

Pak Brunei Investment Company Limited
Condensed Interim Unconsolidated
Financial Statements
For the half year ended June 30, 2021



INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Pak Brunei Investment Company Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **Pak Brunei Investment Company Limited** as at June 30, 2021 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated cash flow statement, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the quarters ended June 30, 2021 and June 30, 2020 in the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

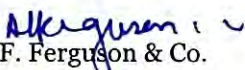
Scope of Review

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

Conclusion

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

The engagement partner on the review resulting in this independent auditors' review report is **Salman Hussain**.


A.F. Ferguson & Co.

Chartered Accountants

Karachi

Dated: September 2, 2021

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Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

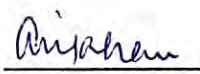
PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

June 30, 2021	December 31, 2020		Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- USD in '000 -----				----- Rupees in '000 -----	
ASSETS					
1,130	1,066	Cash and balances with treasury banks	8	178,105	168,090
2,194	2,676	Balances with other banks	9	346,182	422,121
48	3,219	Lendings to financial institutions	10	7,650	507,800
273,485	110,827	Investments	11	43,142,220	17,482,949
97,990	121,292	Advances	12	15,457,921	19,133,886
610	732	Fixed assets	13	96,236	115,471
25	25	Intangible assets	14	3,878	3,918
2,374	2,228	Deferred tax assets	15	374,521	351,475
12,310	9,427	Other assets	16	1,941,963	1,487,107
3,040	3,680	Assets classified as held-for-sale	17	479,569	580,596
393,206	255,172			62,028,245	40,253,413
LIABILITIES					
-	-	Bills payable		-	-
319,725	175,996	Borrowings	18	50,436,647	27,763,412
-	5,261	Deposits and other accounts	19	-	830,000
-	-	Liabilities against assets subject to finance lease		-	-
-	-	Subordinated debt		-	-
-	-	Deferred tax liabilities		-	-
5,333	5,880	Other liabilities	20	841,285	927,426
325,058	187,137			51,277,932	29,520,838
68,148	68,035	NET ASSETS		10,750,313	10,732,575
REPRESENTED BY					
38,035	38,035	Share capital		6,000,000	6,000,000
11,919	10,927	Reserves		1,880,154	1,723,782
(2,263)	(2,491)	Deficit on revaluation of assets	21	(357,042)	(392,920)
20,457	21,564	Unappropriated profit		3,227,201	3,401,713
68,148	68,035			10,750,313	10,732,575
CONTINGENCIES AND COMMITMENTS					
			22		

The annexed notes from 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.


President/Chief Executive


Chief Financial Officer


Director



Director



Director

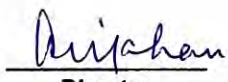
PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2021


Half year ended			Half year ended		Quarter 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 -----				
10,484	14,645	Mark-up / return / interest earned	23	1,653,910	2,310,279	984,136	904,163
7,573	12,186	Mark-up / return / interest expensed	24	1,194,675	1,922,329	755,068	713,905
2,911	2,459	Net mark-up / interest income		459,235	387,950	229,068	190,258
		Non mark-up / interest income					
208	222	Fee and commission income	25	32,843	35,015	16,707	17,348
14	86	Dividend income		2,178	13,541	2,003	4,143
821	3,214	Gain on securities	26	129,466	507,001	118,636	409,216
15	1	Other income	27	2,378	197	2,378	185
1,058	3,523	Total non-markup / interest income		166,865	555,754	139,724	430,892
3,969	5,982	Total income		626,100	943,704	368,792	621,150
		Non mark-up / interest expenses					
1,367	1,140	Operating expenses	28	215,704	179,851	112,806	90,326
49	-	Workers' Welfare Fund	29	7,876	-	7,876	(3,341)
1,416	1,140	Other charges	30	10,447	-	10,447	-
2,553	4,842	Total non mark-up / interest expenses		234,027	179,851	131,129	86,985
41	852	Profit before provisions		392,073	763,853	237,663	534,165
-	-	Provisions and write offs - net Extraordinary / unusual items	31	6,455	134,472	3,945	68,503
2,512	3,990	Profit before taxation		385,618	629,381	233,718	465,662
658	1,182	Taxation	32	103,758	186,448	58,587	138,970
1,854	2,808	Profit after taxation		281,860	442,933	175,131	326,692
		Basic and diluted earnings per share					
0.00298	0.00468		33	0.47	0.74	0.29	0.54

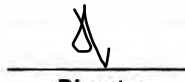
The annexed notes from 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.


 President/Chief Executive


 Chief Financial Officer


 Director


 Director


 Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2021

Half year ended			Half year ended		Quarter 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 -----			
1,854	2,808	Profit after taxation for the period	281,860	442,933	175,131	326,692
		Other comprehensive income / (loss)				
		<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
227	(138)	Movement in surplus / (deficit) on revaluation of investments - net of tax	35,878	(21,697)	175,051	131,707
<u>2,081</u>	<u>2,670</u>	Total comprehensive income	<u>317,738</u>	<u>421,236</u>	<u>350,182</u>	<u>458,399</u>

The annexed notes from 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.


 President/Chief Executive


 Chief Financial Officer


 Director


 Director


 Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED JUNE 30, 2021

	Share capital	Capital reserve Statutory reserve (a)	General reserve	Surplus / (deficit) on revaluation of assets	Revenue reserve Unappropriated profit	Total
	Rupees in '000					
Balance as at January 1, 2020 (audited)	6,000,000	1,480,107	-	(150,898)	3,220,186	10,549,395
Total comprehensive income for the period						
Profit after taxation for the half year ended June 30, 2020	-	-	-	-	442,933	442,933
Other comprehensive loss						
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(21,697)	-	(21,697)
	-	-	-	(21,697)	442,933	421,236
Transfer to statutory reserve	-	88,587	-	-	(88,587)	-
Transfer to general reserve	-	-	100,000	-	(100,000)	-
Transactions with owners, recorded directly in equity						
Final cash dividend paid for the year ended December 31, 2019 @ Re. 0.50 per share	-	-	-	-	(300,000)	(300,000)
Balance as at June 30, 2020 (un-audited)	6,000,000	1,568,694	100,000	(172,595)	3,174,532	10,670,631
Total comprehensive income for the period						
Profit after taxation for the half year ended December 31, 2020	-	-	-	-	275,440	275,440
Other comprehensive income / (loss)						
- Remeasurement gain on defined benefit obligations - net of tax	-	-	-	-	6,829	6,829
- Movement in deficit on revaluation of investments - net of tax	-	-	-	(220,325)	-	(220,325)
	-	-	-	(220,325)	282,269	61,944
Transfer to statutory reserve	-	55,088	-	-	(55,088)	-
Balance as at December 31, 2020 (audited)	6,000,000	1,623,782	100,000	(392,920)	3,401,713	10,732,575
Total comprehensive income for the period						
Profit after taxation for the half year ended June 30, 2021	-	-	-	-	281,860	281,860
Other comprehensive income						
- Movement in surplus on revaluation of investments - net of tax	-	-	-	35,878	-	35,878
	-	-	-	35,878	281,860	317,738
Transfer to statutory reserve	-	56,372	-	-	(56,372)	-
Transfer to general reserve	-	-	100,000	-	(100,000)	-
Transactions with owners, recorded directly in equity						
Final cash dividend paid for the year ended December 31, 2020 @ Re. 0.50 per share	-	-	-	-	(300,000)	(300,000)
Balance as at June 30, 2021 (un-audited)	6,000,000	1,680,154	200,000	(357,042)	3,227,201	10,750,313

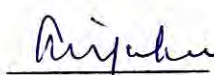
(a) This represents reserve created under section 21(i)(a) of the Banking Companies Ordinance, 1962.

The annexed notes from 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

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President/Chief Executive


Chief Financial Officer


Director


Director


Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

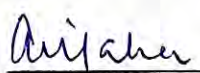
Half year ended			Note	Half year ended	
June 30, 2021	June 30, 2020			June 30, 2021	June 30, 2020
----- USD in '000 -----				----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES					
2,512	3,990	Profit before taxation		385,618	629,381
14	86	Less: Dividend income		2,178	13,541
<u>2,498</u>	<u>3,904</u>			<u>383,440</u>	<u>615,840</u>
Adjustments:					
137	122	Depreciation		21,661	19,183
5	4	Amortisation		881	590
41	852	Provision and write-offs	31	6,455	134,472
(1)	-	Gain on sale of fixed assets		(163)	(47)
49	-	Provision for Sindh Workers' Welfare Fund		7,876	-
(1)	-	Unrealised loss / (gain) on revaluation of investments classified as held for trading - net		(80)	-
<u>230</u>	<u>978</u>			<u>36,630</u>	<u>154,198</u>
<u>2,728</u>	<u>4,882</u>			<u>420,070</u>	<u>770,038</u>
Decrease in operating assets					
3,171	28,483	Lendings to financial institutions		500,150	4,493,200
(59)	-	Held-for-trading securities		(9,258)	-
23,220	13,839	Advances		3,663,010	2,183,155
(2,382)	1,684	Others assets (excluding advance taxation)		(375,732)	265,726
<u>23,950</u>	<u>44,006</u>			<u>3,778,170</u>	<u>6,942,081</u>
Increase/ (decrease) in operating liabilities					
143,664	(85,807)	Borrowings from financial institutions		22,673,235	(13,536,131)
(5,261)	(761)	Deposits		(830,000)	(120,000)
(596)	(3,846)	Other liabilities (excluding current taxation)		(94,017)	(606,722)
<u>137,807</u>	<u>(90,414)</u>			<u>21,749,218</u>	<u>(14,262,853)</u>
<u>(725)</u>	<u>(1,742)</u>	Income tax paid		<u>(114,421)</u>	<u>(274,836)</u>
<u>163,760</u>	<u>(43,268)</u>	Net cash generated from / (used in) operating activities		<u>25,833,037</u>	<u>(6,825,570)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
(162,541)	47,504	Net (investments) / divestments in available-for-sale securities		(25,640,777)	7,493,698
271	1	Net investments in held-to-maturity securities		42,742	166
14	86	Dividends received		2,178	13,541
(16)	(11)	Investments in operating fixed assets		(2,474)	(1,706)
(5)	(5)	Investments in operating intangible assets		(841)	(830)
1	-	Proceeds from sale of fixed assets		211	47
<u>(162,276)</u>	<u>47,575</u>	Net cash (used in) / generated from investing activities		<u>(25,598,961)</u>	<u>7,504,916</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
(1,902)	(1,902)	Dividend paid		(300,000)	(300,000)
<u>(1,902)</u>	<u>(1,902)</u>	Net cash used in financing activities		<u>(300,000)</u>	<u>(300,000)</u>
(418)	2,405	(Decrease) / increase in cash and cash equivalents		(65,924)	379,346
3,742	1,860	Cash and cash equivalents at beginning of the period		590,211	293,480
<u>3,324</u>	<u>4,265</u>	Cash and cash equivalents at end of the period		<u>524,287</u>	<u>672,826</u>

The annexed notes from 1 to 39 form an integral part of these condensed interim unconsolidated financial statements.

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President/Chief Executive


Chief Financial Officer


Director


Director


Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO AND FORMING PART OF THE CONDENSED INTERIM
UNCONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

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 provisions of repealed Companies Ordinance, 1984 (now Companies Act, 2017). 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 (December 31, 2020: 2) with one located in Karachi and the other in Lahore.

2 BASIS OF PRESENTATION

2.1 Statement of compliance

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

- International Accounting Standards (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of, and directives issued under the Banking Companies Ordinance, 1962 and Companies Act, 2017; and
- Directives issued by the State Bank of Pakistan (SBP) and the Securities and Exchange Commission of Pakistan (SECP).

Whenever the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of IAS 34, the requirements of the Banking Companies Ordinance, 1962, the Companies Act, 2017 and the said directives shall prevail.

2.2 These condensed interim unconsolidated financial statements do not include all the information and disclosures required in the annual audited unconsolidated financial statements, and are limited based on the format prescribed by the State Bank of Pakistan (SBP) through BPRD Circular Letter No. 05 dated March 22, 2019 and IAS 34, and should be read in conjunction with the annual audited unconsolidated financial statements for the year ended December 31, 2020.

2.3 The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standards 40, Investment Property, for banking companies / DFIs till further instructions. Further, the SECP, through S.R.O. 411(1) / 2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, for banks and DFIs. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim unconsolidated financial statements. Additionally, SBP has deferred the applicability of IFRS 9 for banks and DFIs to accounting periods beginning on or after January 1, 2022. Investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

2.4 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current period:

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim unconsolidated financial statements.

2.5 Standards, interpretations of and amendments to the published accounting and reporting standard that are not yet effective:

2.5.1 The following revised standards, amendments and interpretations with respect to the accounting and reporting standards would be effective from the dates mentioned below against the respective standards, amendments or interpretations:

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Standards, interpretations or amendments	Effective date (periods ending on or after)
- IFRS 9 - 'Financial instruments'	January 1, 2022*
- IAS 1 - 'Presentation of financial statements' (amendments)	January 1, 2022
- IAS 16 - 'Property, plant and equipment' (amendments)	January 1, 2022
- IAS 37 - 'Provision, contingent liabilities and contingent assets' (amendments)	January 1, 2022

The management is in the process of assessing the impact of these standards and amendments on the condensed interim unconsolidated financial statements of the Company.

- * As per the SBP's BPRD Circular Letter no. 24 dated July 05, 2021, the implementation of IFRS 9 to DFIs in Pakistan has been deferred to accounting periods beginning on or after January 01, 2022. Meanwhile, DFIs are required to submit IFRS 9 compatible pro forma financial statements for the year ending December 31, 2021 and perform parallel run of IFRS 9 on quarterly basis. Further, the SBP will provide a timeline by December 2021 for absorption of "Expected Credit Loss" (ECL), for Capital Adequacy Ratio (CAR) purposes, after assessment / evaluation of pro forma financial statements. Currently, the Company is in the process of assessing the impact of application of IFRS 9 on the Company's financial statements on the basis of draft guidelines issued by the State Bank of Pakistan.

2.5.2 There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 1, 2022, but are considered not to be relevant or will not have any significant effect on the Company's operations and are therefore not detailed in these condensed interim unconsolidated financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the annual unconsolidated financial statements of the Company for the year ended December 31, 2020.

4 BASIS OF MEASUREMENT

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention except for the following:

- Non-current assets classified as held for sale are valued at lower of carrying amount and fair value less cost to sell;
- Certain investments are marked to market and carried at fair value; and
- Obligation in respect of staff retirement benefits and lease liabilities which have been carried at present value and right-of-use assets which are initially measured at an amount equal to the corresponding lease liabilities (adjusted for any lease payments and certain specified costs) and depreciated over the respective lease terms.

5 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the condensed interim unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These condensed interim unconsolidated financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

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 provided as additional information solely for the convenience of users of the financial statements. For the purpose of conversion to US Dollars, the rate of Rs 157.75 to US Dollars has been used for 2021 and 2020 as it was the prevalent rate on June 30, 2021.

6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim unconsolidated financial statements in conformity with the accounting and reporting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires management to exercise judgment in the application of its accounting policies. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant judgments and estimates made by the management in applying its accounting policies and the key sources of estimation uncertainty were the same as those applied to the unconsolidated financial statements of the Company for the year ended December 31, 2020.

7 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 unconsolidated financial statements for the year ended December 31, 2020.

8	CASH AND BALANCES WITH TREASURY BANKS	Note	(Un-audited)	(Audited)
			June 30, 2021	December 31, 2020

With State Bank of Pakistan in:
Local currency current account

----- Rupees in '000 -----
178,105 168,090

8.1 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.

9	BALANCES WITH OTHER BANKS	Note	(Un-audited)	(Audited)
			June 30, 2021	December 31, 2020

In Pakistan
In deposit accounts

----- Rupees in '000 -----
346,182 422,121

10 LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (reverse repo)

10.1 7,650 507,800

10.1 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, 2020: January 06, 2021).

11 INVESTMENTS

11.1 Investments by type:

Note	(Un-audited)				(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 -----								
Held-for-trading securities								
Ordinary shares								
	9,258	-	80	9,338	-	-	-	-
	9,258	-	80	9,338	-	-	-	-
Available-for-sale securities								
Federal government securities								
11.1.1	38,292,931	-	(522,117)	37,770,814	12,434,784	-	(553,286)	11,881,498
Ordinary shares								
11.1.1	1,163,435	(71,337)	14,192	1,106,290	809,168	(77,837)	(3,252)	728,079
Non-government debt securities								
11.1.1	2,431,177	(269,110)	750	2,162,817	2,851,129	(269,110)	12,563	2,594,582
Modaraba certificates								
	38,335	-	1,659	39,994	-	-	-	-
Units of mutual funds								
	50,000	-	(405)	49,595	240,020	-	(7,344)	232,676
	41,975,878	(340,447)	(505,921)	41,129,510	16,335,101	(346,947)	(551,319)	15,436,835
Held-to-maturity securities								
Commercial paper								
11.3	-	-	-	-	42,742	-	-	42,742
	-	-	-	-	42,742	-	-	42,742
Subsidiaries								
11.4	2,003,372	-	-	2,003,372	2,003,372	-	-	2,003,372
Total investments	43,988,508	(340,447)	(505,841)	43,142,220	18,381,215	(346,947)	(551,319)	17,482,949

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	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
11.1.1 Investments given as collateral		
Market Treasury Bills	3,060,776	1,194,164
Pakistan Investment Bonds	17,847,124	8,666,130
Term finance / sukuks certificates	739,824	739,824
	<u>21,647,724</u>	<u>10,600,118</u>

11.2 Provision for diminution in value of investments

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

11.2.2 Particulars of provision against debt securities

Category of classification	(Un-audited) June 30, 2021		(Audited) December 31, 2020	
	Non-performing investment	Provision	Non-performing investments	Provision
	----- (Rupees in '000) -----			
Domestic				
Loss	<u>269,110</u>	<u>269,110</u>	<u>269,110</u>	<u>269,110</u>

11.3 The market value of securities classified as held to maturity as at June 30, 2021 amounted to Rs. nil (December 31, 2020: Rs. 42.742 million).

11.4 Summary of financial information of subsidiaries

Investment in subsidiaries	Percentage of holding		Country of incorporation	Total assets	Total liabilities	Revenue	Profit / (loss) after tax	Total comprehensive income / (loss)	June 30, 2021	December 31, 2020
	2021	2020								
----- Rupees in '000 -----										
Awwal Modaraba										
Management Limited	100.00	100.00	Pakistan	124,711	79,640	20,078	(19,462)	(35,976)	105,000	105,000
Awwal Modaraba*	89.78	89.78	Pakistan	1,196,402	28,872	35,818	13,900	20,904	898,372	898,372
Primus Leasing Limited	100.00	100.00	Pakistan	1,366,096	343,274	125,955	66,562	66,562	1,000,000	1,000,000
									<u>2,003,372</u>	<u>2,003,372</u>

* The details for Awwal Modaraba have been provided based on its audited financial statements for the year ended June 30, 2021.

12 ADVANCES

	(Un-audited)		(Audited)		(Un-audited)		(Audited)	
	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.	14,892,867	18,573,440	1,001,451	983,888	15,894,318	19,557,328		
Advances - gross	<u>14,892,867</u>	<u>18,573,440</u>	<u>1,001,451</u>	<u>983,888</u>	<u>15,894,318</u>	<u>19,557,328</u>		
Provision against advances								
- Specific	-	-	436,397	423,442	436,397	423,442		
- General	-	-	-	-	-	-		
	-	-	436,397	423,442	436,397	423,442		
Advances - net of provision	<u>14,892,867</u>	<u>18,573,440</u>	<u>565,054</u>	<u>560,446</u>	<u>15,457,921</u>	<u>19,133,886</u>		

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	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
12.1 Particulars of advances (gross)		
In local currency	15,894,318	19,557,328
In foreign currencies	-	-
	<u>15,894,318</u>	<u>19,557,328</u>

12.2 Advances include Rs. 1,001.451 million (December 31, 2020: Rs. 983.888 million) which have been placed under the non-performing status as detailed below:

Category of classification	Note	(Un-audited) June 30, 2021		(Audited) December 31, 2020	
		Non performing loans	Provision	Non performing loans	Provision
		----- Rupees in '000 -----			
Domestic					
Other assets especially mentioned	12.2.1	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>

12.2.1 The 'Other assets especially mentioned' category pertains to small enterprise finance.

12.3 Particulars of provision against advances

	(Un-audited) June 30, 2021			(Audited) December 31, 2020		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000 -----					
Opening balance	423,442	-	423,442	394,034	-	394,034
Charge for the period / year	16,029	-	16,029	54,768	-	54,768
Reversals during the period / year	(3,074)	-	(3,074)	(25,360)	-	(25,360)
Amounts written off	-	-	-	29,408	-	29,408
Closing balance	<u>436,397</u>	-	<u>436,397</u>	<u>423,442</u>	-	<u>423,442</u>

12.3.1 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. 336.648 million (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 million) is not available for the distribution as either cash or stock dividend to the shareholders.

	(Un-audited) June 30, 2021	(Audited) December 31, 2020
	----- Rupees in '000 -----	
13 FIXED ASSETS		
Property and equipment	22,183	24,491
Right-of-use assets	74,053	90,980
	<u>96,236</u>	<u>115,471</u>

	Un-audited	
	Half year ended June 30, 2021	Half year ended June 30, 2020
	----- Rupees in '000 -----	
13.1 Additions to fixed assets		

The following additions have been made to fixed assets during the period:

Capital work-in-progress	-	240
Property and equipment		
Electrical, office and computer equipment	3,139	1,471
Total	<u>3,139</u>	<u>1,711</u>

13.2 Disposal of fixed assets

Furniture and fixtures, Office equipment and IT equipment having cost of Rs. 0.49 million, 1.78 million and Rs. 1.05 million respectively and having net book value of nil, 0.0498 million and nil respectively were disposed off for Rs. 0.0106 million, 0.1802 million and Rs. 0.0226 million respectively.

	Note	(Un-audited) June 30, 2021 ----- Rupees in '000 -----	(Audited) December 31, 2020
14 INTANGIBLE ASSETS			
Computer software		699	1,580
Capital work-in-progress	14.1	3,179	2,338
		<u>3,878</u>	<u>3,918</u>
14.1 Capital work-in-progress			
Software		<u>3,179</u>	<u>2,338</u>
15 DEFERRED TAX ASSETS			
Deductible temporary differences on:			
- Provision for diminution in the value of investments		90,183	91,157
- Provision against advances, other assets, etc.		126,556	122,798
- Deficit on revaluation of investments		148,879	158,399
- Accelerated tax depreciation		2,638	4,552
- Lease liability against right-of-use asset		22,736	21,945
- Amortisation of discount on investments		14,106	(9,862)
- Provision for bonus		7,250	11,600
		412,348	400,589
Taxable temporary differences on:			
- Net investment in finance lease		(13,811)	(20,189)
- Post retirement employee benefits		(2,541)	(2,541)
- Right-of-use assets		(21,475)	(26,384)
		(37,827)	(49,114)
		<u>374,521</u>	<u>351,475</u>
16 OTHER ASSETS			
Income / mark-up accrued in local currency		1,286,093	593,580
Advances, deposits, advance rent and other prepayments		8,580	8,494
Advance taxation (payments less provisions)		631,781	653,684
Advance against subscription of term finance certificates		-	150,000
Receivable against sale of shares		-	65,406
Receivable from related parties	16.1	2,572	3,613
Lease receivable under IFRS-16	16.2	1,720	2,092
Receivable from defined benefit plan - related party		11,217	10,238
		<u>1,941,963</u>	<u>1,487,107</u>
Less: Provision held against other assets		-	-
		<u>1,941,963</u>	<u>1,487,107</u>
16.1 Receivable from related parties			
Receivable from Awwal Modaraba (subsidiary)		1,060	-
Receivable from other Modarabas managed by Awwal Modaraba Management Limited (related parties)		809	1,024
Receivable from Primus Leasing Company Limited (subsidiary)		703	2,589
		<u>2,572</u>	<u>3,613</u>
16.2			

This includes lease receivable against sublease under IFRS-16 amounting to Rs. 1.720 million (December 31, 2020: Rs. 2.092 million) from Primus Leasing Limited.

All in

	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
17		----- Rupees in '000 -----	
ASSETS CLASSIFIED AS HELD-FOR-SALE			
<i>Land, building and machinery acquired from:</i>			
	17.1		
		393,258	387,745
		86,311	86,111
		-	29,050
		-	77,690
		<u>479,569</u>	<u>580,596</u>

17.1 These represent land, building and machinery which have been classified as 'non-current assets held for sale' as at June 30, 2021. The details of assets classified as held for sale are as follows:

Sufi Steel Industries (Private) Limited

The property was acquired to settle the obligations of Sufi Steel Industries (Private) Limited that includes the following:

- Payment of installment of principal amounting to Rs. 193.509 million and Rs. 188.499 million pertaining to advances and leases respectively; and
- Amount due by Sufi Steel Industries (Private) Limited towards Company's subsidiary Awwal Modaraba pertaining to advisory fee aggregating to Rs. 11.250 million. This amount was duly paid by the Company to Awwal Modaraba.

Sufi Steels has filed an appeal in the High Court praying that the Company should be restrained from further alienating the properties.

Lion Steel Industries (Private) Limited

The property was acquired to settle the obligations of Lion Steel Industries (Private) Limited relating to payment of installment of principal and mark-up amounting to Rs. 52.460 million and Rs. 33.851 million.

The Company is in the process of disposing of these properties. It is expected that the process of sale of these properties will be completed in the near future.

	Note	June 30, 2021	December 31, 2020
18		----- Rupees in '000 -----	
BORROWINGS			
<i>Secured</i>			
Borrowings from State Bank of Pakistan:			
- Long-Term Finance Facility (LTFF) scheme	18.1	5,050,465	5,249,794
- Power Plants Using Renewable Energy (PPRE) scheme	18.2	81,792	104,562
- Temporary Economic Refinance Facility (TERF)	18.3	396,363	156,759
- Finance for Storage of Agriculture Produce (FSAP) scheme	18.4	191,978	213,492
- Credit Guarantee (CGS) Scheme	18.5	44,419	20,999
- Special Persons (SP) Scheme	18.6	2,175	2,425
- Working capital (WC) Scheme	18.7	251,250	-
- COVID - 19 Scheme	18.8	9,000	-
- Balancing, Modernization & Replacement (BMR) scheme	18.9	69,528	20,602
		6,096,970	5,768,633
Repurchase agreement borrowings	18.10	17,038,974	7,391,858
Borrowings from banks	18.11	10,504,045	12,162,316
Total secured		<u>33,639,989</u>	<u>25,322,807</u>
<i>Unsecured</i>			
Letters of placement:			
	18.12		
- Primus Leasing Limited (subsidiary)		-	132,982
- Awwal Modaraba (subsidiary)		239,000	200,000
- Staff retirement funds (related party)		1,625	72,722
- Others		16,556,033	2,034,901
AMU		<u>50,436,647</u>	<u>27,763,412</u>

- 18.1 These represent borrowings from the SBP under scheme for long term financing facility (LTFF). The mark-up rates on these facilities are ranging from 2% to 6% per annum (2020: 2% to 6% per annum) payable on quarterly basis, with maturities upto June 2031 (2020: November 2030). As per the terms of the agreements, the Company has granted the SBP a right to recover the outstanding amounts from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 18.2 These represent borrowings from the SBP under scheme for long term financing facility for renewable power energy (RPE). The mark-up rates on these facilities ranges from 2% to 5% per annum (2020: 2% to 4.5% per annum), payable on quarterly basis, with maturities upto June 2026 (2020: June 2026). As per the agreements, the Company has granted the SBP the right to recover the outstanding amounts from the Company at the maturity date of finances by directly debiting the current account of the Company maintained with the SBP.
- 18.3 In accordance with the temporary economic refinance facility (TERF), the Company has entered into agreements for financing with the SBP for extending long term finance to the customers. The average profit rate on this facility is 1% (2020: 1%) payable on quarterly basis with maturities upto June 2031 (2020: September 2030). As per the agreements, the Company has granted the SBP the right to recover the outstanding amounts from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP.
- 18.4 These represent borrowings from the SBP under scheme of financing facility for storage of agricultural produce (FFSAP). The mark-up rates on these facilities are ranging from 2.5% to 4% per annum (2020: 2.5% to 4% per annum) payable on quarterly basis with maturities upto January 2025 (2020: January 2025). As per the agreements, the Company has granted the SBP the right to recover the outstanding amounts from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP.
- 18.5 These represent borrowings from the SBP under scheme for refinance and credit guarantee schemes. The mark-up rate applicable on these facilities is 0% per annum (2020: 0% per annum) with maturities upto March 2026 (2020: November 2025). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 18.6 These represent financing facilities to special persons to meet credit needs for setting up of new business enterprises or for expansion of existing ones and claim refinance from State Bank of Pakistan upto 100% of finance extended by them. The spread is capped at 5% per annum by the SBP whereas the SBP's refinance rate for this facility is 0% per annum. In case of default of the counterparty, upto 60% of principal is covered by the SBP.
- 18.7 In accordance with the refinance facility for working capital, the Company has entered into agreements for financing with the SBP for extending financing to meet working capital requirements of the customers. The profit rate on this facility is 2% (2020: Nil) payable on quarterly basis with maturities upto July 2022 (2020: Nil). As per the agreements, the Company has granted the SBP the right to recover the outstanding amounts from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP.
- 18.8 In accordance with the refinance facility for combating COVID-19, the Company has entered into agreements for financing with the SBP for extending medical equipment finances to the customers. The average profit rate on this facility is 0% (2020: Nil) with maturities upto October 2025 (2020: Nil). As per the agreements, the Company has granted the SBP the right to recover the outstanding amounts from the Company at the date of maturity of the finances by directly debiting the current account maintained by the Company with the SBP.
- 18.9 These represent borrowings from the SBP under scheme for balancing, modernization & replacement scheme. The mark-up rate applicable on these facilities is 2% per annum (2020: 2% per annum) payable on quarterly basis, with maturities upto April 2026 (2020: July 2025). As per the terms of the agreement, the Company has granted the SBP a right to recover the outstanding amount from the Company at the respective date of maturity of finances by directly debiting the current account of the Company maintained with the SBP.
- 18.10 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).
- 18.11 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).

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18.12 Particulars of borrowings - Letter of Placements (LoPs)

(Un-audited)		
June 30, 2021		
Minimum (%)	Maximum (%)	Tenor

Letters of placement:

- Primus Leasing Limited (subsidiary)	-	-	-
- Awwal Modaraba (subsidiary)	6.50	7.10	1 month
- Staff retirement funds	14.00	14.00	1.5 years
- Others	6.5	7.6	6 months

(Audited)		
December 31, 2020		
Minimum (%)	Maximum (%)	Tenor

Letters of placement:

- Primus Leasing Limited (subsidiary)	7.00	7.00	1 month
- Awwal Modaraba (subsidiary)	6.50	6.50	7 months
- Staff retirement funds	7.10	14.00	2 years
- Others	6.5	7.5	3 months

19 DEPOSITS AND OTHER ACCOUNTS

(Un-audited)			(Audited)		
June 30, 2021			December 31, 2020		
In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total

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

Customers

- Certificate of investments (COIs)	-	-	-	830,000	-	830,000
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Financial Institutions

- Certificate of investments (COIs)	-	-	-	-	-	-
	-	-	-	830,000	-	830,000

20 OTHER LIABILITIES

	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- Rupees in '000 -----			
Mark-up / return / interest payable in local currency		176,386	164,436
Unearned commission and income on bills discounted		24,931	30,085
Accrued expenses		43,171	61,150
Brokerage / commission payable		2,526	1,401
Payable against purchase of shares		9,258	100,456
Security deposits against advances		249,138	253,450
Provision for Sindh Worker's Welfare Fund		130,538	122,662
Payable to Awwal Modaraba - subsidiary		-	10,706
Lease liability against right-of-use assets		78,400	111,119
Advance from customers		-	63,596
Advance against sale of shares		102,000	-
Penalty payable		10,447	-
Others		14,490	8,365
		<u>841,285</u>	<u>927,426</u>

21 DEFICIT ON REVALUATION OF ASSETS - NET OF TAX

Deficit on revaluation of:

- Available-for-sale securities	11.1	(505,921)	(551,319)
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Deferred tax on deficit on revaluation of:

- Available-for-sale securities		148,879	158,399
		<u>(357,042)</u>	<u>(392,920)</u>

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	Note	(Un-audited) June 30, 2021	(Audited) December 31, 2020
----- Rupees in '000 -----			
22 CONTINGENCIES AND COMMITMENTS			
- Guarantees	22.1	702,456	980,103
- Commitments	22.2	23,269,059	11,244,892
- Other contingent liabilities	22.3	-	-
		<u>23,971,515</u>	<u>12,224,995</u>
22.1 Guarantees			
Financial guarantees		<u>702,456</u>	<u>980,103</u>
22.2 Commitments			
Documentary credits and short-term trade-related transactions			
- letters of credit		515,666	323,157
Commitments in respect of:			
- repo transactions	22.2.1	17,056,074	7,908,009
- forward lendings	22.2.2	5,097,319	2,263,726
- other commitments	22.2.3	600,000	750,000
		<u>23,269,059</u>	<u>11,244,892</u>
22.2.1 Commitments in respect of repo transactions			
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>
22.2.2 Commitments in respect of forward lendings			
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.

22.2.3 Other commitments

This represents commitment to make injection on behalf of Awwal Modaraba Management Limited (the subsidiary) in KASB Modaraba, First Pak Modaraba and First Prudential Modaraba aggregating to Rs. 750 million out of which Rs. 150 million was injected during the half year ended June 30, 2021.

22.3 Other contingent liabilities

22.3.1 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.

22.3.2 The returns of income of the Company from tax years 2008 to 2020 had been filed with the tax authorities. From tax year 2008 up to tax year 2019, these returns have been revised and additional tax demands have been raised of which Rs. 649.390 million are outstanding as at June 30, 2021. The matters which have been raised in these demands mainly included allocation of common expenses to dividend income, taxation of discount income, additions on account of concessional loans to employees and deletion of the charge pertaining to the Workers' Welfare Fund. The 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.

All in

22.3.3 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 has received a notice of demand for indemnification from AWT Investments Limited (AWTIL) under the aforesaid agreement for an amount of Rs. 34.362 million. The Company has also received a notice of demand for indemnification from AWT 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.

		(Un-audited)	
		Half year ended June 30, 2021	Half year ended June 30, 2020
		----- Rupees in '000 -----	
23	MARK-UP / RETURN / INTEREST EARNED	Note	
	On:		
	a) Loans and advances	586,538	888,872
	b) Investments	1,051,146	1,292,351
	c) Lendings to financial institutions	13,896	122,361
	d) Sub-lease of premises	81	488
	e) Balances with banks	2,249	6,207
		<u>1,653,910</u>	<u>2,310,279</u>
24	MARK-UP / RETURN / INTEREST EXPENSED		
	Deposits	16,737	30,211
	Interest expense on lease liability	3,267	5,898
	Borrowings	1,174,671	1,886,220
		<u>1,194,675</u>	<u>1,922,329</u>
25	FEE AND COMMISSION INCOME		
	Advisory / arrangement fee	-	45
	Processing fee income	1,284	1,178
	Commitment fee	4,564	5,632
	Trustee fee	26,955	28,044
	Front end fee	40	116
		<u>32,843</u>	<u>35,015</u>
26	GAIN ON SECURITIES		
	Realised	129,386	507,001
	Unrealised gain - held for trading	80	-
		<u>129,466</u>	<u>507,001</u>
26.1	Realised gain / (loss) on:		
	Federal government securities	47,076	510,798
	Ordinary shares	67,273	(3,652)
	Non-government debt securities	368	-
	Commercial paper	6	44
	Mutual funds	14,663	(189)
		<u>129,386</u>	<u>507,001</u>
27	OTHER INCOME		
	Rent on property	-	150
	Gain on sale of assets classified as held-for-sale	2,215	-
	Gain on sale of fixed assets - net	163	47
	Others	-	-
		<u>2,378</u>	<u>197</u>

		(Un-audited)	
		Half year ended June 30, 2021	Half year ended June 30, 2020
		----- Rupees in '000 -----	
28	OPERATING EXPENSES		
	Total compensation expense	126,217	98,294
	Property expense		
	Rent and taxes	121	121
	Insurance	3,215	2,074
	Security	857	577
	Utilities cost	1,895	2,342
	Repairs and maintenance (including janitorial charges)	2,819	2,483
	Depreciation	16,687	14,252
		25,594	21,849
	Information technology expenses		
	Software maintenance	829	2,474
	Hardware maintenance	375	1,159
	Depreciation	1,625	1,475
	Amortisation	881	590
		3,710	5,698
	Other operating expenses		
	Directors' fees and allowances	2,400	2,400
	Fees and subscription	1,214	869
	Legal and professional charges	9,925	5,382
	Outsourced services costs	2,998	3,087
	Travelling and conveyance	20,242	17,207
	Brokerage commission	9,340	9,623
	Depreciation	3,349	3,456
	Training and development	1,136	473
	Postage and courier charges	258	320
	Communication	1,262	1,184
	Stationery and printing	1,244	504
	Marketing, advertisement and publicity	41	265
	Donations	2,000	5,000
	Auditors' remuneration	2,203	637
	Others	2,571	3,603
		60,183	54,010
		<u>215,704</u>	<u>179,851</u>
29	WORKERS' WELFARE FUND		
	Provision for Workers' Welfare Fund	29.1	<u>7,876</u> -
29.1	<p>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 condensed interim unconsolidated financial statements amounting to Rs 130.538 million which includes a provision of Rs 7.876 million for the current period.</p>		
		(Un-audited)	
		Half year ended June 30, 2021	Half year ended June 30, 2020
		----- Rupees in '000 -----	
30	OTHER CHARGES		
	Penalties imposed by the State Bank of Pakistan	10,447	-
	<i>AU 1</i>		

		(Un-audited)	
		Half year ended June 30, 2021	Half year ended June 30, 2020
		----- Rupees in '000 -----	
31	PROVISIONS AND WRITE OFFS - NET		
	(Reversal of provision) / provision for diminution in value of investments	11.2 (6,500)	86,724
	Provisions against loans and advances	12.3 12,955	47,748
		<u>6,455</u>	<u>134,472</u>
32	TAXATION		
	Current	136,324	214,505
	Deferred	(32,566)	(28,057)
		<u>103,758</u>	<u>186,448</u>
33	BASIC EARNINGS PER SHARE		
	Profit for the period	<u>281,860</u>	<u>442,933</u>
		Number of shares ----- in 000 -----	
	Weighted average number of ordinary shares	<u>600,000</u>	<u>600,000</u>
		----- Rupees -----	
	Basic earnings per share	<u>0.47</u>	<u>0.74</u>

33.1 Diluted earnings per share

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

34 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.

34.1 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).

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Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and input used
Fully paid-up ordinary shares / units of modaraba certificates	Fair values of investments in listed equity securities and units of modaraba certificates 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 / PKFRV rates.
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 their net asset value (NAV) as published at the close of each 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:

	(Un-audited)			
	June 30, 2021			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal government securities	-	37,770,814	-	37,770,814
Shares	1,106,290	-	-	1,106,290
Non-Government debt securities	-	2,162,817	-	2,162,817
Units of mutual funds	-	49,595	-	49,595
Units of modaraba certificates	39,994	-	-	39,994
Off-balance sheet financial instruments - measured at fair value				
Commitments in respect of repo transactions	-	17,056,074	-	17,056,074
Commitments in respect of stock future contracts	70,089	-	-	70,089

	(Audited)			
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
Financial assets - measured at fair value				
Investments				
Federal government securities	-	11,881,498	-	11,881,498
Shares	728,079	-	-	728,079
Non-Government debt securities	-	2,594,582	-	2,594,582
Units of mutual funds	-	232,676	-	232,676
Off-balance sheet financial instruments - measured at fair value				
Commitments in respect of repo transactions	-	7,908,009	-	7,908,009

35 SEGMENT INFORMATION

	Half year ended June 30, 2021			
	Corporate finance	Trading and sales	Commercial banking	Total
----- Rupees in '000 -----				
Condensed interim unconsolidated profit and loss account for the half year ended June 30, 2021 (un-audited)				
Net Mark-up / return / interest income	-	288,791	170,444	459,235
Non mark-up / return / interest income	32,843	134,022	-	166,865
Total income	32,843	422,813	170,444	626,100
Segment direct expenses	12,276	158,041	63,710	234,027
Total expenses	12,276	158,041	63,710	234,027
Provisions	-	(1,539)	7,994	6,455
Profit before tax	20,567	266,311	98,740	385,618

ALL IN

June 30, 2021				
Corporate finance	Trading and sales	Commercial banking	Total	
----- Rupees in '000 -----				
Condensed interim unconsolidated statement of financial position (un-audited)				
Cash and bank balances	27,502	354,057	142,728	524,287
Investments	-	43,142,220	-	43,142,220
Lendings to financial institutions	-	7,650	-	7,650
Advances - performing	-	857,266	14,035,601	14,892,867
- non-performing	-	54,714	510,340	565,054
Others	5,252	2,060,347	830,568	2,896,167
Total assets	32,754	46,476,254	15,519,237	62,028,245
Borrowings	-	38,530,002	11,906,645	50,436,647
Deposits and other accounts	-	-	-	-
Others	-	599,581	241,704	841,285
Total liabilities	-	39,129,583	12,148,349	51,277,932
Equity	32,754	7,346,671	3,370,888	10,750,313
Total equity and liabilities	32,754	46,476,254	15,519,237	62,028,245
Contingencies and commitments	-	17,726,163	6,245,352	23,971,515

Half year ended June 30, 2020				
Corporate finance	Trading and sales	Commercial banking	Total	
----- Rupees in '000 -----				
Unconsolidated profit and loss account for the half year ended June 30, 2020 (un-audited)				
Net mark-up / return / interest income	-	263,670	124,280	387,950
Non mark-up / return / interest income	35,015	520,739	-	555,754
Total income	35,015	784,409	124,280	943,704
Segment direct expenses	6,434	149,791	23,626	179,851
Total expenses	6,434	149,791	23,626	179,851
Provisions	-	90,938	43,534	134,472
Profit before tax	28,581	543,680	57,120	629,381

December 31, 2020				
Corporate finance	Trading and sales	Commercial banking	Total	
----- Rupees in '000 -----				
Unconsolidated statement of financial position (audited)				
Cash and bank balances	29,968	486,510	73,733	590,211
Investments	-	17,482,949	-	17,482,949
Lendings to financial institutions	-	507,800	-	507,800
Advances - performing	-	516,832	18,056,608	18,573,440
- non-performing	-	34,218	526,228	560,446
Others	5,161	2,222,437	310,969	2,538,567
Total assets	35,129	21,250,746	18,967,538	40,253,413
Borrowings	-	24,109,537	3,653,875	27,763,412
Deposits and other accounts	-	720,766	109,234	830,000
Others	-	802,811	124,615	927,426
Total liabilities	-	25,633,114	3,887,724	29,520,838
Equity	35,129	(4,382,368)	15,079,814	10,732,575
Total equity and liabilities	35,129	21,250,746	18,967,538	40,253,413
Contingencies and commitments	-	63,300	12,161,695	12,224,995

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36 RELATED PARTY TRANSACTIONS

The Company has related party relationship with subsidiary companies (Primus Leasing Limited, Awwal Modaraba and Awwal Modaraba Management Limited), First Pak Modaraba, First Prudential Modaraba, KASB Modaraba, KSB Pumps Company Limited, Trade Development Authority of Pakistan, Engro Polymer and Chemicals Limited, GlaxoSmithKline Healthcare, Hellenic Sun Insurance Brokers (Private) Limited, Peterson Securities Limited (Australia), Progresif Cellular Sdn. Berhad, Bank Islam Brunei Darusslana, 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 'condensed interim 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 period and balances with them as at period end, other than those which have been disclosed elsewhere in these condensed interim unconsolidated financial statements, are as follows:

36.1 Balances with related parties

	(Un-audited)				(Audited)			
	June 30, 2021				December 31, 2020			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
	(Rupees in '000)							
Investments								
Opening balance	-	-	2,003,372	-	-	-	2,003,372	-
Investment made during the period / year	-	-	-	39,994	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-
Closing balance	-	-	2,003,372	39,994	-	-	2,003,372	-
Advances								
Opening balance	-	94,365	40,792	-	-	81,077	17,320	-
Addition during the period / year	-	10,598	42,131	150,000	-	4,345	30,776	-
Repaid during the period / year	-	(19,561)	(26,240)	-	-	(18,300)	(7,304)	-
Transfer in / (out) - net	-	3,416	-	-	-	27,243	-	-
Closing balance	-	88,818	56,683	150,000	-	94,365	40,792	-
Lending to financial institutions								
Opening balance	-	-	-	-	-	-	-	-
Investment	-	-	-	84,311	-	-	-	-
Investment redeemed / disposed off	-	-	-	(76,661)	-	-	-	-
Closing balance	-	-	-	7,650	-	-	-	-
Other assets								
Interest / mark-up accrued	-	-	2,133	5,379	-	-	-	-
Lease receivable under IFRS-16	-	-	1,720	-	-	-	2,092	-
Receivable from defined benefit plan	-	-	-	11,217	-	-	-	10,238
Others	-	-	2,572	-	-	-	3,613	-
	-	-	6,425	16,596	-	-	5,705	10,238
Borrowings								
Opening balance	-	-	332,982	72,722	-	-	460,000	66,014
Borrowings during the period / year	-	-	262,341	162,048	-	-	1,430,428	68,893
Settled during the period / year	-	-	(356,323)	(30,876)	-	-	(1,557,446)	(62,185)
Closing balance	-	-	239,000	203,894	-	-	332,982	72,722
Other liabilities								
Interest / mark-up payable	-	-	12,847	6,774	-	-	6,035	1,209
Other liabilities	-	-	-	2,557	-	-	10,706	-
	-	-	12,847	9,331	-	-	16,741	1,209

36.2 Transactions with related parties

	(Un-audited)				(Un-audited)			
	June 30, 2021				June 30, 2020			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
(Rupees in '000)								
Income								
Mark-up / return / interest earned	-	2,195	2,218	5,379	-	1,621	1,554	-
Reverse Repo	-	-	-	352	-	-	-	-
Expense								
Mark-up / return / interest expensed	-	-	8,768	5,395	-	-	17,455	4,667
Operating expenses	2,400	88,415	15,467	-	2,400	89,438	13,330	-
Reimbursement of expenses	-	2,021	-	-	-	4,550	-	-

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

37 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS

Minimum Capital Requirement (MCR):

Paid-up capital

6,000,000	6,000,000
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Capital Adequacy Ratio (CAR):

Eligible Common Equity Tier 1 (CET 1) Capital

8,694,419	8,046,697
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Eligible Additional Tier 1 (ADT 1) Capital

-	-
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Total Eligible Tier 1 Capital

8,694,419	8,046,697
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Eligible Tier 2 Capital

-	-
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Total Eligible Capital (Tier 1 + Tier 2)

8,694,419	8,046,697
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Risk Weighted Assets (RWAs):

Credit Risk

19,985,869	22,526,883
------------	------------

Market Risk

9,972,765	5,795,062
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Operational Risk

1,608,166	1,883,003
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Total

31,566,800	30,204,948
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Common Equity Tier 1 Capital Adequacy ratio - percentage

27.54%	26.64%
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Tier 1 Capital Adequacy Ratio - percentage

27.54%	26.64%
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Total Capital Adequacy Ratio - percentage

27.54%	26.64%
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Leverage Ratio (LR):

Eligible Tier-1 Capital

8,694,419	8,046,697
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Total Exposures

66,511,064	42,045,291
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Leverage Ratio (%)

13.07%	19.14%
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Liquidity Coverage Ratio (LCR):

Total High Quality Liquid Assets

17,535,758	9,207,538
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Total Net Cash Outflow

17,042,352	7,900,138
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Liquidity Coverage Ratio (Ratio)

1.029	1.165
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Net Stable Funding Ratio (NSFR):

Total Available Stable Funding

20,669,643	21,586,084
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Total Required Stable Funding

18,102,545	19,210,958
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Net Stable Funding Ratio (%)

114.18%	112.36%
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38 GENERAL

38.1 Figures in these condensed interim unconsolidated financial statements have been rounded off to the nearest thousand Rupees unless otherwise stated.

39 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue on August 30, 2021 by the Board of Directors of the Company.

Alta



President/Chief Executive



Chief Financial Officer



Director



Director



Director