



**PAK BRUNEI INVESTMENT COMPANY LTD.**

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

**FOR THE PERIOD / HALF YEAR ENDED JUNE 30, 2021**

PAK BRUNEI INVESTMENT COMPANY LIMITED  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2021

		(Audited)				(Audited)		
		June 30, 2021	December 31, 2020			Note	June 30, 2021	December 31, 2020
----- USD in '000 -----				----- Rupees in '000 -----				
<b>ASSETS</b>								
	1,130	1,052	Cash and balances with treasury banks	6	178,211	168,197		
	3,263	3,951	Balances with other banks	7	514,693	631,457		
	48	3,483	Lendings to financial institutions	8	7,650	556,679		
	260,785	96,848	Investments	9	41,138,848	15,479,577		
	110,991	130,718	Advances	10	17,508,867	20,893,180		
	808	963	Fixed assets	11	127,391	153,954		
	44	36	Intangible assets	12	6,911	5,826		
	2,310	2,108	Deferred tax assets	13	364,517	336,854		
	13,008	10,029	Other assets	14	2,052,212	1,602,911		
	3,040	3,632	Non-current assets classified as held-for-sale	15	479,569	580,596		
	395,427	252,820			62,378,869	40,409,231		
<b>LIABILITIES</b>								
	-	-	Bills payable		-	-		
	318,210	171,618	Borrowings	16	50,197,647	27,430,430		
	-	5,193	Deposits and other accounts	17	-	830,000		
	-	-	Liabilities against assets subject to finance lease		-	-		
	-	-	Subordinated debt		-	-		
	-	-	Deferred tax liabilities		-	-		
	8,087	8,102	Other liabilities	18	1,275,991	1,295,143		
	326,297	184,913			51,473,638	29,555,573		
	69,130	67,907	<b>NET ASSETS</b>		10,905,231	10,853,658		
<b>REPRESENTED BY</b>								
	38,035	37,539	Share capital		6,000,000	6,000,000		
	11,920	10,785	Reserves		1,880,449	1,723,782		
	(2,263)	(2,458)	Deficit on revaluation of assets	19	(357,042)	(392,920)		
	21,423	22,026	Unappropriated profit		3,379,448	3,520,451		
	69,115	67,892	Total equity attributable to the equity holders of the holding company		10,902,855	10,851,313		
	15	15	Non-controlling interest		2,376	2,345		
	69,130	67,907			10,905,231	10,853,658		
<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

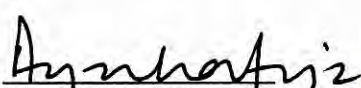

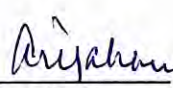

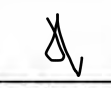
  
Director



**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD / HALF YEAR ENDED JUNE 30, 2021**

Half year ended		Quarter Ended		Half year ended	
June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- USD in '000 -----		----- Rupees in '000 -----			
10,971	14,575	1,031,211	971,195	1,730,646	2,449,333
7,523	11,320	753,334	705,528	1,186,749	1,902,260
3,448	3,255	277,877	265,667	543,897	547,073
<b>Non mark-up / interest income</b>					
286	221	12,737	18,812	45,099	37,156
14	81	2,003	4,143	2,178	13,541
821	3,017	118,636	409,216	129,466	507,001
15	1	2,378	185	2,378	197
1,135	3,320	135,754	432,356	179,121	557,895
4,583	6,575	413,631	698,023	723,018	1,104,968
<b>Non mark-up / interest expenses</b>					
1,673	1,494	125,349	125,419	263,877	251,069
57	7	8,927	(2,652)	9,070	1,234
66	-	10,447	-	10,447	-
1,796	1,501	144,723	122,767	283,394	252,303
2,788	5,074	268,908	575,256	439,624	852,665
41	851	3,945	75,982	6,455	142,890
-	-	-	-	-	-
2,747	4,223	264,963	499,274	433,169	709,775
745	1,198	66,741	145,186	117,474	201,339
2,002	3,025	198,222	354,088	315,695	508,436
<b>Attributable to:</b>					
2,002	3,025	198,206	354,054	315,664	508,358
0.1965	0.4629	16	34	31	78
2,002	3,025	198,222	354,088	315,695	508,436
----- USD -----		----- Rupees -----			
0.00334	0.00504	0.33	0.59	0.53	0.85

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

 President/Chief Executive	 Chief Financial Officer	 Director	 Director	 Director
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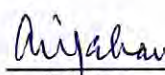
PAK BRUNEI INVESTMENT COMPANY LIMITED  
 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE PERIOD / HALF YEAR ENDED JUNE 30, 2021

Half year ended			Quarter Ended		Half year ended	
June 30, 2021	June 30, 2020		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- USD in '000 -----			----- Rupees in '000 -----			
2,002	3,025	Profit after taxation for the year	198,222	354,088	315,695	508,436
		<b>Other comprehensive loss</b>				
		<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
227	(129)	Movement in surplus / (deficit) on revaluation of investments - net of tax	175,051	131,707	35,878	(21,697)
		<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>				
-	-	Re-measurement loss on defined benefit obligations - net of tax	-	-	-	-
<u>2,229</u>	<u>2,896</u>	<b>Total comprehensive (loss) / income</b>	<u>373,273</u>	<u>485,795</u>	<u>351,573</u>	<u>486,739</u>

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 President/Chief Executive

  
 Chief Financial Officer

  
 Director

  
 Director


  
 Director



**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD / HALF YEAR ENDED JUNE 30, 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 June 30, 2020	-	-	-	-	508,358	78	508,436
<b>Other comprehensive loss</b>							
- Re-measurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-
- Movement in deficit on revaluation of investments - net of tax	-	-	-	131,707	-	-	131,707
	-	-	-	131,707	508,358	78	640,143
Transfer to statutory reserve	-	88,587	-	-	(88,587)	-	-
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)
<b>Opening Balance as at July 01, 2020</b>	6,000,000	1,568,694	100,000	(19,191)	3,379,142	2,439	11,031,084
<b>Comprehensive income for the year</b>							
Profit after taxation (December 31, 2020)	-	-	-	-	188,088	81	188,169
<b>Other comprehensive loss</b>							
- Re-measurement loss on defined benefit obligations - net of tax	-	-	-	-	8,309	-	8,309
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(373,729)	-	-	(373,729)
	-	-	-	(373,729)	196,397	81	(177,251)
Transfer to statutory reserve	-	55,088	-	-	(55,088)	-	-
Dividend payout by Awwal Modaraba @ Rs. 1.48 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/half year ended June 30, 2021	-	-	-	-	315,664	31	315,695
<b>Other comprehensive loss</b>							
- Re-measurement loss on defined benefit obligations - net of tax	-	-	-	-	-	-	-
- Movement in deficit on revaluation of investments - net of tax	-	-	-	35,878	-	-	35,878
	-	-	-	35,878	315,664	31	351,573
Transfer to statutory reserve	-	56,667	-	-	(56,667)	-	-
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 June 30, 2021</b>	<u>6,000,000</u>	<u>1,680,449</u>	<u>200,000</u>	<u>(357,042)</u>	<u>3,379,448</u>	<u>2,376</u>	<u>10,905,231</u>

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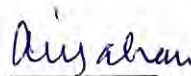
**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD / HALF YEAR ENDED JUNE 30, 2021**

June 30, 2021	June 30, 2020		June 30, 2021	June 30, 2020
----- USD in '000 -----			----- Rupees in '000 -----	
		<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
2,746	4,224	Profit before taxation	433,169	709,775
14	81	Less: Dividend income	2,178	13,541
<u>2,732</u>	<u>4,143</u>		<u>430,991</u>	<u>696,234</u>
		<b>Adjustments:</b>		
185	138	Depreciation	29,205	23,161
23	20	Amortisation	3,625	3,310
57	7	Provision for Sindh Workers' Welfare Fund	9,070	1,234
41	850	Provision and write-offs	6,455	142,890
(1)	-	Gain on sale of fixed assets	(163)	(47)
(1)	-	Unrealized gain on revaluation of investments classified as held for trading - net	(80)	-
<u>304</u>	<u>1,015</u>		<u>48,112</u>	<u>170,548</u>
<u>3,036</u>	<u>5,158</u>		<u>479,103</u>	<u>866,782</u>
		<b>(Increase) / decrease in operating assets</b>		
3,480	26,737	Lendings to financial institutions	549,029	4,493,200
(59)	-	Held-for-trading securities	(9,258)	-
21,372	12,659	Advances	3,371,358	2,127,307
(2,080)	1,699	Others assets (excluding advance taxation)	(328,130)	285,469
<u>22,713</u>	<u>41,095</u>		<u>3,582,999</u>	<u>6,905,976</u>
		<b>Increase/ (decrease) in operating liabilities</b>		
144,325	(79,611)	Borrowings from financial institutions	22,767,217	(13,378,665)
(5,261)	(714)	Deposits	(830,000)	(120,000)
(179)	(3,436)	Other liabilities (excluding current taxation)	(28,222)	(577,343)
138,885	(83,761)		21,908,995	(14,076,008)
(1,108)	1,686	Income tax paid	(174,801)	(283,391)
<u>163,526</u>	<u>(35,822)</u>	Net cash flow generated from / (used in) operating activities	<u>25,796,296</u>	<u>(6,586,641)</u>
		<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(162,544)	44,589	Net investments in available-for-sale securities	(25,640,777)	7,493,698
271	1	Net investments in held-to-maturity securities	42,742	166
14	81	Dividends received	2,178	13,541
(17)	(10)	Investments in operating fixed assets	(2,690)	(1,706)
(28)	(3)	Investments in operating intangible assets	(4,710)	(830)
1	-	Proceeds from sale of fixed assets	211	47
<u>(162,303)</u>	<u>44,658</u>	Net cash flow (used in) / generated from investing activities	<u>(25,603,046)</u>	<u>7,504,916</u>
		<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(1,902)	(1,785)	Dividend paid	(300,000)	(300,000)
<u>(1,902)</u>	<u>(1,785)</u>	Net cash flow used in financing activities	<u>(300,000)</u>	<u>(300,000)</u>
(679)	7,051	<b>Decrease / (increase) in cash and cash equivalents</b>	(106,750)	618,275
5,069	2,080	Cash and cash equivalents at beginning of the year	799,654	349,584
<u>4,390</u>	<u>9,131</u>	<b>Cash and cash equivalents at end of the year</b>	<u>692,904</u>	<u>967,859</u>

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 President/Chief Executive

  
 Chief Financial Officer

  
 Director

  
 Director

  
 Director



**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD / HALF YEAR ENDED JUNE 30, 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 (June 30, 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.

- **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 (2020: 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 consolidated 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.

### **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. 157.75 to US Dollars has been used as it was the prevalent rate as on June 30, 2021.

- 2.3 The condensed interim consolidated 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, 2020.

## **3 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated 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 including the measures taken during COVID-19 are consistent with those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2020.



			(Audited)
		June 30,	December 31,
		2021	2020
		----- Rupees in '000 -----	
<b>6</b>	<b>CASH AND BALANCES WITH TREASURY BANKS</b>	<b>Note</b>	
	Cash in hand		-
	With State Bank of Pakistan in:		
	Local currency current account	6.1	168,113
	With National Bank of Pakistan in:		
	Local currency current account	6.2	84
			<u>178,211</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.

6.2 This carry mark-up at rate of nil (2020: 3.99% to 12.25% per annum).

			(Audited)
		June 30,	December 31,
		2021	2020
		----- Rupees in '000 -----	
<b>7</b>	<b>BALANCES WITH OTHER BANKS</b>	<b>Note</b>	
	In Pakistan		
	In deposit accounts		621,389
	In current accounts		10,068
			<u>514,693</u>
			<u>631,457</u>

**8 LENDINGS TO FINANCIAL INSTITUTIONS**

	Investments against re-purchase agreements		556,679
	Repurchase agreement lendings (reverse repo)	8.1	-
			<u>7,650</u>
			<u>556,679</u>

8.1 These carry mark-up at the rate 7.25% per annum (December 31, 2020: 6.06% to 14.70% per annum) and will mature latest by July 30, 2021 (December 31, 2021: January 06, 2021).

			(Audited)
		June 30,	December 31,
		2021	2020
		----- Rupees in '000 -----	
<b>8.2</b>	<b>Particulars of lending</b>		
	In local currency		556,679
	In foreign currencies		-
			<u>7,650</u>
			<u>556,679</u>

9 INVESTMENTS

9.1 Investments by type:

Audited							
June 30, 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							
9,258	-	80	9,338	-	-	-	-
9,258	-	80	9,338	-	-	-	-
<b>Available-for-sale securities</b>							
Federal government securities							
Ordinary shares							
38,292,931	-	(522,117)	37,770,814	12,434,784	-	(553,286)	11,881,498
1,163,435	(71,337)	14,192	1,106,290	809,168	(77,837)	(3,252)	728,079
2,431,177	(269,110)	750	2,162,817	2,851,129	(269,110)	12,563	2,594,582
38,335	-	1,659	39,994	240,020	-	(7,344)	232,676
50,000	-	(405)	49,595	-	-	-	-
41,975,878	(340,447)	(505,921)	41,129,510	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>							
<u>41,985,136</u>	<u>(340,447)</u>	<u>(505,841)</u>	<u>41,138,848</u>	<u>16,377,843</u>	<u>(346,947)</u>	<u>(551,319)</u>	<u>15,479,577</u>

9.1.1 Investments given as collateral

Audited					
June 30, 2021			December 31, 2020		
Cost / amortised	Surplus / (deficit)	Carrying value	Cost / amortised	Surplus / (deficit)	Carrying value
----- Rupees in '000 -----					
Market Treasury Bills					
3,058,104	2,672	3,060,776	1,193,232	932	1,194,164
Pakistan Investment Bonds					
17,589,640	257,484	17,847,124	8,706,074	(39,944)	8,666,130
Term finance / sukuks certificates					
739,824	-	739,824	739,824	-	739,824
<u>21,387,568</u>	<u>260,156</u>	<u>21,647,724</u>	<u>10,639,130</u>	<u>(39,012)</u>	<u>10,600,118</u>

9.2 Provision for diminution in value of investments

(Audited)  
June 30, 2021    December 31, 2020  
----- Rupees in '000 -----

Opening balance	346,947	342,385
Charge / reversals		
Charge for the year	-	94,842
Reversal on disposals	(6,500)	(90,280)
	(6,500)	4,562
Closing balance	<u>340,447</u>	<u>346,947</u>

Particulars of provision against debt securities

Category of classification

Audited			
June 30, 2021		December 31, 2020	
Non-performing investments	Provision	Non-performing investments	Provision
----- (Rupees in '000) -----			
Domestic Loss	269,110	269,110	269,110
	269,110	269,110	269,110



10 ADVANCES

	Performing		Non-performing		Total	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	----- Rupees in '000 -----					
Loans, cash credits, running finances, etc.	16,277,126	19,744,147	1,001,451	983,888	17,278,577	20,728,035
Islamic financing and related assets	681,503	606,667	-	-	681,503	606,667
Advances - gross	16,958,629	20,350,814	1,001,451	983,888	17,960,080	21,334,702
Provision against advances						
- Specific	-	-	436,397	423,442	436,397	423,442
- General	14,816	18,080	-	-	14,816	18,080
	14,816	18,080	436,397	423,442	451,213	441,522
Advances - net of provision	16,943,813	20,332,734	565,054	560,446	17,508,867	20,893,180

(Audited)  
June 30, 2021    December 31, 2020  
----- Rupees in '000 -----

10.1 Particulars of advances (gross)

In local currency	17,960,080	21,334,702
In foreign currencies	-	-
	<u>17,960,080</u>	<u>21,334,702</u>

10.2 Advances include Rs. 1,001.451 million (2020: Rs. 983.888 million) which have been placed under the non-performing status as detailed below:

Category of classification	Note	(Audited)			
		June 30, 2021		December 31, 2020	
		Non Performing Loans	Provision	Non Performing Loans	Provision
		----- Rupees in '000 -----			
Domestic					
Other Assets Especially Mentioned	10.2.1	15,725	1,573	285	28
Substandard		7,227	1,807	415,489	888
Doubtful		417,669	2,866	11,832	5,916
Loss		560,830	430,151	556,282	416,610
Total		<u>1,001,451</u>	<u>436,397</u>	<u>983,888</u>	<u>423,442</u>

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

10.3 Particulars of provision against advances

	June 30, 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	16,029	-	16,029	54,768	8,048	62,816
Reversals	(3,074)	(3,264)	(6,338)	(25,360)	-	(25,360)
	12,955	(3,264)	9,691	29,408	8,048	37,456
Amounts written off	-	-	-	-	-	-
Closing balance	<u>436,397</u>	<u>14,816</u>	<u>451,213</u>	<u>423,442</u>	<u>18,080</u>	<u>441,522</u>

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. 336.648million (December 31, 2020: Rs. 242.656 million). The FSV benefit availed - net of tax amounting to Rs. 239.020 million (December 31, 2020: Rs. 172.289) is not available for the distribution as either cash or stock dividend to the shareholders.

		(Audited)	
		June 30,	December 31,
		2021	2020
		----- Rupees in '000 -----	
<b>11</b>	<b>FIXED ASSETS</b>		
	Property and equipment	53,338	31,920
	Right-of-use of asset	74,053	122,034
		<u>127,391</u>	<u>153,954</u>
<b>12</b>	<b>INTANGIBLE ASSETS</b>		
	Computer Software	3,732	3,488
	Capital work-in-progress	3,179	2,338
		<u>6,911</u>	<u>5,826</u>
<b>12.1</b>	<b>Capital work-in-progress</b>		
	Software	<u>3,179</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	90,183	91,157
	- Provision against advances, other assets, etc.	126,556	126,983
	- Deficit on revaluation of investments	148,879	158,399
	- Net investment in finance lease	-	20,874
	- Accelerated tax depreciation	2,638	1,058
	- Lease liability against right-of-use asset	22,736	685
	- Amortisation of discount on investments	14,106	(65,242)
	- Carry forward of alternate corporate tax	-	24,594
	- Provision for bonus	7,250	11,631
		412,348	370,139
	Taxable temporary differences on		
	- Net investment in finance lease	(23,815)	(1,550)
	- Post retirement employee benefits	(2,541)	(2,541)
	- Right-of-use assets	(21,475)	(29,194)
		(47,831)	(33,285)
		<u>364,517</u>	<u>336,854</u>
<b>14</b>	<b>OTHER ASSETS</b>		
	Income/ mark-up accrued in local currency	1,323,136	656,941
	Advances, deposits, advance rent and other prepayments	15,106	14,214
	Advance taxation (payments less provisions)	644,891	665,035
	Advance against subscription of term finance certificates	-	150,000
	Receivable against sale of shares	-	65,406
	Receivable against advisory fee	35,710	38,983
	Receivable from related party	21,104	1,024
	Receivable from defined benefit plan - related party	12,264	10,609
	Others	-	699
		<u>2,052,212</u>	<u>1,602,911</u>
	Less: Provision held against other assets	-	-
		<u>2,052,212</u>	<u>1,602,911</u>



	Note	June 30, 2021	(Audited) December 31, 2020
		----- Rupees in '000 -----	
<b>15</b>	<b>NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE</b>		
	<b>Land, building and machinery acquired from:</b>		
	Sufi Steel Industries (Private) Limited	393,258	387,745
	Lion Steel Industries (Private) Limited	86,311	86,111
	Orbit Developers (Private) Limited	-	29,050
	Atlas Cables (Private) Limited	-	77,690
	<b>Total assets classified as held-for-sale</b>	<b>479,569</b>	<b>580,596</b>

15.1 This relates to land, building and machinery which have been classified as 'Non-current assets held for sale' as at June 30, 2020. The Company has been making efforts to dispose of the property to a third party and it is expected that the process of sale of these properties will be completed in the near future.

## 16 BORROWINGS

### Secured

Borrowings from State Bank of Pakistan:

- Long-Term Finance Facility (LTFF) scheme	16.1	5,050,465	5,249,794
- Power Plants Using Renewable Energy (PPRE) scheme		81,792	104,562
- Temporary Economic Refinance Facility (TERF)		396,363	156,759
- Finance for Storage of Agriculture Produce (FSAP) scheme		191,978	213,492
- Credit Guarantee (CGS) Scheme		44,419	20,999
- Special Persons (SP) Scheme		2,175	2,425
- Working capital (WC) Scheme		251,250	-
- Covid - 19 Scheme		9,000	-
- Balancing, Modernization & Replacement (BMR) scheme		69,528	20,602
		6,096,970	5,768,633

Repurchase agreement borrowings 16.2 17,038,974 7,391,858

Borrowings from banks 16.3 10,504,045 12,162,316

**Total secured** 33,639,989 25,322,807

### Unsecured

Letters of placement:

- Staff retirement funds (related party)		1,625	72,722
- Others		16,556,033	2,034,901
		50,197,647	27,430,430

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 (2020: 2.00% to 6.00% per annum) payable on the quarterly basis, with maturities upto June 2031 (2020: November 2030).

16.2 These represent collateralised borrowings against Pakistan investment bonds and market treasury bills. The mark-up rates on these borrowings ranges from 7.10% to 7.75% per annum (2020: 7.00% to 7.03% per annum).

16.3 This represents secured borrowings from commercial banks. The mark-up rate on this borrowing ranges from 7.40% to 8.13% per annum (2020: 7.45% to 7.80% per annum) with maturities upto June 2024 (2020: December 2023).

## 17 DEPOSITS AND OTHER ACCOUNTS

	June 30, 2021			December 31, 2020		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
<b>Customers</b>	-	-	-	-	-	-
- Certificate of investments (COIs)	-	-	-	830,000	-	830,000
	-	-	-	830,000	-	830,000

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

18	OTHER LIABILITIES	Note	(Audited)	
			June 30, 2021	December 31, 2020
			----- Rupees in '000 -----	
	Mark-up / return / interest payable in local currency		163,539	158,401
	Unearned commission and income on bills discounted		24,931	30,085
	Accrued expenses		82,433	95,212
	Brokerage / commission payable		2,526	1,401
	Payable against purchase of shares		9,258	100,456
	Lease liability against right-of-use assets		97,040	141,069
	Security deposits against advances		249,138	561,111
	Provision for Sindh Worker's Welfare Fund		134,090	125,546
	Sales tax payable on modaraba management fee	18.1	-	8,716
	Taxation payable		421	1,102
	Unclaimed dividend		183	184
	Advance from customers		-	63,596
	Advance against sale of shares		102,000	-
	Penalty payable		10,447	-
	Payable to PBICL (related party)		11,877	-
	Others		388,109	8,264
			<u>1,275,991</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 there against in these consolidated financial statements.



	Note	June 30, 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	(505,921)	(551,319)
Deferred tax on deficit on revaluation of:			
- Available-for-sale securities		148,879	158,399
		<u>(357,042)</u>	<u>(392,920)</u>
<b>20 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	20.1	702,456	980,103
- Commitments	20.2	23,269,059	11,244,892
- Other contingent liabilities	20.3	-	-
		<u>23,971,515</u>	<u>12,224,995</u>
<b>20.1 Guarantees</b>			
Financial guarantees		<u>702,456</u>	<u>980,103</u>
<b>20.2 Commitments</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		515,666	323,157
Commitments in respect of:			
- repo transactions	20.2.1	17,056,074	7,908,009
- forward lendings	20.2.2	5,097,319	2,263,726
- other commitments	20.2.3	600,000	750,000
		<u>23,269,059</u>	<u>11,244,892</u>
<b>20.2.1 Commitments in respect of repo transactions</b>			
Repurchase of government securities		17,048,378	7,399,831
Reverse repurchase of government securities		7,696	508,178
		<u>17,056,074</u>	<u>7,908,009</u>
<b>20.2.2 Commitments in respect of forward lendings</b>			
Undrawn formal standby facilities, credit lines and other commitments to lend		5,027,230	2,263,726
Others		70,089	-
		<u>5,097,319</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.			
<b>20.2.3</b>	This represent commitment to make injection on behalf of Awwal Modaraba Management Limited at the discretion of the Company without the risk of incurring significant penalty or expense.		
<b>20.3 Other contingent liabilities</b>			
<b>20.3.1</b>	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 June 30, 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. 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.

20.3.3 In 2018, the Company signed an agreement with Army Welfare Trust (AWT) which included an indemnity in favour of AWT for a period of 3 years from December 14, 2016 against any financial liability which may arise out of any fraudulent act carried out during the tenure of the Company's management of Primus Investment Management Limited (PIML). The Company had received a notice of demand for indemnification from AWT Investments Limited (AWTIL) under the aforesaid agreement for an amount of Rs. 34.362 million on December 13, 2019. The Company, through its legal counsel has responded to the said notice on January 28, 2020. As per advice of the legal counsel, the Company has a strong case in this matter and chances of any successful claim against the Company appear to be unlikely.

	June 30, 2021	June 30, 2020
	----- Rupees in '000 -----	
<b>21 MARK-UP / RETURN / INTEREST EARNED</b>		
On:		
a) Loans and advances	646,487	1,033,022
b) Investments	1,051,146	1,292,351
c) Lendings to financial institutions	15,711	109,806
d) Sub-lease of premises	81	-
e) Balances with banks	17,221	14,153
	<u>1,730,646</u>	<u>2,449,333</u>
<b>22 MARK-UP / RETURN / INTEREST EXPENSED</b>		
Deposits	16,750	30,211
Interest expense on lease liability	4,180	-
Borrowings	1,165,820	1,872,049
	<u>1,186,749</u>	<u>1,902,260</u>
<b>23 FEE AND COMMISSION INCOME</b>		
Advisory / arrangement fee	8,138	45
Processing fee income	3,818	3,119
Commitment fee	4,564	5,632
Trustee fee	26,955	28,044
Front end fee	1,624	316
	<u>45,099</u>	<u>37,156</u>



		June 30, 2021	June 30, 2020
		----- Rupees in '000 -----	
<b>24</b>	<b>(LOSS) / GAIN ON SECURITIES</b>		
	Realised	129,386	507,001
	Unrealised - held for trading	80	-
		<u>129,466</u>	<u>507,001</u>
<b>24.1</b>	Realised (loss) / gain on:		
	Federal government securities	47,076	510,798
	Shares	67,273	(3,652)
	Non-government debt securities	368	
	Mutual funds	14,663	(189)
	Commercial paper	6	44
		<u>129,386</u>	<u>507,001</u>
<b>25</b>	<b>OTHER INCOME</b>		
	Gain on sale of assets classified as held-for-sale	2,215	-
	Gain on sale of fixed assets - net	163	47
	Rent on property	-	150
		<u>2,378</u>	<u>197</u>
<b>26</b>	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	147,592	144,312
	<b>Property expense</b>		
	Rent and taxes	1,060	1,369
	Insurance	3,545	2,482
	Security	857	577
	Utilities cost	2,077	2,342
	Repairs and maintenance (including janitorial charges)	3,889	3,225
	Depreciation	16,687	18,230
		28,114	28,225
	<b>Information technology expenses</b>		
	Software maintenance	829	2,474
	Hardware maintenance	403	1,159
	Depreciation	1,975	1,475
	Amortisation	3,625	3,310
		6,832	8,418
	<b>Other operating expenses</b>		
	Directors' fees and allowances	3,910	4,479
	Fees and subscription	2,258	1,710
	Legal and professional charges	12,111	7,596
	Outsourced services costs	3,682	7,843
	Travelling and conveyance	21,343	18,513
	Brokerage commission	9,340	9,623
	Depreciation	10,543	3,456
	Training and development	1,136	473
	Postage and courier charges	273	320
	Communication	2,123	2,004
	Stationery and printing	1,367	654
	Marketing, advertisement and publicity	65	265
	Donation	2,000	5,000
	Auditors' remuneration	2,029	1,414
	Others	9,160	6,764
		<u>81,339</u>	<u>70,114</u>
		<u>263,877</u>	<u>251,069</u>

**27 PROVISION FOR SINDH WORKERS' WELFARE FUND**

Provision for Sindh Workers' Welfare Fund	27.1	<u>9,070</u>	<u>1,234</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 consolidated financial statements amounting to Rs 130.538 million.

	Note	June 30, 2021	June 30, 2020
----- Rupees in '000 -----			
<b>28 PROVISIONS AND WRITE OFFS - NET</b>			
Provision for diminution in value of investments - net	9.2	(6,500)	95,142
Provisions against loans and advances	10.3	12,955	47,748
Other provisions / write offs		-	-
		<u>6,455</u>	<u>142,890</u>

**29 TAXATION**

Current		154,663	226,825
Prior years		-	-
Deferred		(37,189)	(25,486)
		<u>117,474</u>	<u>201,339</u>

**30 BASIC EARNINGS PER SHARE**

Profit for the year		<u>315,695</u>	<u>508,436</u>
Weighted average number of ordinary shares		<u>600,000</u>	<u>600,000</u>
Basic earnings per share		<u>0.53</u>	<u>0.85</u>

**30.1 Diluted earnings per share**

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 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:

	June 30, 2021			
	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	-	37,770,814	-	37,770,814
Shares	1,106,290	-	-	1,106,290
Non-Government debt securities	1,086,855	1,075,962	-	2,162,817
Units of modaraba certificates	39,994	-	-	39,994
Units of mutual funds	-	49,595	-	49,595
<b>Off-balance sheet financial instruments - measured at fair value</b>				
Commitments in respect of repo transactions	-	17,056,074	-	17,056,074
----- Rupees in '000 -----				
<b>Audited</b>				
<b>December 31, 2020</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	-	11,881,498	-	11,881,498
Shares	728,079	-	-	728,079
Non-Government debt securities	1,203,977	2,594,582	-	3,798,559
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

32 SEGMENT INFORMATION

**Profit and Loss Account**

Net mark-up / return / profit  
 Non mark-up / return / interest income  
 Total income

Segment direct expenses  
 Total expenses  
 Provisions  
 Profit before tax

**Statement of Financial Position**

Cash and bank balances  
 Lendings to financial institutions  
 Investments  
 Advances - performing  
     - non-performing  
 Others  
**Total assets**

Borrowings  
 Deposits and other accounts  
 Others  
**Total liabilities**  
 Equity  
**Total equity and liabilities**

**Contingencies and commitments**

June 30, 2021			
Corporate finance	Trading and sales	Commercial banking	Total
-	303,431	240,465	543,897
40,981	138,140	-	179,121
40,981	441,571	240,465	723,018
12,261	174,447	96,685	283,394
12,261	174,447	96,685	283,394
-	(1,539)	7,994	6,455
28,720	268,663	135,786	433,169
27,502	522,674	142,728	692,904
-	7,650	-	7,650
-	41,138,848	-	41,138,848
-	857,266	16,086,547	16,943,813
-	54,714	510,340	565,054
5,252	2,056,101	969,247	3,030,600
32,754	44,637,253	17,708,862	62,378,869
-	38,290,928	11,906,719	50,197,647
-	-	-	-
-	911,304	364,687	1,275,991
-	39,202,232	12,271,406	51,473,638
32,754	5,435,021	5,437,456	10,905,231
32,754	44,637,253	17,708,862	62,378,869
-	17,726,163	6,245,352	23,971,515

**Profit and Loss Account**

Net mark-up / return / profit  
 Non mark-up / return / interest income  
 Total income

Segment direct expenses  
 Total expenses  
 Provisions  
 Profit before tax

June 30, 2020			
Corporate finance	Trading and sales	Commercial banking	Total
-	276,514	270,559	547,073
35,015	522,880	-	557,895
35,015	799,394	270,559	1,104,968
6,434	167,591	78,278	252,303
6,434	167,591	78,278	252,303
-	99,356	43,534	142,890
28,581	532,447	148,747	709,775

**Statement of Financial Position**

Cash and bank balances  
 Investments  
 Lendings to financial institutions  
 Advances - performing  
 Advances - non-performing  
 Others  
**Total assets**

Borrowings  
 Deposits and other accounts  
 Others  
**Total liabilities**  
 Equity  
**Total equity and liabilities**

**Contingencies and commitments**

December 31, 2020			
Corporate finance	Trading and sales	Commercial banking	Total
38,761	525,008	235,885	799,654
-	15,479,577	-	15,479,577
-	556,679	-	556,679
436	516,832	19,815,466	20,332,734
-	34,218	526,228	560,446
41,018	2,197,888	441,235	2,680,141
80,215	19,310,202	21,018,814	40,409,231
-	23,776,555	3,653,875	27,430,430
-	720,766	109,234	830,000
80,380	722,744	492,019	1,295,143
80,380	25,220,065	4,255,128	29,555,573
(165)	(5,909,863)	16,763,686	10,853,658
80,215	19,310,202	21,018,814	40,409,231
-	63,300	12,161,695	12,224,995



### 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. Transactions with owners have been disclosed in 'Consolidated 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:

	June 30, 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	-	-	80,719	-
Addition during the year	-	11,585	150,000	-	4,845	-
Repaid during the year	-	(20,169)	-	-	(19,868)	-
Transfer in / (out) - net	-	3,416	-	-	27,243	-
Closing balance	-	87,771	150,000	-	92,939	-
<b>Other Assets</b>						
Interest / mark-up accrued	-	-	5,379	-	-	-
Receivable from defined benefit plan	-	-	11,218	-	-	10,609
	-	-	16,597	-	-	10,609
<b>Borrowings</b>						
Opening balance	-	-	72,722	-	-	66,014
Borrowings during the year	-	-	162,048	-	-	68,893
Settled during the year	-	-	(30,876)	-	-	(62,185)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	-	203,894	-	-	72,722
<b>Other Liabilities</b>						
Interest / mark-up payable	-	-	6,774	-	-	1,209
Other liabilities	-	-	2,557	-	-	-
	-	-	9,331	-	-	1,209
	June 30, 2021			June 30, 2020		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
(Rupees in '000)						
<b>Income</b>						
Mark-up / return / interest earned	-	2,195	5,379	-	1,621	-
Reverse repo	-	-	352	-	-	-
<b>Expense</b>						
Mark-up / interest expensed	-	-	5,395	-	-	-
Operating expenses	3,910	107,410	897	4,478	117,639	4,667
Reimbursement of expenses	-	-	737	-	4,728	-
Expenses charged	-	-	4,124	-	-	-

- 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

	June 30, 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	9,896,084	9,137,523
Eligible Additional Tier 1 (ADT 1) Capital	-	-
Total Eligible Tier 1 Capital	9,896,084	9,137,523
Eligible Tier 2 Capital	-	-
Total Eligible Capital (Tier 1 + Tier 2)	9,896,084	9,137,523
<b>Risk Weighted Assets (RWAs):</b>		
Credit Risk	20,606,208	21,814,144
Market Risk	10,003,587	5,796,867
Operational Risk	2,210,082	2,210,082
Total	32,819,877	29,821,093
Common Equity Tier 1 Capital Adequacy ratio	30.15%	30.64%
Tier 1 Capital Adequacy Ratio	30.15%	30.64%
Total Capital Adequacy Ratio	30.15%	30.64%
<b>Leverage Ratio (LR):</b>		
Eligible Tier-1 Capital	9,896,084	9,137,523
Total Exposures	67,921,023	43,127,457
Leverage Ratio - percentage	14.57%	21.19%
<b>Liquidity Coverage Ratio (LCR):</b>		
Total High Quality Liquid Assets	11,818,309	9,207,538
Total Net Cash Outflow	12,666,987	7,900,138
Liquidity Coverage Ratio - percentage	93.30%	116.55%
<b>Net Stable Funding Ratio (NSFR):</b>		
Total Available Stable Funding	20,661,775	21,586,084
Total Required Stable Funding	18,106,354	19,210,958
Net Stable Funding Ratio - percentage	114.11%	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 August 30, 2021 by the Board of Directors of the Holding Company.

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

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

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director