



**PAK BRUNEI INVESTMENT COMPANY LTD.**

**FINANCIAL STATEMENTS  
(UN-AUDITED)**

**FOR THE PERIOD ENDED MARCH 31, 2020**

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2020**

(Audited)		(Audited)			
March 31, 2020	December 31, 2019			March 31, 2020	December 31, 2019
----- USD in '000 -----				----- Rupees in '000 -----	
<b>ASSETS</b>					
613	777			6	102,298
3,170	983	Cash and balances with treasury banks			129,571
25,308	26,987	Balances with other banks		7	528,540
133,943	190,807	Lendings to financial institutions		8	4,220,081
102,504	112,572	Investments		9	22,335,067
753	816	Advances		10	17,092,559
29	26	Fixed assets		11	125,552
1,459	1,254	Intangible assets		12	4,810
8,417	9,922	Deferred tax assets		13	243,074
2,330	2,325	Other assets		14	1,403,469
		Non-current assets classified as held-for-sale		15	388,602
278,526	346,469				46,444,052
					57,773,467
<b>LIABILITIES</b>					
-	-	Bills payable			-
204,994	270,777	Borrowings		16	34,182,702
2,999	3,718	Deposits and other accounts		17	500,000
-	-	Liabilities against assets subject to finance lease			-
-	-	Subordinated debt			-
-	-	Deferred tax liabilities			-
7,492	8,710	Other liabilities		18	1,249,119
215,485	283,205				35,931,821
63,041	63,264				47,224,073
<b>NET ASSETS</b>					
					10,512,231
					10,549,394
<b>REPRESENTED BY</b>					
35,982	35,982	Share capital			6,000,000
9,615	8,876	Reserves			1,603,355
(1,825)	(905)	Deficit on revaluation of assets		19	(304,302)
19,269	19,311	Unappropriated profit			3,213,178
63,041	63,264				3,220,185
					10,512,231
					10,549,394
<b>CONTINGENCIES AND COMMITMENTS</b>					
20					

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

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

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

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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Director



PAK BRUNEI INVESTMENT COMPANY LIMITED  
UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED MARCH 31, 2020

Period Ended			Quarter Ended		Period Ended	
March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
----- USD in '000 -----			----- Rupees in '000 -----			
697	295	Profit after taxation for the year	116,241	49,241	116,241	49,241
<b>Other comprehensive loss</b>						
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>						
(920)	1,230	Movement in deficit on revaluation of investments - net of tax	(153,404)	205,168	(153,404)	205,168
<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>(223)</u>	<u>1,525</u>	<b>Total comprehensive (loss) / income</b>	<u>(37,163)</u>	<u>254,409</u>	<u>(37,163)</u>	<u>254,409</u>

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Director

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Director

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

	Share capital	Reserves		Deficit on revaluation of investments	Unappropriated profit	Total
		Statutory reserve	General reserve			
----- Rupees in '000 -----						
<b>Opening Balance as at January 01, 2019</b>	6,000,000	1,406,995	-	(673,212)	3,226,702	9,960,485
<b>Comprehensive income for the year</b>						
Profit after taxation for the period ended March 31, 2019	-	-	-	-	49,241	49,241
<b>Other comprehensive loss</b>						
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-
- Movement in deficit on revaluation of investments - net of tax	-	-	-	205,168	-	205,168
	-	-	-	205,168	49,241	254,409
Transfer to statutory reserve	-	9,848	-	-	(9,848)	-
<b>Opening Balance as at April 01, 2019</b>	6,000,000	1,416,843	-	(468,044)	3,266,095	10,214,894
<b>Comprehensive income for the year</b>						
Profit after taxation (December 31, 2019)	-	-	-	-	316,320	316,320
<b>Other comprehensive loss</b>						
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	-	1,034	1,034
- Movement in deficit on revaluation of investments - net of tax	-	-	-	317,146	-	317,146
	-	-	-	317,146	317,354	634,500
Transfer to statutory reserve	-	63,264	-	-	(63,264)	-
<b>Transactions with owners, recorded directly in equity</b>						
Final cash dividend paid for the year ended December 31, 2018 @ Re. 0.50 per share	-	-	-	-	(300,000)	(300,000)
<b>Opening Balance as at January 01, 2020</b>	6,000,000	1,480,107	-	(150,898)	3,220,185	10,549,394
<b>Comprehensive income for the year</b>						
Profit after taxation for the period ended March 31, 2020	-	-	-	-	116,241	116,241
<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)	116,241	(37,163)
Transfer to statutory reserve	-	23,248	-	-	(23,248)	-
Transfer to general reserve			100,000		(100,000)	-
<b>Closing Balance as at March 31, 2020</b>	<b>6,000,000</b>	<b>1,503,355</b>	<b>100,000</b>	<b>(304,302)</b>	<b>3,213,178</b>	<b>10,512,231</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**  
**UNCONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

March 31, 2020	March 31, 2019		March 31, 2020	March 31, 2019
----- USD in '000 -----			----- Rupees in '000 -----	
		<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
982	430	Profit before taxation	163,719	71,631
56	40	Less: Dividend income	9,398	6,719
<u>926</u>	<u>390</u>		<u>154,321</u>	<u>64,912</u>
		<b>Adjustments:</b>		
72	11	Depreciation	11,937	1,785
2	2	Amortisation	295	327
20	9	Provision for Sindh Workers' Welfare Fund	3,341	1,505
396	261	Provision and write-offs	65,969	43,494
-	(3)	Gain on sale of fixed assets	(12)	(518)
-	-	Unrealized loss/(gain) on revaluation of investments classified as held for trading - net	-	-
<u>490</u>	<u>280</u>		<u>81,530</u>	<u>46,593</u>
<u>1,416</u>	<u>670</u>		<u>235,851</u>	<u>111,505</u>
		<b>(Increase) / decrease in operating assets</b>		
1,679	(472)	Lendings to financial institutions	279,919	(78,720)
-	-	Held-for-trading securities	-	-
10,023	7,855	Advances	1,671,383	1,309,796
2,409	4,122	Others assets (excluding advance taxation)	401,768	687,368
<u>14,111</u>	<u>11,505</u>		<u>2,353,070</u>	<u>1,918,444</u>
		<b>Increase/ (decrease) in operating liabilities</b>		
(65,783)	(8,056)	Borrowings from financial institutions	(10,969,298)	(1,343,399)
(720)	148	Deposits	(120,000)	24,597
(1,236)	(785)	Other liabilities (excluding current taxation)	(206,183)	(130,829)
(67,739)	(8,693)		(11,295,481)	(1,449,631)
(1,393)	(533)	Income tax paid	(232,331)	(88,815)
<u>(53,605)</u>	<u>2,949</u>	Net cash flow generated from / (used in) operating activities	<u>(8,938,891)</u>	<u>491,503</u>
		<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
55,560	(2,967)	Net investments in available-for-sale securities	9,265,079	(494,692)
29	-	Net investments in held-to-maturity securities	4,908	-
51	6	Dividends received	8,562	1,044
(9)	(2)	Investments in operating fixed assets	(1,471)	(291)
(5)	-	Investments in operating intangible assets	(841)	-
-	5	Proceeds from sale of fixed assets	12	900
<u>55,626</u>	<u>(2,958)</u>	Net cash flow (used in) / generated from investing activities	<u>9,276,249</u>	<u>(493,039)</u>
		<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
-	-	Dividend paid	-	-
-	-	Net cash flow used in financing activities	-	-
<u>2,021</u>	<u>(9)</u>	<b>Decrease in cash and cash equivalents</b>	<u>337,358</u>	<u>(1,536)</u>
1,760	1,246	Cash and cash equivalents at beginning of the year	293,480	207,694
<u><u>3,781</u></u>	<u><u>1,237</u></u>	<b>Cash and cash equivalents at end of the year</b>	<u><u>630,838</u></u>	<u><u>206,158</u></u>

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Chief Financial Officer

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**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2020**

**1 STATUS AND NATURE OF BUSINESS**

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, 2019: 2) one located in Karachi and the other in Lahore.

**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

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.

**2.2 US dollar equivalent**

The US dollar amounts shown in the condensed interim unconsolidated statement of financial position, condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income and condensed interim unconsolidated 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. 166.75 to US Dollars has been used as it was the prevalent rate as on March 31, 2020.

**2.3** The condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended December 31, 2019.

**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, 2019.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The basis for accounting estimates adopted in the preparation of this condensed interim unconsolidated financial information is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2019.

**4.1 General Reserve**

As per the applicable provisions of Companies Act, 2017, the Board of Directors approved the creation of general reserve during the year 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, 2019 except for the following additional considerations due to the COVID - 19. .

## 5.1 Risk management in the current economic scenario

The COVID – 19 and the measures to reduce its spread has impacted the economy of Pakistan significantly. Regulators and governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact.

The State Bank of Pakistan (SBP) has responded to the crisis by cutting the policy rate by 425 basis points to 9 percent and by introducing regulatory measures to maintain banking system soundness and to sustain economic activity. These include:

- reducing the capital conservation buffer by 100 basis points to 1.5 percent;
- increasing the regulatory limit on extension of credit to SMEs by 44 percent to Rs 180 million;
- relaxing the debt burden ratio for consumer loans from 50 percent to 60 percent;
- allowing banks/DFIs to defer clients' payment of principal on loan obligations by one year;
- relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief beyond the extension of principal repayment for one year; and
- allowed to recognize impairment loss, if any, resulting from the valuation of listed equity securities held as "Available for Sale", in phased manner equally on quarterly basis during calendar year ending on 31-Dec-

COVID 19 has impacted the banks/DFIs in Pakistan from various facets which includes increase in overall credit risk pertaining to loans and advances portfolio in certain sectors, reduced fee income due to slowdown in economic activity, operational issues such as operations of Branches, managing cyber security threat and managing investment banking activities including arrangement of syndicate loans, debt and capital advisory services e.t.c. We have discussed below the major aspects of COVID 19 on the Company's risk management policies:

### Assets quality and credit risk

The Credit Risk Management Department of the Company is regularly conducting assessments to identify borrowers operating in various sectors which are most likely to get affected. The Company has further strengthened its credit review procedures in the light of COVID 19. Company's Credit Committee has increase meeting frequencies to discuss impact on various sectors as well as clients.

### Liquidity management

PBIC has received applications for deferral of principal amounting to Rs 1,654 million till April 15, 2020 and is expected to receive further such applications. These applications are being reviewed by the Credit Committee of the Company. The above will have an impact on the maturity profile of the Company as estimated previously. The Asset and Liability Committee (ALCO) of the Company is continuously monitoring the liquidity position and is taking due precautionary measures where needed. The Company has conducted various stress testing on its liquidity ratios and is confident that the liquidity buffer currently maintained by the Company is sufficient to cater any adverse movement in cash flow maturity profile.

### Equity investments

The Company has investment in listed equity securities amounting to Rs 976 million as at March 31, 2020. The Pakistan Stock Exchange closed at 29,232 points as at March 31, 2020, triggering an impairment of Rs 234 million under the significant criteria pertaining to the equity portfolio of the Company. The Company has only recorded an impairment of Rs 58.5 million in the financial statements of the current period, and has deferred the recognition of impairment amounting to Rs 175.5 million to the subsequent periods as allowed by the SBP.

### Operations

The Company is closely monitoring the situation and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to our customers. The senior management of the Company is continuously monitoring the situation and is taking timely decisions to resolve any concerns. Business Continuity Plans (BCP) for respective areas are in place and tested. The Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for majority of the staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber attacks.

The Company has taken necessary measures to keep business as usual and meet expectations of all the stakeholders. The Company has ensured that it remains resilient to the existing situation in the country and meet economic challenges that may result because of the current lockdown.

### Capital adequacy ratio

Under the current scenario, the Banks are under pressure to extend further credit to its borrowers, while overall deteriorating credit risk and increased NPL may also put additional pressures on the Company from Capital Adequacy Ratio perspective. The SBP has relaxed the Capital Conversion Buffer (CCB) requirements for the Banks to 1.5%, resulting in an overall CAR requirement of 11.5%. In addition to the measures by SBP, the Senior Management of the Company is continuously monitoring the impacts of various decisions on its CAR and taking further lending decisions based on the overall impacts on RWA. The Company also believes that it has sufficient buffer in its CAR requirement to meet any adverse movements in credit, market or operational risks.



		(Audited)	
		March 31, 2020	December 31, 2019
		----- Rupees in '000 -----	

**6 CASH AND BALANCES WITH TREASURY BANKS**

With State Bank of Pakistan in:  
Local currency current account

Note	6.1	102,298	129,571
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**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.

		(Audited)	
		March 31, 2020	December 31, 2019
		----- Rupees in '000 -----	

**7 BALANCES WITH OTHER BANKS**

In Pakistan  
In deposit accounts

Note	7.1	528,540	163,909
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**7.1** These carry mark-up at rates ranging from 9.54% to 11.25% per annum (2019: 8.00% to 11.25% per annum).

		(Audited)	
		March 31, 2020	December 31, 2019
		----- Rupees in '000 -----	

**8 LENDINGS TO FINANCIAL INSTITUTIONS**

Repurchase agreement lendings (reverse repo)  
Term deposit receipts (TDRs)

Note	8.1	4,220,081	4,500,000
		-	-
		<u>4,220,081</u>	<u>4,500,000</u>

**8.1** These carried mark-up at rate ranges from 10.50% to 12.70% (2019: 13.40% to 13.50%) and will mature within 1 month (2019: 1 month).

		(Audited)	
		March 31, 2020	December 31, 2019
		----- Rupees in '000 -----	

**8.2 Particulars of lending**

In local currency  
In foreign currencies

4,220,081	4,500,000
-	-
<u>4,220,081</u>	<u>4,500,000</u>

**8.3 Securities held as collateral against lendings to financial institutions**

		(Audited)					
		March 31, 2020			December 31, 2019		
		Held by Company	Further given as collateral	Total	Held by Company	Further given as collateral	Total
		----- Rupees in '000 -----					
Market Treasury Bills		220,081	-	220,081	-	-	-
Pakistan Investment Bonds		4,000,000	(4,000,000)	-	4,500,000	(4,500,000)	-
<b>Total</b>		<u>4,220,081</u>	<u>(4,000,000)</u>	<u>220,081</u>	<u>4,500,000</u>	<u>(4,500,000)</u>	<u>-</u>

## Audited

## 9 INVESTMENTS

## 9.1 Investments by type:

	March 31, 2020				December 31, 2019			
	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	-	-	-	-	-	-	-	-
<b>Available-for-sale securities</b>								
Federal government securities	16,194,507	-	133,335	16,327,842	25,169,133	-	(38,526)	25,130,607
Ordinary shares	1,473,405	(128,551)	(369,060)	975,794	1,647,175	(70,025)	(108,124)	1,469,026
Non-government debt securities	2,850,322	(269,125)	3,028	2,584,225	2,850,083	(269,110)	(18,230)	2,562,743
Units of mutual funds	431,864	-	(107,580)	324,284	548,786	-	(21,995)	526,791
Preference shares	3,250	(3,250)	-	-	3,250	(3,250)	-	-
	20,953,348	(400,926)	(340,277)	20,212,145	30,218,427	(342,385)	(186,875)	29,689,167
<b>Held-to-maturity securities</b>								
Commercial paper	119,550	-	-	119,550	124,458	-	-	124,458
	119,550	-	-	119,550	124,458	-	-	124,458
<b>Subsidiaries</b>	2,003,372	-	-	2,003,372	2,003,372	-	-	2,003,372
<b>Total investments</b>	23,076,270	(400,926)	(340,277)	22,335,067	32,346,257	(342,385)	(186,875)	31,816,997

## 9.1.1 Investments given as collateral

	March 31, 2020			December 31, 2019		
	Cost / amortised	Surplus / (deficit)	Carrying value	Cost / amortised cost	Surplus / (deficit)	Carrying value
----- Rupees in '000 -----						
Market Treasury Bills	5,264,792	30,494	5,295,286	11,020,434	(24,964)	10,995,470
Pakistan Investment Bonds	-	-	-	10,171,890	(9,681)	10,162,209
Term finance / sukuk certificates	739,824	-	739,824	739,824	-	739,824
	6,004,616	30,494	6,035,110	21,932,148	(34,645)	21,897,503

## 9.2 Provision for diminution in value of investments

	(Audited)	
	March 31, 2020	December 31, 2019
----- Rupees in '000 -----		
Opening balance	342,385	439,954
Charge / reversals		
Charge for the year	58,541	292,902
Reversal on disposals	-	(390,471)
	58,541	(97,569)
Closing balance	400,926	342,385

## Particulars of provision against debt securities

Category of classification	Audited			
	March 31, 2020		December 31, 2020	
	Non-performing investments	Provision	Non-performing investments	Provision
----- (Rupees in '000) -----				
<b>Domestic</b>				
Loss	269,116	269,116	269,110	269,110

**10 ADVANCES**

Note	Performing		Non-performing		Total	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
	----- Rupees in '000 -----					
Loans, cash credits, running finances, etc.	16,863,250	18,569,932	630,771	595,472	17,494,021	19,165,404
Advances - gross	16,863,250	18,569,932	630,771	595,472	17,494,021	19,165,404
Provision against advances						
- Specific	-	-	401,462	394,034	401,462	394,034
- General	-	-	-	-	-	-
	-	-	401,462	394,034	401,462	394,034
Advances - net of provision	16,863,250	18,569,932	229,309	201,438	17,092,559	18,771,370

**(Audited)**  
**March 31, 2020    December 31, 2019**

----- Rupees in '000 -----

**10.1 Particulars of advances (gross)**

In local currency	17,494,021	19,165,404
In foreign currencies	-	-
	17,494,021	19,165,404

**10.2** Advances include Rs. 630.771 million (2019: Rs. 595.472 million) which have been placed under the non-performing status as detailed below:

Category of classification	Note	(Audited)			
		March 31, 2020		December 31, 2019	
		Non Performing Loans	Provision	Non Performing Loans	Provision
		----- Rupees in '000 -----			
Domestic					
Other Assets Especially Mentioned	10.2.1	27,066	2,707	8,706	870
Substandard		17,068	4,267	11,459	2,865
Doubtful		22,468	11,234	8,188	4,094
Loss		564,169	383,254	567,119	386,205
Total		630,771	401,462	595,472	394,034

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

**10.3 Particulars of provision against advances**

	(Audited)					
	March 31, 2020			December 31, 2019		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000 -----					
Opening balance	394,034	-	394,034	309,684	-	309,684
Charge for the year	11,380	-	11,380	94,693	-	94,693
Reversals	(3,952)	-	(3,952)	(10,343)	-	(10,343)
	7,428	-	7,428	84,350	-	84,350
Amounts written off	-	-	-	-	-	-
Closing balance	401,462	-	401,462	394,034	-	394,034

**10.3.1** 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. 180.915 million (December 31, 2019: Rs. 180.915 million). The FSV benefit availed - net of tax is not available for the distribution as either cash or stock dividend to the shareholders.

	Note	(Audited)	
		March 31,	December 31,
		2020	2019
----- Rupees in '000 -----			
<b>11</b>	<b>FIXED ASSETS</b>		
	Property and equipment	28,555	29,853
	Right-of-use of asset	96,997	106,169
		<u>125,552</u>	<u>136,022</u>
<b>12</b>	<b>INTANGIBLE ASSETS</b>		
	Computer Software	2,472	2,777
	Capital work-in-progress	12.1 2,338	1,498
		<u>4,810</u>	<u>4,275</u>
<b>12.1</b>	<b>Capital work-in-progress</b>		
	Software	<u>2,338</u>	<u>1,498</u>
<b>13</b>	<b>DEFERRED TAX ASSETS</b>		
	Deductible temporary differences on		
	- Post retirement employee benefits	249	671
	- Provision for diminution in the value of investments	99,256	90,473
	- Provision against advances, other assets, etc.	116,424	114,270
	- Deficit on revaluation of investments	31,952	35,977
	- Lease liability against right-of-use asset	30,624	36,315
	- Carry forward of alternate corporate tax	49,910	49,910
	- Capital loss on investments	-	5,746
	- Accelerated tax depreciation	(1,533)	3,560
	- Provision for bonus	2,612	7,250
		329,494	344,172
	Taxable temporary differences on		
	- Net investment in finance lease	(17,088)	(24,401)
	- Post retirement employee benefits	-	(422)
	- Right-of-use assets	(30,560)	(30,789)
	- Amortization of discount on investments	(38,772)	(79,448)
		(86,420)	(135,060)
		<u>243,074</u>	<u>209,112</u>
<b>14</b>	<b>OTHER ASSETS</b>		
	Income/ mark-up accrued in local currency	558,113	928,777
	Advances, deposits, advance rent and other prepayments	9,615	5,396
	Advance taxation (payments less provisions)	683,758	532,867
	Receivable against sale of shares	7,344	49,002
	Receivable from related parties	14.1 29,204	23,115
	Non-banking asset acquired in satisfaction of claims	14.2 106,215	106,215
	Lease receivable under IFRS-16	8,384	8,378
	Dividend receivable	836	-
	Receivable from defined benefit plan	-	716
		1,403,469	1,654,466
	Less: Provision held against other assets	-	-
		<u>1,403,469</u>	<u>1,654,466</u>
<b>14.1</b>	<b>Receivable from related parties</b>		
	Receivable from Awwal Modaraba Management Limited (subsidiary)	24,035	19,892
	Receivable from Awwal Modaraba (subsidiary)	3,051	1,502
	Receivable from Primus Leasing Company Limited (subsidiary)	2,118	1,721
		<u>29,204</u>	<u>23,115</u>
<b>14.2</b>	<b>Non-banking asset acquired in satisfaction of claims</b>		
	Opening balance	106,215	28,525
	Additions during the year	-	77,690
	Disposals during the year	-	-
	Closing balance	<u>106,215</u>	<u>106,215</u>
<b>15</b>	<b>NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE</b>		
	Non-current assets classified as held-for-sale	<u>388,602</u>	<u>387,745</u>

This relates to land, building and machinery which have been classified as 'Non-current assets held for sale' as at March 31, 2020. 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**

(Audited)  
March 31, 2020    December 31, 2019  
----- Rupees in '000 -----

**Secured**

Borrowings from State Bank of Pakistan				
- Long-Term Finance Facility (LTFF) scheme	16.1	4,993,588	5,078,020	
- Power Plants Using Renewable Energy (PPRE) scheme		137,713	152,690	
- Finance for Storage of Agriculture Produce (FSAP) scheme		213,523	235,068	
- Finance under working capital		88,833	68,000	
- Finance under Credit Guarantee		6,710	-	
		5,440,367	5,533,778	
Repurchase agreement borrowings	16.2	6,348,173	5,333,511	
Borrowings from banks	16.3	12,883,087	29,445,521	
<b>Total secured</b>		24,671,627	40,312,810	

**Unsecured**

Letters of placement:				
- Primus Leasing Limited (subsidiary)	16.4	219,231	260,000	
- Awwal Modaraba (subsidiary)	16.5	-	200,000	
- Others	16.6	9,291,844	4,379,190	
		34,182,702	45,152,000	

- 16.1** The 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 the rate of 11.00% per annum (2019: 12.75% per annum) and are repayable within 3 months (2019: 1 month).
- 16.5** These carry mark-up at the rate of nil (2019: 12%) and are repauable within nil months (2019: 7 months).
- 16.6** 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, 2020			December 31, 2019		
	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	620,000	-	620,000
<b>Financial Institutions</b>						
- Certificate of investments (COIs)	-	-	-	-	-	-
	500,000	-	500,000	620,000	-	620,000

18 **OTHER LIABILITIES**

	(Audited)	
	March 31, 2020	December 31, 2019
	----- Rupees in '000 -----	
Mark-up / return / interest payable in local currency	583,272	795,366
Unearned commission and income on bills discounted	25,953	22,745
Accrued expenses	29,547	39,767
Brokerage / commission payable	4,868	3,170
Payable against purchase of shares	27,835	15,758
Lease liability against right-of-use assets	96,665	92,888
Security deposits against advances	343,955	353,372
Provision for Sindh Worker's Welfare Fund	104,249	100,908
Payable to defined benefit plan - related party	3,229	-
Others	29,546	28,099
	1,249,119	1,452,073

	Note	March 31, 2020	(Audited) December 2019
----- Rupees in '000 -----			
<b>19</b>	<b>DEFICIT ON REVALUATION OF ASSETS</b>		
	Deficit on revaluation of		
	- Available-for-sale securities	9.1 (340,277)	(186,875)
	Deferred tax on deficit on revaluation of:		
	- Available-for-sale securities	35,975	35,977
		<u>(304,302)</u>	<u>(150,898)</u>
<b>20</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
	- Guarantees	20.1 655,364	1,102,446
	- Commitments	20.2 13,986,401	10,945,709
	- Other contingent liabilities	20.3 -	-
		<u>14,641,765</u>	<u>12,048,155</u>
<b>20.1</b>	<b>Guarantees</b>		
	Financial guarantees	<u>655,364</u>	<u>1,102,446</u>
<b>20.2</b>	<b>Commitments</b>		
	Documentary credits and short-term trade-related transactions		
	- letters of credit	729,668	331,320
	Commitments in respect of:		
	- government securities	20.2.1 -	-
	- repo transactions	20.2.2 7,102,878	9,877,213
	- forward lendings	20.2.3 6,153,855	737,176
		<u>13,986,401</u>	<u>10,945,709</u>
<b>20.2.1</b>	<b>Commitments in respect of government securities</b>		
	Sale	<u>-</u>	<u>-</u>
<b>20.2.2</b>	<b>Commitments in respect of repo transactions</b>		
	Repurchase of government securities	7,102,878	5,342,579
	Reverse repurchase of government securities	-	4,534,634
		<u>7,102,878</u>	<u>9,877,213</u>
<b>20.2.3</b>	<b>Commitments in respect of forward lendings</b>		
	Forward repurchase agreement lending	4,270,061	-
	Undrawn formal standby facilities, credit lines and other commitments to lend	1,883,794	737,176
		<u>6,153,855</u>	<u>737,176</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 Company from tax years 2008 to 2018 had been filed with the tax authorities. From tax year 2008 upto tax year 2017, these returns have been revised and additional tax demands have been raised of which Rs. 559.245 million are outstanding as at March 31, 2020. 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 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 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 Company and that the Company will be able to adjust amounts in respect of matters decided against the Company (if any) against the tax refunds currently being claimed by it.

	Note	March 31, 2020	March 31, 2019
		----- Rupees in '000 -----	
<b>21</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
	On:		
	a) Loans and advances	491,998	463,177
	b) Investments	852,002	548,166
	c) Lendings to financial institutions	59,359	28,495
	d) Balances with banks	2,757	1,348
		<u>1,406,116</u>	<u>1,041,186</u>
<b>22</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
	Deposits	17,707	37,467
	Borrowings	1,190,717	813,671
		<u>1,208,424</u>	<u>851,138</u>
<b>23</b>	<b>FEE AND COMMISSION INCOME</b>		
	Advisory / arrangement fee	-	(2,243)
	Processing fee income	488	15
	Commitment fee	2,770	1,873
	Commission on letters of credit	-	-
	Trustee fee	14,293	14,001
	Front end fee	116	214
		<u>17,667</u>	<u>13,860</u>
<b>24</b>	<b>(LOSS) / GAIN ON SECURITIES</b>		
	Realised	97,785	(19,648)
	Unrealised - held for trading	-	-
		<u>97,785</u>	<u>(19,648)</u>
<b>24.1</b>	Realised (loss) / gain on:		
	Federal government securities	82,204	92
	Shares	15,770	(20,380)
	Mutual funds	(189)	-
	Non-government debt securities	-	640
		<u>97,785</u>	<u>(19,648)</u>

Note	March 31, 2020	March 31, 2019
	----- Rupees in '000 -----	
<b>25 OTHER INCOME</b>		
Rent on property	-	125
Gain on sale of fixed assets - net	12	518
Others	-	13
	<u>12</u>	<u>656</u>
<b>26 OPERATING EXPENSES</b>		
<b>Total compensation expense</b>	50,311	45,299
<b>Property expense</b>		
Rent and taxes	-	8,070
Insurance	774	736
Security	421	401
Utilities cost	1,349	496
Repairs and maintenance (including janitorial charges)	1,394	1,145
Depreciation	9,378	64
	13,316	10,912
<b>Information technology expenses</b>		
Software maintenance	1,052	1,865
Hardware maintenance	212	407
Depreciation	717	503
Amortisation	295	327
	2,276	3,102
<b>Other operating expenses</b>		
Directors' fees and allowances	1,800	1,060
Fees and subscription	597	364
Legal and professional charges	1,694	853
Outsourced services costs	1,481	801
Travelling and conveyance	7,590	6,369
Brokerage commission	5,279	1,839
Depreciation	1,842	1,218
Training and development	473	116
Postage and courier charges	246	57
Communication	594	614
Stationery and printing	273	582
Marketing, advertisement and publicity	207	176
Auditors' remuneration	74	69
Others	1,472	1,574
	<u>23,622</u>	<u>15,692</u>
	<u>89,525</u>	<u>75,005</u>



		March 31, 2020	March 31, 2019
		----- Rupees in '000 -----	
<b>27</b>	<b>PROVISION FOR SINDH WORKERS' WELFARE FUND</b>		
	Provision for Sindh Workers' Welfare Fund	27.1	3,341
			1,505
<b>27.1</b>	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 104.249 million which includes a provision of Rs 3.341 million for the current period.		
		<b>Note</b>	
			<b>March 31, 2020</b>
			<b>March 31, 2019</b>
			----- Rupees in '000 -----
<b>28</b>	<b>PROVISIONS AND WRITE OFFS - NET</b>		
	Provision for diminution in value of investments - net	9.2	58,541
	Provisions against loans and advances	10.3	7,428
	Other provisions / write offs		-
			65,969
			43,494
<b>29</b>	<b>TAXATION</b>		
	Current		81,440
	Prior years		-
	Deferred		(33,962)
			47,478
			22,390
<b>30</b>	<b>BASIC EARNINGS PER SHARE</b>		
	Profit for the year		116,241
	Weighted average number of ordinary shares		600,000
	Basic earnings per share		0.19
			0.08
<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 / sukuks 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, 2020			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Federal government securities	-	16,327,842	-	16,327,842
Shares	975,794	-	-	975,794
Non-Government debt securities	-	2,584,225	-	2,584,225
Units of mutual funds	324,284	-	-	324,284
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Commitments in respect of repo transactions	-	7,102,878	-	7,102,878
<b>Audited</b>				
<b>December 31, 2019</b>				
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
<b>On balance sheet financial instruments</b>				
<b>Financial assets - measured at fair value</b>				
Investments				
Federal government securities	-	25,130,607	-	25,130,607
Shares	1,469,026	-	-	1,469,026
Non-Government debt securities	-	2,562,743	-	2,562,743
Units of mutual funds	-	526,791	-	526,791
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Commitments in respect of repo transactions	-	9,877,213	-	9,877,213

	March 31, 2020			
	Corporate finance	Trading and sales	Commercial banking	Total
<b>Profit and Loss Account</b>				
Net mark-up / return / profit	-	142,457	55,234	197,691
Non mark-up / return / interest income	17,668	107,195	-	124,863
Total income	17,668	249,652	55,234	322,554
Segment direct expenses	5,087	71,877	15,902	92,866
Total expenses	5,087	71,877	15,902	92,866
Provisions	-	66,111	(142)	65,969
Profit before tax	12,581	111,664	39,474	163,719
<b>Statement of Financial Position</b>				
Cash and bank balances	34,554	488,260	108,024	630,838
Lendings to financial institutions	-	4,220,081	-	4,220,081
Investments	-	22,335,067	-	22,335,067
Advances - performing	-	347,302	16,515,948	16,863,250
- non-performing	-	38,670	190,639	229,309
Others	1,828	1,771,702	391,977	2,165,507
<b>Total assets</b>	<b>36,382</b>	<b>29,201,082</b>	<b>17,206,588</b>	<b>46,444,052</b>
Borrowings	-	27,990,082	6,192,620	34,182,702
Deposits and other accounts	-	409,419	90,581	500,000
Others	-	1,022,826	226,293	1,249,119
<b>Total liabilities</b>	<b>-</b>	<b>29,422,327</b>	<b>6,509,494</b>	<b>35,931,821</b>
Equity	36,382	(221,245)	10,697,094	10,512,231
<b>Total equity and liabilities</b>	<b>36,382</b>	<b>29,201,082</b>	<b>17,206,588</b>	<b>46,444,052</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>11,372,940</b>	<b>3,268,825</b>	<b>14,641,765</b>

	March 31, 2019			
	Corporate finance	Trading and sales	Commercial banking	Total
<b>Profit and Loss Account</b>				
Net mark-up / return / profit	-	591,265	449,921	1,041,186
Non mark-up / return / interest income	13,852	(12,265)	-	1,587
Total income	13,852	579,000	449,921	1,042,773
Segment direct expenses	1,016	462,176	464,457	927,649
Total expenses	1,016	462,176	464,457	927,649
Provisions	-	19,933	23,560	43,493
Profit before tax	12,836	96,891	(38,096)	71,631

	December 31, 2019			
	Corporate finance	Trading and sales	Commercial banking	Total
<b>Statement of Financial Position</b>				
Cash and bank balances	26,859	158,245	108,376	293,480
Investments	-	31,816,997	-	31,816,997
Lendings to financial institutions	-	4,500,000	-	4,500,000
Advances - performing	-	455,106	18,114,826	18,569,932
- non-performing	-	30,412	171,026	201,438
Others	3,356	1,413,214	975,050	2,391,620
<b>Total assets</b>	<b>30,215</b>	<b>38,373,974</b>	<b>19,369,278</b>	<b>57,773,467</b>
Borrowings	-	26,790,469	18,361,531	45,152,000
Deposits and other accounts	-	367,880	252,120	620,000
Others	-	859,407	592,666	1,452,073
<b>Total liabilities</b>	<b>-</b>	<b>28,017,756</b>	<b>19,206,317</b>	<b>47,224,073</b>
Equity	-	6,257,865	4,291,529	10,549,394
<b>Total equity and liabilities</b>	<b>-</b>	<b>34,275,621</b>	<b>23,497,846</b>	<b>57,773,467</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>6,065,020</b>	<b>5,983,135</b>	<b>12,048,155</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 and its key management personnel.

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. 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. The details of transactions with related parties during the year and balances with them as at year end, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

	March 31, 2020				December 31, 2019			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
(Rupees in '000)								
<b>Investments</b>								
Opening balance	-	-	2,003,372	-	-	-	2,003,372	-
Investment made during the year	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the year	-	-	-	-	-	-	-	-
Transfer to available-for-sale securities on recharacterisation of investment	-	-	-	-	-	-	-	-
Transfer in / (out)	-	-	-	-	-	-	-	-
Classified as held-for-sale	-	-	-	-	-	-	-	-
Closing balance	-	-	2,003,372	-	-	-	2,003,372	-
<b>Advances</b>								
Opening balance	-	81,077	-	-	-	75,591	-	-
Addition during the year	-	2,032	-	-	-	6,859	-	-
Repaid during the year	-	(3,811)	-	-	-	(31,856)	-	-
Transfer in / (out) - net	-	-	-	-	-	30,483	-	-
Closing balance	-	79,298	-	-	-	81,077	-	-
<b>Other assets</b>								
Interest / mark-up accrued	-	-	1,011	-	-	-	372	-
Lease receivable under IFRS-16	-	-	8,383	-	-	-	2,983	-
Receivable from defined benefit plan	-	-	-	-	-	-	-	716
Others	-	-	29,203	-	-	-	19,760	-
	-	-	38,597	-	-	-	23,115	716
<b>Borrowings</b>								
Opening balance	-	-	460,000	66,014	-	-	583,174	14,346
Borrowings during the year	-	-	688,820	29,635	-	-	4,409,462	398,129
Settled during the year	-	-	(929,589)	(29,635)	-	-	(4,532,636)	(346,461)
Transfer in / (out) - net	-	-	-	-	-	-	-	-
Closing balance	-	-	219,231	66,014	-	-	460,000	66,014
<b>Deposits and other accounts</b>								
Opening balance	-	-	-	-	-	-	-	-
Received during the year	-	-	-	-	-	-	-	-
Withdrawn during the year	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-
<b>Other Liabilities</b>								
Interest / mark-up payable	-	-	132	2,304	-	-	12,478	1,379
Other liabilities	-	-	1,198	1,781	-	-	-	261
	-	-	1,330	4,085	-	-	12,478	1,640

	March 31, 2020				March 31, 2019			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
(Rupees in '000)								
<b>Income</b>								
Mark-up / return / interest earned	-	964	638	-	-	991	-	-
Dividend income	-	-	-	-	-	-	-	-
Net gain on sale of securities	-	-	-	-	-	-	-	-
Gain on sale of intangibles	-	-	-	-	-	-	-	-
<b>Expense</b>								
Mark-up / return / interest paid	-	-	10,514	-	-	-	13,677	-
Operating expenses	1,200	38,973	-	-	1,409	16,140	-	-
Reimbursement of expenses	-	2,376	-	-	-	1,648	-	-
Expenses charged	32.1	-	6,752	-	-	-	6,631	-

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, 2020	(Audited) December 31, 2019
	----- 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	7,811,318	7,805,912
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	7,811,318	7,805,912
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	7,811,318	7,805,912
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	20,567,982	21,592,476
Market Risk	4,051,529	5,274,038
Operational Risk	1,756,822	1,756,822
Total	26,376,333	28,623,336
Common Equity Tier 1 Capital Adequacy ratio	29.61%	27.27%
Tier 1 Capital Adequacy Ratio	29.61%	27.27%
Total Capital Adequacy Ratio	29.61%	27.27%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	7,811,318	7,805,912
Total Exposures	47,310,096	57,136,948
Leverage Ratio - percentage	16.51%	13.66%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	10,233,661	4,538,009
Total Net Cash Outflow	8,308,901	7,136,150
Liquidity Coverage Ratio - percentage	123.17%	63.59%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	22,518,062	25,529,648
Total Required Stable Funding	19,652,787	22,140,524
Net Stable Funding Ratio - percentage	114.58%	115.31%

**35 GENERAL**

- 35.1** Figures in these unconsolidated 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 unconsolidated financial statements, wherever necessary, to facilitate comparison and better presentation.

**36 DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated financial statements were authorised for issue on **April 30, 2020** by the Board of Directors of the Company.

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

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

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

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

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