31, 2021**

<b>Period Ended</b>			<b>Quarter Ended</b>		<b>Period Ended</b>		
<b>March 31,</b>	<b>March 31,</b>		<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>	
<b>2021</b>	<b>2020</b>		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	
<b>----- USD in '000 -----</b>			<b>----- Rupees in '000 -----</b>				
4,573	9,664	Mark-up / return / interest earned	21	699,435	1,478,138	699,435	1,478,138
2,834	7,824	Mark-up / return / interest expensed	22	433,415	1,196,732	433,415	1,196,732
<u>1,739</u>	<u>1,840</u>	Net mark-up / interest income		<u>266,020</u>	<u>281,405</u>	<u>266,020</u>	<u>281,405</u>
		<b>Non mark-up / interest income</b>					
212	120	Fee and commission income	23	32,362	18,344	32,362	18,344
1	61	Dividend income		175	9,398	175	9,398
71	639	(Loss) / gain on securities	24	10,830	97,785	10,830	97,785
-	-	Other income	25	-	12	-	12
<u>284</u>	<u>820</u>	Total non-markup / interest income		<u>43,367</u>	<u>125,539</u>	<u>43,367</u>	<u>125,539</u>
<u>2,023</u>	<u>2,660</u>	Total income		<u>309,387</u>	<u>406,944</u>	<u>309,387</u>	<u>406,944</u>
		<b>Non mark-up / interest expenses</b>					
906	822	Operating expenses	26	138,528	125,650	138,528	125,650
1	25	Sindh Workers' Welfare Fund	27	143	3,886	143	3,886
<u>907</u>	<u>847</u>	Total non mark-up / interest expenses		<u>138,671</u>	<u>129,536</u>	<u>138,671</u>	<u>129,536</u>
<u>1,116</u>	<u>1,813</u>	Profit before provisions		<u>170,716</u>	<u>277,409</u>	<u>170,716</u>	<u>277,409</u>
16	437	Provisions and write offs - net	28	2,510	66,908	2,510	66,908
-	-	Extraordinary / unusual items		-	-	-	-
<u>1,099</u>	<u>1,376</u>	<b>Profit before taxation</b>		<u>168,206</u>	<u>210,501</u>	<u>168,206</u>	<u>210,501</u>
332	367	Taxation	29	50,733	56,153	50,733	56,153
<u>768</u>	<u>1,008</u>	<b>Profit after taxation</b>		<u>117,473</u>	<u>154,347</u>	<u>117,473</u>	<u>154,347</u>
		<b>Attributable to:</b>					
768	1,009	Equity shareholders of the holding company		117,458	154,303	117,458	154,303
0.1008	0.2877	Non-controlling interest		15	44	15	44
<u>767</u>	<u>1,008</u>			<u>117,473</u>	<u>154,347</u>	<u>117,473</u>	<u>154,347</u>
<b>----- USD -----</b>			<b>----- Rupees -----</b>				
<u>0.00128</u>	<u>0.00168</u>	<b>Basic and diluted earnings per share</b>	30	<u>0.20</u>	<u>0.26</u>	<u>0.20</u>	<u>0.26</u>

The annexed notes 1 to 36 forms an integral part of these financial statements.

\_\_\_\_\_  
President/Chief Executive

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

\_\_\_\_\_  
Director

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Director

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Director

PAK BRUNEI INVESTMENT COMPANY LIMITED  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED MARCH 31, 2021

Period Ended			Quarter Ended		Period Ended	
March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- USD in '000 -----			----- Rupees in '000 -----			
768	1,008	Profit after taxation for the year	117,473	154,347	117,473	154,347
		<b>Other comprehensive loss</b>				
		<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
(910)	(1,003)	Movement in deficit on revaluation of investments - net of tax	(139,173)	(153,404)	(139,173)	(153,404)
		<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
-	-	Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-
<u>(142)</u>	<u>5</u>	<b>Total comprehensive (loss) / income</b>	<u>(21,700)</u>	<u>943</u>	<u>(21,700)</u>	<u>943</u>

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Director

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Director

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2021**

	Share capital	Statutory reserve	General reserve	Deficit on revaluation of investments	Unappropriated profit	Non-controlling interest	Total
	Rupees in '000						
<b>Opening Balance as at January 01, 2020</b>	6,000,000	1,480,107	-	(150,898)	3,359,371	2,361	10,690,941
<b>Comprehensive income for the year</b>							
Profit after taxation for the period ended March 31, 2020	-	-	-	-	154,303	44	154,347
<b>Other comprehensive loss</b>							
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(153,404)	-	-	(153,404)
	-	-	-	(153,404)	154,303	44	943
Transfer to statutory reserve	-	23,248	-	-	(23,248)	-	-
<b>Opening Balance as at April 01, 2020</b>	6,000,000	1,503,355	-	(304,302)	3,490,426	2,405	10,691,884
<b>Comprehensive income for the year</b>							
Profit after taxation (December 31, 2020)	-	-	-	-	542,143	115	542,258
<b>Other comprehensive loss</b>							
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	8,309	-	8,309
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(88,618)	-	-	(88,618)
	-	-	-	(88,618)	550,452	115	461,949
Transfer to statutory reserve	-	120,427	-	-	(120,427)	-	-
Transfer to general reserve	-	-	100,000	-	(100,000)	-	-
<b>Transactions with owners, recorded directly in equity</b>							
Final cash dividend paid for the year ended December 31, 2019 @ Re. 0.50 per share	-	-	-	-	(300,000)	-	(300,000)
Dividend payout by Awwal Modaraba @ Re. 0.80 per certificate	-	-	-	-	-	(175)	(175)
<b>Opening Balance as at January 01, 2021</b>	6,000,000	1,623,782	100,000	(392,920)	3,520,451	2,345	10,853,658
<b>Comprehensive income for the year</b>							
Profit after taxation for the period ended March 31, 2021	-	-	-	-	117,458	15	117,473
<b>Other comprehensive loss</b>							
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(139,173)	-	-	(139,173)
	-	-	-	(139,173)	117,458	15	(21,700)
Transfer to statutory reserve	-	21,345	-	-	(21,345)	-	-
Transfer to general reserve	-	-	100,000	-	(100,000)	-	-
<b>Transactions with owners, recorded directly in equity</b>							
Final cash dividend paid for the year ended December 31, 2020 @ Re. 0.50 per share	-	-	-	-	(300,000)	-	(300,000)
<b>Closing Balance as at March 31, 2021</b>	<b>6,000,000</b>	<b>1,645,127</b>	<b>200,000</b>	<b>(532,093)</b>	<b>3,216,564</b>	<b>2,360</b>	<b>10,531,958</b>

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**President/Chief Executive**

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

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**Director**

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**Director**

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**Director**

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2021**

March 31, 2021	March 31, 2020		March 31, 2021	March 31, 2020
----- USD in '000 -----			----- Rupees in '000 -----	
		<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
1,100	1,376	Profit before taxation	168,206	210,501
1	61	Less: Dividend income	175	9,398
<u>1,099</u>	<u>1,315</u>		<u>168,031</u>	<u>201,103</u>
		<b>Adjustments:</b>		
99	91	Depreciation	15,116	13,945
13	11	Amortisation	2,041	1,666
1	25	Provision for Sindh Workers' Welfare Fund	143	3,886
16	437	Provision and write-offs	2,510	66,908
-	-	Gain on sale of fixed assets	-	(12)
10	-	Unrealized gain on revaluation of investments classified as held for trading - net	1,482	-
<u>139</u>	<u>564</u>		<u>21,292</u>	<u>86,393</u>
<u>1,238</u>	<u>1,879</u>		<u>189,323</u>	<u>287,496</u>
		<b>(Increase) / decrease in operating assets</b>		
3,594	1,830	Lendings to financial institutions	549,679	279,919
(13)	-	Held-for-trading securities	(2,042)	-
10,562	9,133	Advances	1,615,427	1,396,961
1,458	2,719	Others assets (excluding advance taxation)	222,992	415,875
<u>15,601</u>	<u>13,682</u>		<u>2,386,056</u>	<u>2,092,755</u>
		<b>Increase/ (decrease) in operating liabilities</b>		
52,505	(70,144)	Borrowings from financial institutions	8,030,566	(10,728,529)
(2,158)	(785)	Deposits	(330,000)	(120,000)
(111)	(1,014)	Other liabilities (excluding current taxation)	(16,942)	(155,072)
<u>50,236</u>	<u>(71,943)</u>		<u>7,683,624</u>	<u>(11,003,601)</u>
<u>(561)</u>	<u>(1,557)</u>	Income tax paid	<u>(85,797)</u>	<u>(238,097)</u>
<u>66,514</u>	<u>(57,939)</u>	Net cash flow generated from / (used in) operating activities	<u>10,173,206</u>	<u>(8,861,447)</u>
		<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(64,610)	60,576	Net investments in available-for-sale securities	(9,881,685)	9,265,079
279	32	Net investments in held-to-maturity securities	42,742	4,908
-	56	Dividends received	-	8,562
(25)	(10)	Investments in operating fixed assets	(3,873)	(1,471)
2	(5)	Investments in operating intangible assets	-	(841)
-	-	Proceeds from sale of fixed assets	-	12
<u>(64,354)</u>	<u>60,649</u>	Net cash flow (used in) / generated from investing activities	<u>(9,842,816)</u>	<u>9,276,249</u>
		<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(1,961)	-	Dividend paid	(300,000)	-
<u>(1,961)</u>	<u>-</u>	Net cash flow used in financing activities	<u>(300,000)</u>	<u>-</u>
<u>199</u>	<u>2,710</u>	<b>Decrease in cash and cash equivalents</b>	<u>30,390</u>	<u>414,802</u>
5,228	2,286	Cash and cash equivalents at beginning of the year	799,654	349,584
<u>5,427</u>	<u>4,996</u>	<b>Cash and cash equivalents at end of the year</b>	<u>830,044</u>	<u>764,386</u>

The annexed notes 1 to 36 forms an integral part of these financial statements.

\_\_\_\_\_  
President/Chief Executive

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

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2021**

**1 STATUS AND NATURE OF BUSINESS**

The "Group" consists of:

**Holding Company**

Pak Brunei Investment Company Limited (the Company) is a Development Finance Institution (DFI) which was incorporated in Pakistan as an unlisted public limited company on November 28, 2006 under the (now repealed) Companies Ordinance, 1984. The State Bank of Pakistan (SBP) granted the approval for commencement of business with effect from August 20, 2007. The Company is a joint venture between the Government of Pakistan (GoP) and the Brunei Investment Agency (BIA). The Company's objectives inter alia include making investments in the industrial and agro-based industrial fields in Pakistan on a commercial basis through carrying out industrial and agro-based industrial projects and marketing of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the Company is situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan. The Company is in operation with 2 offices (March 31, 2020: 2) one located in Karachi and the other in Lahore.

**Subsidiaries**

**- Awwal Modaraba Management Limited (AMML) - 100% holding**

Awwal Modaraba Management Limited (the Company) was incorporated in Pakistan on June 05, 2014 as an unlisted public company under the (now repealed) Companies Ordinance, 1984. Subsequently, it was registered as a Modaraba Management Company with the Registrar of Modaraba Companies and Modarabas under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The Company is a wholly owned subsidiary of Pak Brunei Investment Company Limited (the Holding Company) with its registered office situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan.

The principal activity of the Company is to engage in the business of floatation of Modarabas and to function as a Modaraba Company within the meaning of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. Presently, the Company is managing Awwal Modaraba only the details of which have been provided below.

The Securities and Exchange Commission of Pakistan (SECP) has appointed Awwal Modaraba Management Limited as the Management Company of KASB Modaraba, First Prudential Modaraba and First Pak Modaraba with effect from February 3, 2020 and prescribed certain terms and conditions for Awwal Modaraba Management Limited to fulfill. The implementation of those terms and conditions is under progress and is expected to be completed by the year ending December 31, 2021.

**- Primus Leasing Limited (PLL) - 100% holding**

PLL was incorporated in Pakistan as a public unlisted company on July 13, 2017 under the Companies Act, 2017. The registered office of PLL is situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan. PLL is licensed to carry out leasing business as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP). PLL has 2 offices (2019: 2 offices) one located in Karachi and the other in Lahore.

The principal objective of PLL is to carry on and undertake the business of leasing of assets for any purpose whatsoever including but not being limited to industrial, commercial, agricultural and other development purposes on such terms, covenants and conditions and at such rentals as may be deemed fit.

**- Awwal Modaraba (AM) - 99.78% holding**

AM has been floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder. AM is managed by the AMML. After receiving certificate of minimum subscription, AM commenced its business operations with effect from February 10, 2016. The registered office is situated at Horizon Vista, Plot no. Commercial 10, Block 4, Scheme 5, Clifton, Karachi, Pakistan.

AM is a perpetual, multi purpose and multi dimensional Modaraba and is primarily engaged in providing working capital, Term Finance, Ijarah, Musharika, Morabaha and other Shari'ah compliant investments / instruments to credit worthy customers. AM is listed on the Pakistan Stock Exchange Limited.

## **2 BASIS OF PRESENTATION**

### **2.1 Statement of compliance**

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. These comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the Banking Companies Ordinance, 1962;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by the SBP and the Securities and Exchange Commission of Pakistan (SECP) from time to time.

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

The disclosures made in these condensed interim consolidated financial statements have been limited based on the format prescribed by the SBP vide BPRD Circular Letter No.5 dated March 22, 2019 and IAS 34. These condensed interim financial statements do not include all the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements for the year ended December 31, 2020.

### **2.2 US dollar equivalent**

The US dollar amounts shown in the condensed interim consolidated statement of financial position, condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income and condensed interim consolidated cash flow statement are stated as additional information solely for the convenience of readers. For the purpose of conversion to US Dollars, the rate of Rs. 152.95 to US Dollars has been used as it was the prevalent rate as on March 31, 2021.

### **2.3 Standards and amendments to existing accounting and reporting standards that are not yet effective**

As per the SBP's BPRD Circular Letter no. 4 dated October 23, 2019, the applicability of IFRS 9 to banks/DFIs in Pakistan was deferred to accounting periods beginning on or after January 1, 2021 and detailed guidelines are awaited regarding the same.

## **3 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the audited annual financial statements of the Company for the year ended December 31, 2020.

## **4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The basis for accounting estimates adopted in the preparation of this condensed interim consolidated financial information is the same as that applied in the preparation of the consolidated financial statements for the year ended December 31, 2020.

## **5 FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2020.



6	CASH AND BALANCES WITH TREASURY BANKS	Note	(Audited)	
			March 31, 2021	December 31, 2020
			----- Rupees in '000 -----	
	Cash in hand		-	-
	With State Bank of Pakistan in:			
	Local currency current account	6.1	95,744	168,113
	With National Bank of Pakistan in:			
	Local currency current account		97	84
			<u>95,841</u>	<u>168,197</u>

6.1 This includes the minimum cash reserve required to be maintained with the SBP in accordance with the requirement of BSD Circular No. 04 dated May 22, 2004.

7	BALANCES WITH OTHER BANKS	Note	(Audited)	
			March 31, 2021	December 31, 2020
			----- Rupees in '000 -----	
	In Pakistan			
	In deposit accounts	7.1	734,203	621,389
	In current accounts		-	10,068
			<u>734,203</u>	<u>631,457</u>

7.1 These carry mark-up at rate ranges from 3.90% to 5.50% per annum (2020: 3.90% to 12.50% per annum).

8	LENDINGS TO FINANCIAL INSTITUTIONS	Note	(Audited)	
			March 31, 2021	December 31, 2020
			----- Rupees in '000 -----	
	Investments against repurchase agreements	8.1	-	556,679
	Repurchase agreement lendings (reverse repo)	8.2	7,000	-
			<u>7,000</u>	<u>556,679</u>

8.1 Awwal Modaraba has entered into an agreement with a shareholder of a company (the investee company) for the purchase of 2,051,150 shares of the investee company. Concurrently, the Modaraba has entered into a separate agreement with another shareholder of the investee company for the selling of underlying shares transferred in the name of the Modaraba.

8.2 These carried mark-up at rate of 7.25% (2020: nil) and will mature within 1 month (2020: nil).

8.3	Particulars of lending	(Audited)	
		March 31, 2021	December 31, 2020
		----- Rupees in '000 -----	
	In local currency	7,000	556,679
	In foreign currencies	-	-
		<u>7,000</u>	<u>556,679</u>

8.4 Securities held as collateral against lendings to financial institutions

	March 31, 2021			December 31, 2020		
	Held by Company	Further given as collateral	Total	Held by Company	Further given as collateral	Total
----- Rupees in '000 -----						
Pakistan Investment Bonds	7,000	(7,000)	-	507,800	(507,800)	-
<b>Total</b>	<u>7,000</u>	<u>(7,000)</u>	<u>-</u>	<u>507,800</u>	<u>(507,800)</u>	<u>-</u>

## 9 INVESTMENTS

## 9.1 Investments by type:

	March 31, 2021				December 31, 2020			
	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value	Cost / amortised cost	Provision for diminution	Surplus / (deficit)	Carrying value
Rupees in '000								
<b>Held-for-trading securities</b>								
Ordinary shares	2,108	-	(66)	2,042	-	-	-	-
	2,108	-	(66)	2,042	-	-	-	-
<b>Available-for-sale securities</b>								
Federal government securities	22,157,255	-	(705,783)	21,451,472	12,434,784	-	(553,286)	11,881,498
Ordinary shares	1,254,046	(71,571)	18,838	1,201,313	809,168	(77,837)	(3,252)	728,079
Non-government debt securities	2,745,849	(269,172)	750	2,477,427	2,851,129	(269,110)	12,563	2,594,582
Units of mutual funds	25,000	-	3,217	28,217	240,020	-	(7,344)	232,676
Modaraba certificates	36,118	-	(7,514)	28,604	-	-	-	-
	26,218,268	(340,743)	(690,492)	25,187,033	16,335,101	(346,947)	(551,319)	15,436,835
<b>Held-to-maturity securities</b>								
Commercial paper	-	-	-	-	42,742	-	-	42,742
	-	-	-	-	42,742	-	-	42,742
<b>Total investments</b>	<b>26,220,376</b>	<b>(340,743)</b>	<b>(690,558)</b>	<b>25,189,075</b>	<b>16,377,843</b>	<b>(346,947)</b>	<b>(551,319)</b>	<b>15,479,577</b>

## 9.1.1 Investments given as collateral

	March 31, 2021			December 31, 2020		
	Cost / amortised cost	Surplus / (deficit)	Carrying value	Cost / amortised cost	Surplus / (deficit)	Carrying value
Rupees in '000						
Market Treasury Bills	3,857,419	3,157	3,860,576	1,193,232	932	1,194,164
Pakistan Investment Bonds	14,803,017	(560,578)	14,242,439	8,706,074	(39,944)	8,666,130
Term finance / sukuks certificates	741,500	-	741,500	739,824	-	739,824
	19,401,936	(557,421)	18,844,515	10,639,130	(39,012)	10,600,118

## 9.2 Provision for diminution in value of investments

	(Audited)	
	March 31, 2021	December 31, 2020
----- Rupees in '000 -----		
Opening balance	346,947	342,385
Charge / reversals		
Charge for the year	296	94,842
Reversal on disposals	(6,500)	(90,280)
	(6,204)	4,562
Closing balance	340,743	346,947

## Particulars of provision against debt securities

Category of classification	Audited			
	March 31, 2021		December 31, 2020	
	Non-performing investments	Provision	Non-performing investments	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Loss	269,172	269,172	269,110	269,110

**10 ADVANCES**

	Performing		Non-performing		Total	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
	----- Rupees in '000 -----					
Loans, cash credits, running finances, etc.	18,007,952	19,744,147	1,181,323	983,888	19,189,275	20,728,035
Islamic financing and related assets	530,000	606,667	-	-	530,000	606,667
Advances - gross	18,537,952	20,350,814	1,181,323	983,888	19,719,275	21,334,702
Provision against advances						
- Specific	-	-	432,156	423,442	432,156	423,442
- General	13,613	18,080	-	-	13,613	18,080
	13,613	18,080	432,156	423,442	445,769	441,522
Advances - net of provision	18,524,339	20,332,734	749,167	560,446	19,273,506	20,893,180

(Audited)  
**March 31, 2021**    **December 31, 2020**  
 ----- Rupees in '000 -----

**10.1 Particulars of advances (gross)**

In local currency	19,719,275	21,334,702
In foreign currencies	-	-
	19,719,275	21,334,702

**10.2** Advances include Rs. 1,181.323 million (2020: Rs. 983.888 million) which have been placed under the non-performing status as detailed below:

Category of classification	Note	(Audited)			
		March 31, 2021		December 31, 2020	
		Non Performing Loans	Provision	Non Performing Loans	Provision
		----- Rupees in '000 -----			
Domestic					
Other Assets Especially Mentioned	10.2.1	202,279	228	285	28
Substandard		414,307	592	415,489	888
Doubtful		5,448	2,724	11,832	5,916
Loss		559,289	428,612	556,282	416,610
Total		1,181,323	432,156	983,888	423,442

**10.2.1** The 'Other Assets Especially Mentioned' category pertains to small enterprise finance.

**10.3 Particulars of provision against advances**

	March 31, 2021			December 31, 2020		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000 -----					
Opening balance	423,442	18,080	441,522	394,034	10,032	404,066
Charge for the year	12,082	-	12,082	54,768	8,048	62,816
Reversals	(3,368)	(4,467)	(7,835)	(25,360)	-	(25,360)
	8,714	(4,467)	4,247	29,408	8,048	37,456
Amounts written off	-	-	-	-	-	-
Closing balance	432,156	13,613	445,769	423,442	18,080	441,522

**10.3.2** The Company has availed the benefit of Forced Sale Value (FSV) of certain mortgaged properties held as collateral against non-performing advances as allowed under BSD Circular 1 of 2011. Had the benefit under the said circular not been taken, the specific provision against non-performing advances would have been higher by Rs. 542.615 million (December 31, 2020: Rs. 242.656 million). The FSV benefit availed - net of tax is not available for the distribution as either cash or stock dividend to the shareholders.

		(Audited)	
	Note	March 31, 2021	December 31, 2020
		----- Rupees in '000 -----	
<b>11</b>	<b>FIXED ASSETS</b>		
	Property and equipment	58,325	153,954
	Right-of-use of asset	82,770	
		<u>141,095</u>	<u>153,954</u>
<b>12</b>	<b>INTANGIBLE ASSETS</b>		
	Computer Software	5,307	3,488
	Capital work-in-progress	2,338	2,338
		<u>7,645</u>	<u>5,826</u>
<b>12.1</b>	<b>Capital work-in-progress</b>		
	Software	<u>2,338</u>	<u>2,338</u>
<b>13</b>	<b>DEFERRED TAX ASSETS</b>		
	Deductible temporary differences on		
	- Provision for diminution in the value of investments	91,157	91,157
	- Provision against advances, other assets, etc.	122,798	126,983
	- Deficit on revaluation of investments	173,589	158,399
	- Net investment in finance lease	-	20,874
	- Tax losses carried forward	-	1,058
	- Preliminary expenses	-	685
	- Lease liability against right-of-use asset	21,945	24,594
	- Accelerated tax depreciation	4,552	-
	- Provision for bonus	11,600	11,631
		425,641	435,381
	Taxable temporary differences on		
	- Accelerated tax depreciation	-	(1,550)
	- Post retirement employee benefits	(2,541)	(2,541)
	- Right-of-use assets	(26,384)	(29,194)
	- Net investment in finance lease	(34,442)	-
	- Amortization of discount on investments	(9,862)	(65,242)
		(73,229)	(98,527)
		<u>352,412</u>	<u>336,854</u>
<b>14</b>	<b>OTHER ASSETS</b>		
	Income/ mark-up accrued in local currency	687,224	656,941
	Advances, deposits, advance rent and other prepayments	13,383	14,214
	Advance taxation (payments less provisions)	673,553	665,035
	Advance againsts subscription of TFC	-	150,000
	Receivable against sale of shares	71,977	65,406
	Receivable against advisory fee	-	38,983
	Receivable from related parties	18,585	1,024
	Lease receivable under IFRS-16	1,168	-
	Dividend receivable	175	-
	Receivable from defined benefit plan	6,401	10,609
	Others	-	699
		<u>1,472,466</u>	<u>1,602,911</u>
	Less: Provision held against other assets	-	-
		<u>1,472,466</u>	<u>1,602,911</u>
<b>15</b>	<b>NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE</b>		
	Non-current assets classified as held-for-sale	<u>541,509</u>	<u>580,596</u>

This relates to land, building and machinery which have been classified as 'Non-current assets held for sale' as at March 31, 2021. The Company has entered into an agreement with a buyer to dispose of these properties. It is expected that the process of sale of these properties will be completed in the near future.

16	BORROWINGS	Note	(Audited)	
			March 31, 2021	December 31, 2020
			---- Rupees in '000 ----	
	<b>Secured</b>			
	Borrowings from State Bank of Pakistan			
	- Long-Term Finance Facility (LTFF) scheme	16.1	5,116,310	5,249,794
	- Power Plants Using Renewable Energy (PPRE) scheme		93,227	104,562
	- Finance for Storage of Agriculture Produce (FSAP) scheme		213,492	213,492
	- Temporary Economic Refinance Facility (TERF)		207,384	156,759
	- Credit Guarantee (CGS) Scheme		39,109	20,999
	- Special Persons (SP) Scheme		2,300	2,425
	- Working capital		230,875	
	- COVID 19 scheme		9,500	
	- Balancing, Modernization & Replacement (BMR) scheme		46,776	20,602
			5,958,973	5,768,633
	Repurchase agreement borrowings	16.2	18,028,069	7,391,858
	Borrowings from banks	16.3	6,349,878	12,162,316
	<b>Total secured</b>		30,336,920	25,322,807
	<b>Unsecured</b>			
	Letters of placement:	16.4	5,124,076	2,107,623
			<u>35,460,996</u>	<u>27,430,430</u>

16.1 The Holding Company has entered into agreements for financing with the SBP for Long-Term Financing under Export Oriented Projects to customers. According to the terms of the respective agreements, the SBP has the right to receive the outstanding amount from the Company at the due date by directly debiting the current account maintained by the Company with SBP. The rate of return ranges from 2.00% to 6.00% per annum (2019: 2.00% to 8.40% per annum). These are secured against demand promissory notes and are repayable within 9 years (2019: 9 years).

16.2 These represent borrowings from various financial institutions at mark-up rates ranging from 11.20% to 11.25% per annum (2019: 13.20% to 13.60% per annum). Market Treasury Bills and Pakistan Investment Bonds having a face value of Rs. 2,500 million (2019: Rs. 5,820 million) and Rs. 4,000 million (2019: nil) respectively have been given as collateral against these borrowings.

16.3 These carry mark-up at rates ranging from 11.41% to 14.08% per annum (2019: 11% to 14% per annum) and are repayable within 3 year (2019: 4 years). These are secured against hypothecation of receivables and floating charge over term finance certificates and Market Treasury Bills .

16.4 These carry mark-up at rates ranging from 12.40% to 14.00% per annum (2019: 9.50% to 14.00% per annum) and are repayable within 2 years (2019: 3 years).

## 17 DEPOSITS AND OTHER ACCOUNTS

	(Audited)					
	March 31, 2021			December 31, 2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
	----- Rupees in '000 -----					
<b>Customers</b>						
- Certificate of investments (COIs)	500,000	-	500,000	830,000	-	830,000
<b>Financial Institutions</b>						
- Certificate of investments (COIs)	-	-	-	-	-	-
	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>830,000</u>	<u>-</u>	<u>830,000</u>

18	OTHER LIABILITIES	Note	(Audited)	
			March 31, 2021	December 31, 2020
			---- Rupees in '000 ----	
	Mark-up / return / interest payable in local currency		193,111	158,401
	Unearned commission and income on bills discounted		28,241	30,085
	Accrued expenses		67,093	95,212
	Brokerage / commission payable		2,774	1,401
	Payable against purchase of shares		75,876	100,456
	Lease liability against right-of-use assets		98,050	141,069
	Security deposits against advances		627,268	561,111
	Provision for Sindh Worker's Welfare Fund		133,090	125,546
	Advance from customers		62,615	63,596
	Sales tax payable on modaraba management fee	18.1	8,716	8,716
	Taxation payable		-	1,102
	Unclaimed dividend		183	184
	Others		24,781	8,264
			<u>1,321,798</u>	<u>1,295,143</u>

18.1 AMML has recorded a provision in respect of Sindh Sales Tax (SST) on management fee at the rate of 14% per annum from July 1, 2015 to June 30, 2016 and at the rate of 13% subsequently. However, certain other Modaraba Management Companies have filed petitions in the Sindh High Court (SHC) challenging the orders passed by various income tax authorities regarding the applicability of tax on modaraba management company's remuneration which is currently pending adjudication. In view of the pendency of such matter with the SHC, AMML has not recovered from AM and has, hence, not paid / discharged SST on management fee. However, a full provision has been maintained thereagainst in these consolidated financial statements.

	Note	March 31, 2021	(Audited) December 2020
----- Rupees in '000 -----			
<b>19 DEFICIT ON REVALUATION OF ASSETS</b>			
Deficit on revaluation of			
- Available-for-sale securities	9.1	(690,492)	(551,319)
Deferred tax on deficit on revaluation of:			
- Available-for-sale securities		<u>158,399</u>	<u>158,399</u>
		<u>(532,093)</u>	<u>(392,920)</u>
<b>20 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	20.1	655,364	980,103
- Commitments	20.2	22,867,513	11,244,892
- Other contingent liabilities	20.3	-	-
		<u>23,522,877</u>	<u>12,224,995</u>
<b>20.1 Guarantees</b>			
Financial guarantees		<u>655,364</u>	<u>980,103</u>
<b>20.2 Commitments</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		760,605	323,157
Commitments in respect of:			
- government securities	20.2.1	-	-
- repo transactions	20.2.2	18,130,037	7,908,009
- forward lendings	20.2.3	3,976,871	2,263,726
- other commitments		750,000	750,000
		<u>22,867,513</u>	<u>11,244,892</u>
<b>20.2.1 Commitments in respect of government securities</b>			
Sale		<u>-</u>	<u>-</u>
<b>20.2.2 Commitments in respect of repo transactions</b>			
Repurchase of government securities		18,130,037	7,399,831
Reverse repurchase of government securities		-	508,178
		<u>18,130,037</u>	<u>7,908,009</u>
<b>20.2.3 Commitments in respect of forward lendings</b>			
Forward repurchase agreement lending		27,608	-
Undrawn formal standby facilities, credit lines and other commitments to lend		<u>3,949,263</u>	<u>2,263,726</u>
		<u>3,976,871</u>	<u>2,263,726</u>

These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Company without the risk of incurring significant penalty or expense.

### 20.3 Other contingent liabilities

**20.3.1** In 2009, Burj Bank Limited (formerly Dawood Islamic Bank Limited) filed a legal suit amounting to Rs 200 million for damages against the Company for alleged non-performance of underwriting commitment in respect of issue of shares at a premium. The legal advisors of the Company are of the opinion that the Company has a strong case and that the matter will most likely be decided in favour of the Company.

**20.3.2** The returns of income of the Holding Company from tax years 2008 to 2020 had been filed with the tax authorities. From tax year 2008 upto tax year 2019, these returns have been revised and additional tax demands have been raised of which Rs. 649.390 million are outstanding as at March 31, 2021. The matters which have been raised in these demands mainly included allocation of common expenses to dividend income, taxation of discount income, additions on account of concessional loans to employees and deletion of the charge pertaining to the Workers' Welfare Fund. The Holding Company is contesting these demands and appeals have been filed by the Company against the same which are pending adjudication at various legal and appellate forums. The Holding Company has made partial payments against some of these demands which are being shown as refundable from tax authorities (note 14). The management is confident that the matters will eventually be decided in favour of the Holding Company and that the Holding Company will be able to adjust amounts in respect of matters decided against the Holding Company (if any) against the tax refunds currently being claimed by it.

	Note	March 31, 2021	March 31, 2020
----- Rupees in '000 -----			
<b>21</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	On:		
	a) Loans and advances	332,252	558,525
	b) Investments	357,863	852,002
	c) Lendings to financial institutions	7,556	61,807
	d) Balances with banks	1,765	5,804
		<u>699,435</u>	<u>1,478,138</u>
<b>22</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	Deposits	12,234	17,707
	Borrowings	421,181	1,179,025
		<u>433,415</u>	<u>1,196,732</u>
<b>23</b>	<b>FEE AND COMMISSION INCOME</b>		
	Advisory / arrangement fee	15,000	-
	Processing fee income	1,029	965
	Commitment fee	1,653	2,770
	Commission on letters of credit	-	-
	Trustee fee	13,945	14,293
	Front end fee	735	316
		<u>32,362</u>	<u>18,344</u>
<b>24</b>	<b>(LOSS) / GAIN ON SECURITIES</b>		
	Realised	9,348	97,785
	Unrealised - held for trading	1,482	-
		<u>10,830</u>	<u>97,785</u>
<b>24.1</b>	Realised (loss) / gain on:		
	Federal government securities	3,571	82,204
	Shares	1,353	15,770
	Mutual funds	4,307	(189)
	Immovable property	111	-
	Non-government debt securities	6	-
		<u>9,348</u>	<u>97,785</u>
<b>25</b>	<b>OTHER INCOME</b>		
	Rent on property	-	-
	Gain on sale of fixed assets - net	-	12
	Others	-	-
		<u>-</u>	<u>12</u>

26 OPERATING EXPENSES	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
<b>Total compensation expense</b>	83,520	73,820
<b>Property expense</b>		
Rent and taxes	-	641
Insurance	1,494	980
Security	421	421
Utilities cost	660	1,349
Repairs and maintenance (including janitorial charges)	2,687	1,779
Depreciation	8,629	10,428
	13,891	15,598
<b>Information technology expenses</b>		
Software maintenance	191	1,052
Hardware maintenance	219	212
Depreciation	3,135	872
Amortisation	2,041	1,666
	5,586	3,802
<b>Other operating expenses</b>		
Directors' fees and allowances	1,939	3,137
Fees and subscription	1,567	1,086
Legal and professional charges	5,485	2,327
Outsourced services costs	3,755	3,859
Travelling and conveyance	10,547	8,486
Brokerage commission	3,736	5,279
Depreciation	3,352	2,645
Training and development	125	473
Postage and courier charges	160	246
Communication	842	1,040
Stationery and printing	285	363
Marketing, advertisement and publicity	61	207
Auditors' remuneration	997	603
Others	2,680	2,678
	35,531	32,429
	<u>138,528</u>	<u>125,650</u>

## 27 PROVISION FOR SINDH WORKERS' WELFARE FUND

Provision for Sindh Workers' Welfare Fund	27.1	<u>143</u>	<u>3,886</u>
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**27.1** As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh in May 2015 as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. Accordingly, as a matter of abundant caution, the management has maintained a provision for SWWF in the unconsolidated financial statements amounting to Rs 125.391 million.



	Note	March 31, 2021	March 31, 2020
----- Rupees in '000 -----			
<b>28</b>	<b>PROVISIONS AND WRITE OFFS - NET</b>		
	Provision for diminution in value of investments - net	9.2	(6,204)
	Provisions against loans and advances	10.3	8,714
	Other provisions / write offs	-	-
		<u>2,510</u>	<u>66,908</u>
<b>29</b>	<b>TAXATION</b>		
	Current	66,298	86,518
	Prior years	-	-
	Deferred	<u>(15,565)</u>	<u>(30,365)</u>
		<u>50,733</u>	<u>56,153</u>
<b>30</b>	<b>BASIC EARNINGS PER SHARE</b>		
	Profit for the year	<u>117,473</u>	<u>154,347</u>
	Weighted average number of ordinary shares	<u>600,000</u>	<u>600,000</u>
	Basic earnings per share	<u>0.20</u>	<u>0.26</u>
<b>30.1</b>	<b>Diluted earnings per share</b>		

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

### 31 FAIR VALUE MEASUREMENT

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Quoted securities classified as held to maturity are carried at cost. The fair value of unquoted equity securities, other than investments in associates and subsidiaries, is determined on the basis of the break-up value of these investments as per their latest available audited financial statements.

The fair value of unquoted debt securities, fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of a current and active market for these assets and liabilities and reliable data regarding market rates for similar instruments.

#### 31.1 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 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); and

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

#### Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares	Fair values of investments in listed equity securities are valued on the basis of closing quoted market prices available at the stock exchange.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates (Reuters page).
Term finance / sukuk certificates	Investments in listed debt securities (comprising term finance certificates, bonds, sukuk certificates and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the prices announced by the Pakistan Stock Exchange Limited.
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices as at the close of the business day.

The table below analyses financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	March 31, 2021			
	Level 1	Level 2	Level 3	Total
<b>On balance sheet financial instruments</b>	----- Rupees in '000 -----			
<b>Financial assets - measured at fair value</b>				
Investments				
Federal government securities	-	21,451,472	-	21,451,472
Shares	1,201,313	-	-	1,201,313
Non-Government debt securities	-	2,477,427	-	2,477,427
Units of mutual funds	28,217	-	-	28,217
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Commitments in respect of repo transactions	-	18,130,037	-	18,130,037
	<b>Audited</b>			
	<b>December 31, 2020</b>			
<b>On balance sheet financial instruments</b>	----- Rupees in '000 -----			
<b>Financial assets - measured at fair value</b>				
Investments				
Federal government securities	-	11,881,498	-	11,881,498
Shares	728,079	-	-	728,079
Non-Government debt securities	-	2,594,582	-	2,594,582
Units of mutual funds	-	232,676	-	232,676
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Commitments in respect of repo transactions	-	7,908,009	-	7,908,009

	March 31, 2021			
	Corporate finance	Trading and sales	Commercial banking	Total
<b>Profit and Loss Account</b>				
Net mark-up / return / profit	-	132,362	133,658	266,020
Non mark-up / return / interest income	32,362	11,005	-	43,367
Total income	32,362	143,367	133,658	309,387
Segment direct expenses	6,453	67,775	64,443	138,671
Total expenses	6,453	67,775	64,443	138,671
Provisions	-	2,918	(408)	2,510
Profit before tax	25,909	72,674	69,623	168,206
<b>Statement of Financial Position</b>				
Cash and bank balances	30,087	263,128	536,829	830,044
Lendings to financial institutions	-	7,000	-	7,000
Investments	-	25,189,075	-	25,189,075
Advances - performing	-	683,529	18,040,810	18,724,339
- non-performing	-	4,379	544,788	549,167
Others	6,881	1,356,305	1,151,941	2,515,127
<b>Total assets</b>	<b>36,968</b>	<b>27,503,416</b>	<b>20,274,368</b>	<b>47,814,752</b>
Borrowings	-	20,886,958	14,574,038	35,460,996
Deposits and other accounts	-	292,566	207,434	500,000
Others	-	497,974	823,824	1,321,798
<b>Total liabilities</b>	<b>-</b>	<b>21,677,498</b>	<b>15,605,296</b>	<b>37,282,794</b>
Equity	36,968	5,825,918	4,669,072	10,531,958
<b>Total equity and liabilities</b>	<b>36,968</b>	<b>27,503,416</b>	<b>20,274,368</b>	<b>47,814,752</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>22,867,513</b>	<b>655,364</b>	<b>23,522,877</b>

	March 31, 2020			
	Corporate finance	Trading and sales	Commercial banking	Total
<b>Profit and Loss Account</b>				
Net mark-up / return / profit	-	158,401	123,004	281,405
Non mark-up / return / interest income	17,668	107,871	-	125,539
Total income	17,668	266,272	123,004	406,944
Segment direct expenses	5,087	81,761	42,688	129,536
Total expenses	5,087	81,761	42,688	129,536
Provisions	-	67,050	(142)	66,908
Profit before tax	12,581	117,461	80,459	210,501

	December 31, 2020			
	Corporate finance	Trading and sales	Commercial banking	Total
<b>Statement of Financial Position</b>				
Cash and bank balances	38,761	525,008	235,885	799,654
Investments	-	15,479,577	-	15,479,577
Lendings to financial institutions	-	556,679	-	556,679
Advances - performing	436	516,832	19,815,466	20,332,734
- non-performing	-	34,218	526,228	560,446
Others	41,018	2,197,888	441,235	2,680,141
<b>Total assets</b>	<b>80,215</b>	<b>19,310,202</b>	<b>21,018,814</b>	<b>40,409,231</b>
Borrowings	-	23,776,555	3,653,875	27,430,430
Deposits and other accounts	-	720,766	109,234	830,000
Others	80,380	722,744	492,019	1,295,143
<b>Total liabilities</b>	<b>80,380</b>	<b>25,220,065</b>	<b>4,255,128</b>	<b>29,555,573</b>
Equity	(165)	(5,909,863)	16,763,686	10,853,658
<b>Total equity and liabilities</b>	<b>80,215</b>	<b>19,310,202</b>	<b>21,018,814</b>	<b>40,409,231</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>63,300</b>	<b>12,161,695</b>	<b>12,224,995</b>

### 33 RELATED PARTY TRANSACTIONS

The Company has related party relationship with subsidiary companies (namely Primus Leasing Limited, Awwal Modaraba and Awwal Modaraba Management Limited), employees' defined benefit and defined contribution plan, its key management personnel and state controlled entities.

There are no transactions with key management personnel other than those carried out as per their terms of employment. Contributions to approved defined benefit and contribution plans are made in accordance with the actuarial valuations / terms of scheme. Remuneration to executives is disclosed in note 25 to the unconsolidated financial statements. Transactions with owners have been disclosed in 'Unconsolidated Statement of Changes in Equity'. All other transactions between the Company and its related parties are carried out under normal course of business except employee staff loans that are as per terms of employment.

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

	March 31, 2021			December 31, 2020		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
(Rupees in '000)						
<b>Advances</b>						
Opening balance	-	92,939	1,512	-	80,719	2,579
Addition during the year	-	7,903	-	-	4,845	(1,067)
Repaid during the year	-	(15,652)	-	-	(19,868)	-
Transfer in / (out) - net	-	3,073	-	-	27,243	-
Closing balance	-	88,263	1,512	-	92,939	1,512
<b>Lending to financial institutions</b>						
Opening balance	-	-	-	-	-	-
Addition during the year	-	-	7,800	-	-	-
Repaid during the year	-	-	(800)	-	-	-
Closing balance	-	-	7,000	-	-	-
<b>Other Assets</b>						
Others	-	-	8,806	-	-	10,609
	-	-	8,806	-	-	10,609
<b>Borrowings</b>						
Opening balance	-	-	41,256	-	-	66,014
Borrowings during the year	-	-	29,208	-	-	37,427
Settled during the year	-	-	(35,916)	-	-	(62,185)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	34,548	-	-	41,256
<b>Other Liabilities</b>						
Interest / mark-up payable	-	-	3,886	-	-	1,209
Other liabilities	-	-	2,500	-	-	-
	-	-	6,386	-	-	1,209
(Rupees in '000)						
<b>Income</b>						
Mark-up / return / interest earned	-	835	-	-	964	-
<b>Expense</b>						
Operating expenses	2,537	68,470	-	2,537	52,857	-
Reimbursement of expenses	-	2,160	-	-	2,862	-

**33.1** These denote administrative expenses charged by the Company under the cost sharing agreement entered into between the Company and its subsidiaries (namely Primus Leasing Limited, Awwal Modaraba Management Limited and Awwal Modaraba).

34 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

	March 31, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
<b>Minimum Capital Requirement (MCR):</b>		
Paid-up capital (net of losses)	6,000,000	6,000,000
<b>Capital Adequacy Ratio (CAR):</b>		
Eligible Common Equity Tier 1 (CET 1) Capital	9,268,337	9,796,007
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	9,268,337	9,796,007
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	9,268,337	9,796,007
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	21,492,524	21,064,564
Market Risk	7,729,411	5,797,969
Operational Risk	2,210,082	2,210,082
Total	31,432,017	29,072,615
Common Equity Tier 1 Capital Adequacy ratio	29.49%	33.69%
Tier 1 Capital Adequacy Ratio	29.49%	33.69%
Total Capital Adequacy Ratio	29.49%	33.69%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	9,268,337	9,796,007
Total Exposures	52,114,820	42,527,763
Leverage Ratio - percentage	17.78%	23.03%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	6,180,041	9,207,538
Total Net Cash Outflow	7,059,744	7,900,138
Liquidity Coverage Ratio - percentage	87.54%	116.55%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	19,885,042	21,586,084
Total Required Stable Funding	19,062,795	19,210,958
Net Stable Funding Ratio - percentage	104.31%	112.36%

**35 GENERAL**

- 35.1** Figures in these consolidated financial statements have been rounded off to the nearest thousand Rupees unless otherwise stated.
- 35.2** Comparative information has been re-classified, re-arranged or additionally incorporated in these consolidated financial statements, wherever necessary, to facilitate comparison and better presentation.

**36 DATE OF AUTHORISATION FOR ISSUE**

These consolidated financial statements were authorised for issue on April 26, 2021 by the Board of Directors of the Holding Company.

\_\_\_\_\_  
President/Chief Executive

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

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director