

**PAK BRUNEI INVESTMENT  
COMPANY LIMITED**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE YEAR HALF ENDED JUNE 30, 2019**



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, 2019 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 these 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, 2019 and June 30, 2018 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.

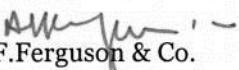
**Scope of Review**

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: October 7, 2019

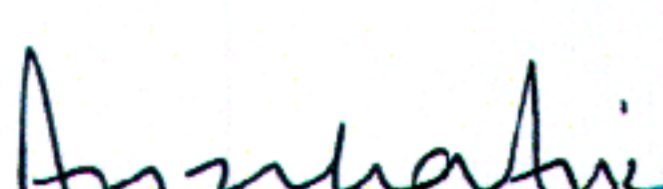




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PAK BRUNEI INVESTMENT COMPANY LIMITED  
 CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT JUNE 30, 2019

June 30, 2019	December 31, 2018		Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
----- USD in '000 -----				----- Rupees in '000 -----	
<b>ASSETS</b>					
2,938	1,008	Cash and balances with treasury banks	8	470,210	161,339
888	290	Balances with other banks	9	142,201	46,355
-	-	Lendings to financial institutions		-	-
167,995	163,178	Investments	10	26,887,976	26,116,936
117,023	127,019	Advances	11	18,729,730	20,329,737
955	73	Fixed assets	12	152,878	11,711
25	30	Intangible assets	13	4,002	4,739
1,968	1,985	Deferred tax assets	14	314,933	317,742
10,893	11,275	Other assets	15	1,743,403	1,804,568
302,685	304,858			48,445,333	48,793,127
<b>LIABILITIES</b>					
-	-	Bills payable		-	-
228,477	230,490	Borrowings	16	36,568,238	36,890,373
4,686	4,532	Deposits and other accounts	17	750,000	725,403
-	-	Liabilities against assets subject to finance lease		-	-
-	-	Subordinated debt		-	-
-	-	Deferred tax liabilities		-	-
9,663	7,603	Other liabilities	18	1,546,697	1,216,866
242,826	242,625			38,864,935	38,832,642
59,859	62,233	<b>NET ASSETS</b>		9,580,398	9,960,485
<b>REPRESENTED BY</b>					
37,488	37,488	Share capital		6,000,000	6,000,000
8,791	8,791	Reserves		1,406,995	1,406,995
(3,302)	(4,206)	Deficit on revaluation of assets	19	(528,541)	(673,212)
16,882	20,160	Unappropriated profit		2,701,944	3,226,702
59,859	62,233			9,580,398	9,960,485
<b>CONTINGENCIES AND COMMITMENTS</b>					
20					

The annexed notes from 1 to 36 form an integral part of these condensed interim unconsolidated financial statements.

President/Chief Executive      Chief Financial Officer      Director      Director      Director



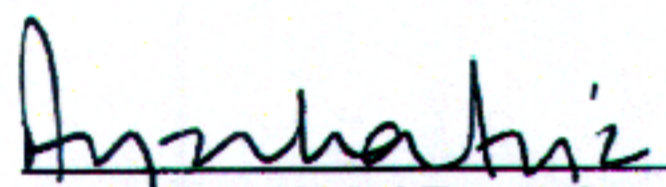
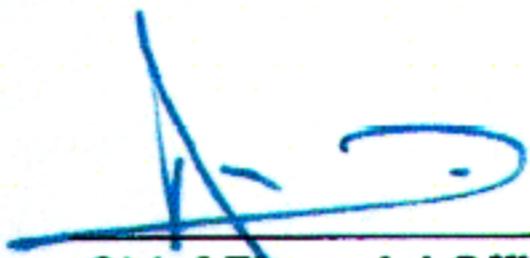

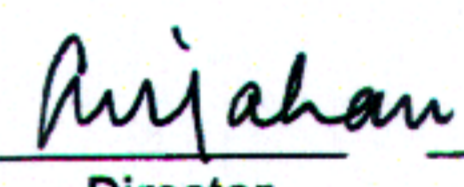
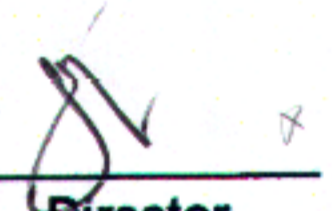




PAK BRUNEI INVESTMENT COMPANY LIMITED  
 CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
 FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2019

Half year ended			Half year ended		Quarter ended	
June 30, 2019	June 30, 2018		June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
----- USD in '000 -----			----- Rupees in '000 -----			
(1,405)	(424)	Profit after taxation for the period	(224,758)	(68,068)	(273,999)	(151,146)
		<b>Other comprehensive income / (loss)</b>				
		<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>				
904	(168)	Movement in deficit on revaluation of investments - net of tax	144,671	(26,849)	144,671	(26,849)
<u>(501)</u>	<u>(592)</u>	<b>Total comprehensive loss</b>	<u>(80,087)</u>	<u>(94,917)</u>	<u>(129,328)</u>	<u>(177,995)</u>

The annexed notes from 1 to 36 form an integral part of these condensed interim unconsolidated financial statements.  
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 _____ President/Chief Executive	 _____ Chief Financial Officer	 _____ Director	 _____ Director	 _____ Director
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PAK BRUNEI INVESTMENT COMPANY LIMITED  
 CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE HALF YEAR ENDED JUNE 30, 2019

	Share capital	Statutory reserve (a)	Deficit on revaluation of investments	Unappropriated profit	Total
	Rupees in '000				
Balance as at January 1, 2018 (audited)	6,000,000	1,351,812	(201,744)	3,306,156	10,456,224
Comprehensive income / (loss) for the period					
Loss after taxation for the period/half year ended June 30, 2018	-	-	-	(68,068)	(68,068)
Other comprehensive loss					
- Movement in deficit on revaluation of investments - net of tax	-	-	(26,849)	-	(26,849)
	-	-	(26,849)	(68,068)	(94,917)
Transactions with owners, recorded directly in equity					
Final cash dividend paid for the year ended December 31, 2017 @ Re. 0.50 per share	-	-	-	(300,000)	(300,000)
Balance as at June 30, 2018 (un-audited)	6,000,000	1,351,812	(228,593)	2,938,088	10,061,307
Comprehensive income / (loss) for the period					
Profit after taxation from July 1, 2018 to December 31, 2018	-	-	-	343,982	343,982
Other comprehensive loss					
- Remeasurement loss on defined benefit obligations - net of tax	-	-	-	(185)	(185)
- Movement in deficit on revaluation of investments - net of tax	-	-	(444,619)	-	(444,619)
	-	-	(444,619)	343,797	(100,822)
Transfer to statutory reserve	-	55,183	-	(55,183)	-
Balance as at December 31, 2018 (audited)	6,000,000	1,406,995	(673,212)	3,226,702	9,960,485
Comprehensive income / (loss) for the period					
Loss after taxation for the half year ended June 30, 2019	-	-	-	(224,758)	(224,758)
Other comprehensive income					
- Movement in deficit on revaluation of investments - net of tax	-	-	144,671	-	144,671
	-	-	144,671	(224,758)	(80,087)
Transactions with owners, recorded directly in equity					
Final cash dividend paid for the year ended December 31, 2018 @ Re. 0.50 per share	-	-	-	(300,000)	(300,000)
Balance as at June 30, 2019 (un-audited)	<u>6,000,000</u>	<u>1,406,995</u>	<u>(528,541)</u>	<u>2,701,944</u>	<u>9,580,398</u>

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

The annexed notes from 1 to 36 form an integral part of these condensed interim unconsolidated financial statements.

*Arjun...*  
 President/Chief Executive      Chief Financial Officer

*[Signature]*  
 Director

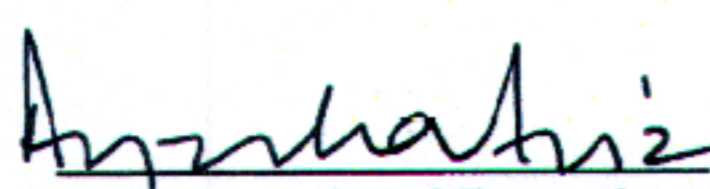
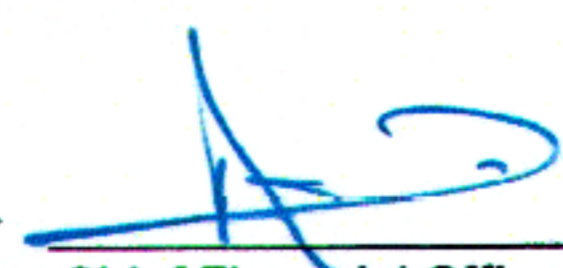
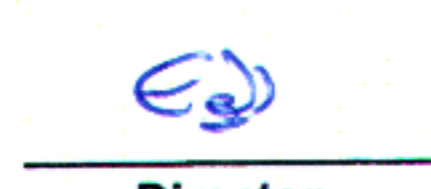
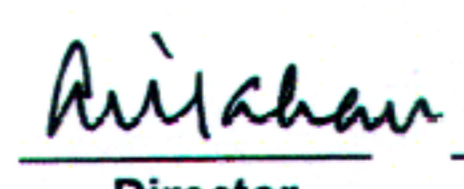
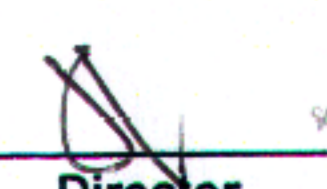
*[Signature]*  
 Director      Director



PAK BRUNEI INVESTMENT COMPANY LIMITED  
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2019

Half year ended		Half year ended	
June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
----- USD in '000 -----		----- Rupees in '000 -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(1,212)	(271)	(193,939)	(43,397)
125	85	20,044	13,645
<u>(1,337)</u>	<u>(356)</u>	<u>(213,983)</u>	<u>(57,042)</u>
<b>Adjustments:</b>			
122	24	19,554	3,787
5	3	739	550
1,413	1,611	226,084	257,894
(3)	-	(518)	(25)
(1)	160	(124)	25,685
<u>1,536</u>	<u>1,798</u>	<u>245,735</u>	<u>287,891</u>
199	1,442	31,752	230,849
<b>(Increase) / decrease in operating assets</b>			
-	10,752	-	1,720,909
(58)	(852)	(9,216)	(136,352)
9,620	(36)	1,539,670	(5,796)
831	(543)	133,079	(86,885)
<u>10,393</u>	<u>9,321</u>	<u>1,663,533</u>	<u>1,491,876</u>
<b>Increase/ (decrease) in operating liabilities</b>			
(2,013)	31,579	(322,135)	5,054,231
154	(12,503)	24,597	(2,001,164)
2,061	152	329,831	24,306
202	19,228	32,293	3,077,373
<u>(1,036)</u>	<u>(703)</u>	<u>(165,892)</u>	<u>(112,461)</u>
9,758	29,288	1,561,686	4,687,637
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(2,714)	(31,840)	(433,871)	(5,096,130)
(1,772)	(14)	(283,691)	(2,256)
130	70	20,802	11,130
(1,014)	(17)	(162,251)	(2,705)
14	-	2,042	26
<u>(5,356)</u>	<u>(31,801)</u>	<u>(856,969)</u>	<u>(5,089,935)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(1,874)	(1,874)	(300,000)	(300,000)
<u>(1,874)</u>	<u>(1,874)</u>	<u>(300,000)</u>	<u>(300,000)</u>
2,528	(4,387)	404,717	(702,298)
1,298	5,699	207,694	912,158
<u>3,826</u>	<u>1,312</u>	<u>612,411</u>	<u>209,860</u>

The annexed notes from 1 to 36 form an integral part of these condensed interim unconsolidated financial statements.

President/Chief Executive      Chief Financial Officer      Director      Director      Director



## 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 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, 2018: 2) 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 are 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 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 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 audited annual unconsolidated financial statements, and are limited based on the format prescribed by the State Bank of Pakistan through BPRD Circular Letter No. 05 dated March 22, 2019 and IAS 34, and should be read in conjunction with the audited annual unconsolidated financial statements for the financial year ended December 31, 2018.

2.3 As explained in note 2.5, SBP has deferred the applicability of IFRS 9: Financial Instruments on banking companies and DFIs which became applicable for all other companies with effect from period ended on or after June 30, 2019. The SBP had also previously deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standard (IAS) 40, "Investment Property" for DFIs through BSD Circular Letter No. 11 dated September 11, 2002 till further instructions. In addition, the Securities and Exchange Commission of Pakistan has deferred the applicability of International Financial Reporting Standard (IFRS) 7, "Financial Instruments: Disclosures" vide SRO 411(I) / 2008 dated April 28, 2008 till further orders. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim unconsolidated financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

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

2.4.1 During the current period, IFRS 16: 'Leases', became effective from annual period beginning on or after January 1, 2019. The impact of adoption of IFRS 16 on the Company's condensed interim unconsolidated financial statements is disclosed in note 3.1.1.

There are certain other new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2019 but are considered not to be relevant or do not have any significant impact on the Company's operations and are therefore not detailed in these condensed interim unconsolidated financial statements.

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

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:

Standards, interpretations or amendments	Effective date (annual periods beginning on or after)
- IAS 1: 'Presentation of financial statements' (amendments)	January 1, 2020
- IAS 8: 'Accounting policies, change in accounting estimates and errors' (amendments)	January 1, 2020
	<b>Effective date (periods ending on or after)</b>
- IFRS 9: 'Financial Instruments'	June 30, 2019*

\* The SECP through SRO 229(1)/2019 dated February 14, 2019, has notified that IFRS 9: 'Financial instruments' is applicable for accounting period ending on or after June 30, 2019. However, based on the guidance received from the SBP, the requirements of IFRS 9 have not been considered in the preparation of these condensed interim unconsolidated financial statements.

IFRS 9, Financial Instruments, addresses the recognition, classification, measurement, and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which require recognition of an impairment charge based on an 'Expected Credit Losses (ECL)' approach rather than the 'incurred credit losses' approach as currently followed. The ECL approach has an impact on all assets of the Company which are exposed to credit risk.

The Company is in process of assessing the full impact of this standard.

There are certain other new and amended standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2020 but are considered not to be relevant or will not have any significant impact on the Company's operations and are therefore not detailed in these condensed interim unconsolidated financial statements.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2018 except for the following:

### 3.1 Changes in Accounting Policies

#### 3.1.1 Impact of IFRS 16: 'Leases'

During the period, IFRS 16: 'Leases' became applicable to the Company. IFRS 16 replaces existing guidance on accounting for leases, including IAS 17: 'Leases', IFRIC 4: 'Determining whether an arrangement contains a lease', SIC 15: 'Operating leases - incentive', and SIC 27: 'Evaluating the substance of transactions involving the legal form of a lease'. IFRS 16 introduces an on balance sheet lease accounting model for leases entered by the lessee. A lessee recognises a right-of-use asset representing its right of using the underlying asset and a corresponding lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as either finance or operating lease.

The Company has adopted IFRS 16 from January 1, 2019, using the modified retrospective approach and has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard.

On adoption of IFRS 16, the Company has recognised lease liabilities in respect of leases which had previously been classified as operating leases under the principles of IAS 17. These liabilities were initially measured as the present value of the remaining lease payments, discounted using the Company's incremental weighted average borrowing rate of 13.16% per annum as of January 1, 2019. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

	June 30, 2019	January 1, 2019
	----- Rupees '000 -----	
Total lease liability recognised	<u>90,012</u>	<u>85,909</u>

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On adoption of IFRS 16, the associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of prepaid lease payments recognised in the condensed interim unconsolidated statement of financial position immediately before the date of initial application.

The right-of-use assets recognised subsequent to the adoption are measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. The right-of-use assets are depreciated on a straight line basis over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use assets are reduced by impairment losses, if any, and adjusted for certain remeasurements of lease liability.

The recognised right-of-use assets are of the following types:

	June 30, 2019	January 1, 2019
	----- Rupees in '000 -----	
Building	122,372	147,389

The effects of this change in accounting policy are as follows:

**Impact on the condensed interim unconsolidated statement of financial position:**

- Increase in fixed assets - right-of-use assets	122,372	147,389
- Decrease in other assets - advances, deposits, advance rent and other prepayments	49,802	67,378
- Increase in advances - lease receivable	14,684	5,898
- Increase in other assets - advanced taxation	800	-
	<u>88,054</u>	<u>85,909</u>
- Increase in other liabilities - lease liability against right-of-use asset	90,012	85,909
	<u>(1,958)</u>	<u>-</u>
Decrease in net assets		

**For the half  
year ended  
June 30,  
Rupees in '000**

**Impact on condensed interim unconsolidated profit and loss account**

- Increase in markup / return / interest expense - lease liability against right-of-use assets	4,817
- Increase in operating expenses - depreciation on right-of-use assets	15,160
- Decrease in operating expenses - rent and taxes	<u>(17,218)</u>
- Increase in loss before taxation	2,758
- Decrease in taxation	<u>(800)</u>
- Increase in loss after taxation	<u>1,958</u>

---Rupees---

- Decrease in EPS

0.00033

While implementing IFRS 16, the Company has used a single discount rate methodology for a portfolio of leases with similar characteristics.

**3.1.2 Revised format of condensed interim financial statements**

The State Bank of Pakistan (SBP) through its BPRD Circular No. 05 dated March 22, 2019 has amended the format of quarterly and half yearly financial statements of development financial institutions (DFIs). All DFIs are directed to prepare their quarterly and half yearly financial statements on the revised format effective from accounting year starting from January 1, 2019. Accordingly, the Company has prepared these condensed interim unconsolidated financial statements on the new format prescribed by the SBP.

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#### - Condensed interim unconsolidated profit and loss account

As a result of adoption of the revised format, the figures for the quarter and half year ended June 30, 2018 in the condensed interim unconsolidated profit and loss account have been reclassified and reflected based on the requirements of the revised format. Significant reclassifications are summarised in note 35 to these condensed interim unconsolidated financial statements.

#### - Condensed interim unconsolidated statement of comprehensive income

The revised format does not have any impact on the figures for the quarter and half year ended June 30, 2018 in the condensed interim unconsolidated statement of comprehensive income.

#### 4 BASIS OF MEASUREMENT

These condensed interim unconsolidated financial statements have been prepared under the historical cost convention, except that certain investments which have been marked to market and are carried at fair value. In addition, obligations in respect of staff retirement benefits are carried at present value.

#### 5 FUNCTIONAL AND PRESENTATION CURRENCY

Items included in these 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 have been presented in Pakistani Rupees, which is the functional and presentational currency of the Company.

The US dollar amounts shown in the condensed interim unconsolidated statement of financial position, condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income and condensed interim unconsolidated cash flow statement are stated as additional information solely for the convenience of readers and are not audited. For the purpose of conversion to US Dollars, the rate of Rs. 160.0521 to US Dollars has been used as it was the prevalent rate as on June 30, 2019.

#### 6 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim unconsolidated financial statements is the same as that applied in the preparation of the unconsolidated financial statements for the year ended December 31, 2018.

#### 7 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the unconsolidated financial statements for the year ended December 31, 2018.

	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
----- Rupees in '000 -----			
<b>8 CASH AND BALANCES WITH TREASURY BANKS</b>			
With State Bank of Pakistan in:			
Local currency current account	8.1	<u>470,210</u>	<u>161,339</u>
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.			
	Note	(Un-audited) June 30, 2019	(Audited) December 31, 2018
----- Rupees in '000 -----			
<b>9 BALANCES WITH OTHER BANKS</b>			
In Pakistan			
In deposit accounts	9.1	<u>142,201</u>	<u>46,355</u>
9.1 These carry mark-up at rates ranging from 3.00% to 10.25% per annum (December 31, 2018: 6.50% to 8.30% per annum).			



## 10 INVESTMENTS

## 10.1 Investments by type:

Note	(Un-audited)				(Audited)			
	June 30, 2019				December 31, 2018			
	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	9,216	-	124	9,340	-	-	-	-
	9,216	-	124	9,340	-	-	-	-
<b>Available-for-sale securities</b>								
Federal government securities	19,802,439	-	(80,257)	19,722,182	19,817,801	-	(326,260)	19,491,541
Ordinary shares	2,222,628	(333,398)	(374,245)	1,514,985	2,140,824	(210,979)	(391,638)	1,538,207
Non-government debt securities	2,899,159	(269,053)	(8,753)	2,621,353	2,635,582	(225,725)	(3,684)	2,406,173
Units of mutual funds	906,271	-	(173,218)	733,053	802,419	-	(124,776)	677,643
Preference shares	3,250	(3,250)	-	-	3,250	(3,250)	-	-
	25,833,747	(605,701)	(636,473)	24,591,573	25,399,876	(439,954)	(846,358)	24,116,564
<b>Held-to-maturity securities</b>								
Commercial paper	283,691	-	-	283,691	-	-	-	-
	283,691	-	-	283,691	-	-	-	-
<b>Subsidiaries</b>								
Fully paid up ordinary shares of:								
- Awwal Modaraba Management Company Limited	105,000	-	-	105,000	105,000	-	-	105,000
- Primus Leasing Limited	1,000,000	-	-	1,000,000	1,000,000	-	-	1,000,000
Certificates of Awwal Modaraba	898,372	-	-	898,372	898,372	-	-	898,372
	28,130,026	(605,701)	(636,349)	26,887,976	27,403,248	(439,954)	(846,358)	26,116,936

(Un-audited) (Audited)  
June 30, December 31,  
2019 2018  
----- Rupees in '000 -----

## 10.1.1 Investments given as collateral

Pakistan Investment Bonds	15,216,664	16,927,851
Term finance / sukuks certificates	739,824	739,824
	<u>15,956,488</u>	<u>17,667,675</u>

## 10.2 Provision for diminution in value of investments

Opening balance	439,954	364,171
Charge / reversals		
Charge for the period / year	292,291	103,144
Reversal on disposals during the period / year	(126,544)	(27,361)
	165,747	75,783
Closing balance	<u>605,701</u>	<u>439,954</u>

## Particulars of provision against debt securities

Category of classification	(Un-audited)		(Audited)	
	June 30, 2019		December 31, 2018	
	Non-performing investment	Provision	Non-performing investments	Provision
----- (Rupees in '000) -----				
Domestic Loss	269,053	269,053	269,366	225,725

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10.3 The market value of securities classified as held to maturity as at June 30, 2019 amounted to Rs. 283.260 million (December 31, 2018: Nil).

#### 10.4 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, 2019	December 31, 2018
	2019	2018								
----- Rupees in '000 -----										
Awwal Modaraba Management Limited	100.00	100.00	Pakistan	141,407	44,179	12,952	(7,465)	(2,865)	105,000	105,000
Awwal Modaraba*	89.78	89.78	Pakistan	1,234,332	49,575	185,381	111,383	111,383	898,372	898,372
Primus Leasing Limited	100.00	100.00	Pakistan	1,261,943	222,783	41,384	28,173	28,173	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, 2019.

#### 11 ADVANCES

	(Un-audited)		(Audited)		(Un-audited)		(Audited)	
	Performing		Non-performing		Total			
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018		
----- Rupees in '000 -----								
Loans, cash credits, running finances, etc.	18,484,472	20,046,892	615,279	592,529	19,099,751	20,639,421		
Advances - gross	18,484,472	20,046,892	615,279	592,529	19,099,751	20,639,421		
Provision against advances								
- Specific	-	-	370,021	309,684	370,021	309,684		
- General	-	-	-	-	-	-		
			370,021	309,684	370,021	309,684		
Advances - net of provision	<u>18,484,472</u>	<u>20,046,892</u>	<u>245,258</u>	<u>282,845</u>	<u>18,729,730</u>	<u>20,329,737</u>		

(Un-audited) (Audited)  
June 30, December 31,  
2019 2018  
----- Rupees in '000 -----

##### 11.1 Particulars of advances (gross)

In local currency	19,099,751	20,639,421
In foreign currencies	-	-
	<u>19,099,751</u>	<u>20,639,421</u>

11.2 Advances include Rs. 615.279 million (2018: Rs. 592.529 million) which have been placed under the non-performing status as detailed below:

Category of classification	Note	(Un-audited)		(Audited)	
		June 30, 2019		December 31, 2018	
		Non performing loans	Provision	Non performing loans	Provision
----- Rupees in '000 -----					
Domestic					
Other assets especially mentioned	11.2.1	31,434	3,143	12,451	1,245
Substandard		9,059	2,265	-	-
Doubtful		4,459	2,229	81,477	29,739
Loss		570,327	362,384	498,601	278,700
<b>Total</b>		<u>615,279</u>	<u>370,021</u>	<u>592,529</u>	<u>309,684</u>

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

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## 11.3 Particulars of provision against advances

	(Un-audited)			(Audited)		
	June 30, 2019			December 31, 2018		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000 -----					
Opening balance	309,684	-	309,684	287,826	1,248	289,074
Charge for the period / year	65,146	-	65,146	193,853	-	193,853
Reversals during the period / year	(4,809)	-	(4,809)	(171,995)	(1,248)	(173,243)
	60,337	-	60,337	21,858	(1,248)	20,610
Amounts written off	-	-	-	-	-	-
Closing balance	370,021	-	370,021	309,684	-	309,684

11.3.2 The Company has availed the benefit of Forced Sale Value (FSV) of certain mortgaged properties held as collateral against non-performing advances as allowed under BSD Circular 1 of 2011. Had the benefit under the said circular not been taken, the specific provision against non-performing advances would have been higher by Rs. 207.943 million (December 31, 2018: Rs. 230.901 million). The additional profit arising from availing FSV benefit availed - net of tax is not available for the distribution as either cash or stock dividend to the shareholders.

	Note	(Un-audited)	(Audited)
		June 30, 2019	December 31, 2018
----- Rupees in '000 -----			
12 FIXED ASSETS			
Property and equipment		30,506	11,711
Right-of-use assets	12.1	122,372	-
		<u>152,878</u>	<u>11,711</u>

12.1 These represent right-of-use assets recognised due to adoption of IFRS 16 as more fully described in note 3.1.1 of these condensed interim unconsolidated financial statements.

	Un-audited	
	June 30, 2019	June 30, 2018
----- Rupees '000 -----		
12.2 Additions to fixed assets		

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

**Capital work-in-progress****Property and equipment**

Leasehold improvements  
Furniture and fixtures  
Electrical, office and computer equipment  
Vehicles

Right-of-use assets due to adoption of IFRS 16

**Total**

	2,975	388
	1,219	435
	1,374	1,264
	19,350	-
	24,918	2,087
	147,389	-
	<u>172,307</u>	<u>2,087</u>

## 12.3 Disposal of fixed assets

The net book value of fixed assets disposed off during the period is as follows:

**Capital work-in-progress**

Vehicles

**Total**

	-	501
	1,524	-
	<u>1,524</u>	<u>-</u>

	Note	(Un-audited)	(Audited)
		June 30, 2019	December 31, 2018
----- Rupees in '000 -----			
13 INTANGIBLE ASSETS			
Computer software		2,548	3,285
Capital work-in-progress	13.1	1,454	1,454
		<u>4,002</u>	<u>4,739</u>







**15.3.1** The property was acquired to settle the following obligations of Atlas Cables (Private) Limited:

- Rental aggregating to Rs. 24.836 million;
- Payment of installment of principal amounting to Rs. 18.062 million; and
- Amount due by Atlas Cables (Private) Limited towards Company's subsidiary Awwal Modaraba aggregating to Rs. 33.352 million. This amount was duly paid by the Company to Awwal Modaraba.

16	BORROWINGS	Note	(Un-audited)	(Audited)
			June 30, 2019	December 31, 2018
			----- Rupees in '000 -----	
<b>Secured</b>				
Borrowings from State Bank of Pakistan:				
	- Long-Term Finance Facility (LTFF) scheme	16.1	5,103,216	5,347,670
	- Power Plants Using Renewable Energy (PPRE) scheme		170,307	183,156
	- Finance for Storage of Agriculture Produce (FSAP) scheme		278,159	320,981
			5,551,682	5,851,807
	Repurchase agreement borrowings	16.2	15,220,779	4,954,100
	Borrowings from banks	16.3	8,837,125	16,301,946
<b>Total secured</b>			<u>29,609,586</u>	<u>27,107,853</u>
<b>Unsecured</b>				
Letters of placement:				
	- Primus Leasing Limited (subsidiary)	16.4	348,092	583,174
	- Awwal Modaraba (subsidiary)	16.5	200,000	-
	- Others	16.6	6,410,560	9,199,346
			<u>36,568,238</u>	<u>36,890,373</u>

- 16.1** The Company has entered into agreements for financing with the SBP for Long-Term Financing under Export Oriented Projects to customers. According to the terms of the respective agreements, the SBP has the right to receive the outstanding amount from the Company at the due date by directly debiting the current account maintained by the Company with SBP. The rate of return ranges from 2.00% to 8.40% per annum (December 31, 2018: 2.00% to 8.40% per annum). These are secured against demand promissory notes and are repayable within 9 years (December 31, 2018: 10 years).
- 16.2** These represent borrowings from various financial institutions at mark-up rates ranging from 12.50% to 12.70% per annum (December 31, 2018: 5.49% to 10.51% per annum). Pakistan Investment Bonds having a face value of Rs. 15,287 million (December 31, 2018: Rs. 5,000 million) have been given as collateral against these borrowings.
- 16.3** These carry mark-up at rates ranging from 11.11% to 13.38% per annum (December 31, 2018: 6.09% to 10.94% per annum) and are repayable within 4 years (December 31, 2018: 5 years). These are secured against hypothecation of receivables and floating charge over term finance certificates and Pakistan Investment Bonds having a face value of Rs. 740 million (2018: 740 million) and Nil (December 31, 2018: Rs. 12,122 million) respectively.
- 16.4** These carry mark-up at the rate of 12.75% per annum (December 31, 2018: 10.00% per annum) and are repayable within 1 month (December 31, 2018: 3 months).
- 16.5** This carries mark-up at the rate of 12% per annum (December 31, 2018: Nil) and is repayable on July 2, 2020 (December 31, 2018: Nil).
- 16.6** These carry mark-up at rates ranging from 11.23% to 14.00% per annum (December 31, 2018: 10.50% to 11.30% per annum) and are repayable within 2 months (December 31, 2018: 2 months).

**17 DEPOSITS AND OTHER ACCOUNTS**

	(Un-audited)			(Audited)		
	June 30, 2019			December 31, 2018		
	In local currency	In foreign currencies	Total	In local currency	In foreign currencies	Total
----- Rupees in '000 -----						
<b>Customers</b>						
- Certificate of investments (COIs)	750,000	-	750,000	725,403	-	725,403
<b>Financial Institutions</b>						
- Certificate of investments (COIs)	-	-	-	-	-	-
	<u>750,000</u>	<u>-</u>	<u>750,000</u>	<u>725,403</u>	<u>-</u>	<u>725,403</u>



	Note	(Un-audited) June 30, 2019 ----- Rupees in '000 -----	(Audited) December 31, 2018
<b>18 OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		297,231	283,901
Unearned commission and income on bills discounted		24,872	25,976
Accrued expenses		24,544	54,707
Brokerage / commission payable		2,491	1,613
Payable against purchase of shares		272,096	362,031
Security deposits against advances		395,600	382,649
Provision for Sindh Worker's Welfare Fund		94,467	94,467
Payable to defined benefit plan - related party		4,580	261
Lease liability against right-of-use assets		90,012	-
Mark-up payable to TFC holders as Trustee		324,789	-
Others		16,015	11,261
		<u>1,546,697</u>	<u>1,216,866</u>
<b>19 DEFICIT ON REVALUATION OF ASSETS - NET OF TAX</b>			
Deficit on revaluation of:			
- Available-for-sale securities	10.1	(636,473)	(846,358)
Deferred tax on deficit on revaluation of:			
- Available-for-sale securities		107,932	173,146
		<u>(528,541)</u>	<u>(673,212)</u>
<b>20 CONTINGENCIES AND COMMITMENTS</b>			
- Guarantees	20.1	655,364	765,541
- Commitments	20.2	17,924,092	7,234,311
- Other contingent liabilities	20.3	-	-
		<u>18,579,456</u>	<u>7,999,852</u>
<b>20.1 Guarantees</b>			
Financial guarantees		<u>655,364</u>	<u>765,541</u>
<b>20.2 Commitments</b>			
Documentary credits and short-term trade-related transactions			
- letters of credit		811,180	335,802
Commitments in respect of:			
- repo transactions	20.2.1	15,363,175	5,004,044
- forward lendings	20.2.2	1,749,737	1,894,465
		<u>17,924,092</u>	<u>7,234,311</u>
<b>20.2.1 Commitments in respect of repo transactions</b>			
Repurchase of government securities		<u>15,363,175</u>	<u>5,004,044</u>
<b>20.2.2 Commitments in respect of forward lendings</b>			
Forward repurchase agreement lending		-	-
Undrawn formal standby facilities, credit lines and other commitments to lend		<u>1,749,737</u>	<u>1,894,465</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.

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### 20.3 Other contingent liabilities

- 20.3.1** In 2009, Burj Bank Limited (formerly Dawood Islamic Bank Limited) filed a legal suit amounting to Rs 200 million for damages against the Company for alleged non-performance of underwriting commitment in respect of issue of shares at a premium. The legal advisors of the Company are of the opinion that the Company has a strong case and that the matter will most likely be decided in favour of the Company.
- 20.3.2** The returns of income of the Company from tax years 2008 to 2018 had been filed with the tax authorities. From tax year 2008 upto tax year 2017, these returns have been revised and additional tax demands have been raised of which Rs. 559.245 million are outstanding as at June 30, 2019. 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 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. 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. Moreover, the right to claim does not rest with AWTIL.

	Note	(Un-audited)	
		June 30, 2019	June 30, 2018
----- Rupees in '000 -----			
<b>21</b>	<b>MARK-UP / RETURN / INTEREST EARNED</b>		
On:			
a) Loans and advances		938,292	620,029
b) Investments		1,172,516	269,010
c) Lendings to financial institutions		49,945	9,258
d) Sub-lease of premises		606	-
e) Balances with banks		2,574	664
		<u>2,163,933</u>	<u>898,961</u>
<b>22</b>	<b>MARK-UP / RETURN / INTEREST EXPENSED</b>		
Deposits		76,820	108,750
Interest expense on lease liability		5,423	-
Borrowings		1,705,325	446,361
		<u>1,787,568</u>	<u>555,111</u>
<b>23</b>	<b>FEE AND COMMISSION INCOME</b>		
Advisory / arrangement fee		440	2,686
Processing fee income		50	1,977
Commitment fee		3,401	769
Commission on letters of credit		-	2,252
Trustee fee		25,107	23,221
Front end fee		444	232
		<u>29,442</u>	<u>31,137</u>
<b>24</b>	<b>(LOSS) / GAIN ON SECURITIES</b>		
Realised	24.1	(234,541)	6,421
Unrealised - held for trading		124	(25,685)
		<u>(234,417)</u>	<u>(19,264)</u>



	Note	(Un-audited)	
		June 30, 2019	June 30, 2018
----- Rupees in '000 -----			
<b>24.1</b>	Realised (loss) / gain on:		
	Federal government securities	107	(5,981)
	Ordinary shares	(235,288)	12,347
	Non-government debt securities	640	55
		<u>(234,541)</u>	<u>6,421</u>
<b>25</b>	<b>OTHER INCOME</b>		
	Rent on property	3,515	-
	Gain on sale of fixed assets - net	518	26
	Others	13	20
		<u>4,046</u>	<u>46</u>
<b>26</b>	<b>OPERATING EXPENSES</b>		
	<b>Total compensation expense</b>	89,977	81,765
	<b>Property expense</b>		
	Rent and taxes	-	14,903
	Insurance	1,784	3,974
	Security	943	254
	Utilities cost	1,213	1,832
	Repairs and maintenance (including janitorial charges)	2,532	1,714
	Depreciation	15,831	104
		22,303	22,781
	<b>Information technology expenses</b>		
	Software maintenance	4,310	2,820
	Hardware maintenance	523	370
	Depreciation	913	1,025
	Amortisation	739	550
		6,485	4,765
	<b>Other operating expenses</b>		
	Directors' fees and allowances	3,116	953
	Fees and subscription	716	330
	Legal and professional charges	6,673	7,039
	Outsourced services costs	3,858	4,112
	Travelling and conveyance	15,871	15,742
	Brokerage commission	4,853	5,067
	Depreciation	2,810	2,658
	Training and development	132	412
	Postage and courier charges	145	239
	Communication	1,172	1,179
	Stationery and printing	459	433
	Marketing, advertisement and publicity	244	-
	Donations	-	1,540
	Auditors' remuneration	455	2,764
	Others	4,066	3,138
		44,570	45,606
		<u>163,335</u>	<u>154,917</u>
<b>27</b>	<b>PROVISION FOR SINDH WORKERS' WELFARE FUND</b>		
	Provision for Sindh Workers' Welfare Fund	27.1	-
			<u>-</u>



- 27.1 As a consequence of the 18th amendment to the Constitution of Pakistan, the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh in May 2015 as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs.0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. Accordingly, as a matter of abundant caution, the management has maintained a provision for SWWF in the unconsolidated financial statements amounting to Rs 94.467 million.

	Note	(Un-audited)	
		June 30, 2019	June 30, 2018
		----- Rupees in '000 -----	
<b>28 PROVISIONS AND WRITE OFFS - NET</b>			
Provision for diminution in value of investments - net	10.2	165,747	26,433
Provisions against loans and advances	11.3	60,337	231,461
		<u>226,084</u>	<u>257,894</u>
<b>29 TAXATION</b>			
Current		93,220	44,653
Prior years		-	31,000
Deferred		(62,401)	(50,982)
		<u>30,819</u>	<u>24,671</u>
<b>30 BASIC LOSS PER SHARE</b>			
Loss for the period		<u>(224,758)</u>	<u>(68,068)</u>
		----- Number of shares -----	
Weighted average number of ordinary shares		<u>600,000</u>	<u>600,000</u>
		----- Rupees -----	
Basic loss per share		<u>(0.37)</u>	<u>(0.11)</u>

### 30.1 Diluted loss per share

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

### 31 FAIR VALUE MEASUREMENT

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

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

#### 31.1 Fair value of financial assets

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

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

Un-audited					
June 30, 2019					
Carrying / notional value	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>					
<b>Investments</b>					
Federal government securities	19,722,182	-	19,722,182	-	19,722,182
Shares	1,524,325	1,524,325	-	-	1,524,325
Non-Government debt securities	2,621,353	-	2,621,353	-	2,621,353
Units of mutual funds	733,053	-	733,053	-	733,053
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Commitments in respect of repo transactions	15,363,175	-	15,363,175	-	15,363,175

Audited					
December 31, 2018					
Carrying / notional value	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>					
<b>Investments</b>					
Federal government securities	19,491,541	-	19,491,541	-	19,491,541
Shares	1,514,207	1,514,207	-	-	1,514,207
Non-Government debt securities	2,406,173	-	2,406,173	-	2,406,173
Units of mutual funds	677,643	-	677,643	-	677,643
<b>Off-balance sheet financial instruments - measured at fair value</b>					
Commitments in respect of repo transactions	5,004,044	-	5,004,044	-	5,004,044

## 32 SEGMENT INFORMATION

June 30, 2019				
Corporate finance	Trading and sales	Commercial banking	Total	
----- Rupees in '000 -----				
<b>Unconsolidated profit and loss account for the half year ended June 30, 2019 (un-audited)</b>				
Net mark-up / return / profit	-	342,099	34,266	376,365
Non mark-up / return / interest income	29,442	(210,327)	-	(180,885)
<b>Total income</b>	<b>29,442</b>	<b>131,772</b>	<b>34,266</b>	<b>195,480</b>
Segment direct expenses	14,934	131,021	17,380	163,335
Total expenses	14,934	131,021	17,380	163,335
Provisions	-	167,549	58,535	226,084
<b>Profit / (loss) before tax</b>	<b>14,508</b>	<b>(166,798)</b>	<b>(41,649)</b>	<b>(193,939)</b>

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June 30, 2019			
Corporate finance	Trading and sales	Commercial banking	Total

Rupees in '000

**Unconsolidated statement of financial position (un-audited)**

Cash and bank balances	-	540,689	71,722	612,411
Investments	-	26,887,976	-	26,887,976
Advances - performing	-	421,316	18,063,156	18,484,472
- non-performing	-	29,205	216,053	245,258
Others	13,977	1,943,441	257,798	2,215,216
<b>Total assets</b>	<b>13,977</b>	<b>29,822,627</b>	<b>18,608,729</b>	<b>48,445,333</b>
Borrowings	-	32,415,664	4,152,574	36,568,238
Deposits and other accounts	-	664,832	85,168	750,000
Others	-	1,420,246	126,451	1,546,697
<b>Total liabilities</b>	<b>-</b>	<b>34,500,742</b>	<b>4,364,193</b>	<b>38,864,935</b>
Equity	-	8,458,390	1,122,008	9,580,398
<b>Total equity and liabilities</b>	<b>-</b>	<b>42,959,132</b>	<b>5,486,201</b>	<b>48,445,333</b>
Contingencies and commitments	-	15,363,175	3,216,281	18,579,456

June 30, 2018			
Corporate finance	Trading and sales	Commercial banking	Total

**Unconsolidated profit and loss account for the half year ended June 30, 2018 (un-audited)**

Net mark-up / return / profit	-	825,465	73,496	898,961
Non mark-up / return / interest income	1,678	23,886	-	25,564
<b>Total income</b>	<b>1,678</b>	<b>849,351</b>	<b>73,496</b>	<b>924,525</b>
Segment direct expenses	46,603	609,186	54,239	710,028
Total expenses	46,603	609,186	54,239	710,028
Provisions	-	221,266	36,628	257,894
<b>Profit before tax</b>	<b>(44,925)</b>	<b>18,899</b>	<b>(17,371)</b>	<b>(43,397)</b>

December 31, 2018			
Corporate finance	Trading and sales	Commercial banking	Total

**Unconsolidated statement of financial position (audited)**

Cash and bank balances	-	67,577	140,117	207,694
Investments	-	26,116,936	-	26,116,936
Advances - performing	-	484,405	19,562,487	20,046,892
- non-performing	-	11,304	271,541	282,845
Others	1,301	530,673	1,606,786	2,138,760
<b>Total assets</b>	<b>1,301</b>	<b>27,210,895</b>	<b>21,580,931</b>	<b>48,793,127</b>
Borrowings	-	18,579,125	18,311,248	36,890,373
Deposits and other accounts	-	365,335	360,068	725,403
Others	-	612,851	604,015	1,216,866
<b>Total liabilities</b>	<b>-</b>	<b>19,557,311</b>	<b>19,275,331</b>	<b>38,832,642</b>
Equity	1,301	7,653,584	2,305,600	9,960,485
<b>Total equity and liabilities</b>	<b>1,301</b>	<b>27,210,895</b>	<b>21,580,931</b>	<b>48,793,127</b>
Contingencies and commitments	-	5,004,044	2,995,808	7,999,852

**33 RELATED PARTY TRANSACTIONS**

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



There are no transactions with key management personnel other than those carried out as per their terms of employment. Contributions to approved defined benefit and contribution plans are made in accordance with the actuarial valuations / terms of scheme. Transactions with owners have been disclosed in '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:

### 33.1 Balances with related parties

	Un-audited				Audited			
	June 30, 2019				December 31, 2018			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties
(Rupees in '000)								
<b>Investments</b>								
Opening balance	-	-	2,003,372	-	-	-	2,003,372	-
Investment made during the period / year	-	-	-	-	-	-	-	-
Investment redeemed / disposed off during the period / year	-	-	-	-	-	-	-	-
Transfer to available-for-sale securities on recharacterisation of investment	-	-	-	-	-	-	-	-
Transfer in / (out)	-	-	-	-	-	-	-	-
Classified as held-for-sale	-	-	-	-	-	-	-	-
Closing balance	-	-	2,003,372	-	-	-	2,003,372	-
<b>Advances</b>								
Opening balance	-	75,591	-	-	-	58,252	-	-
Addition during the period / year	-	2,069	5,898	-	-	29,803	-	-
Repaid during the period / year	-	(23,221)	(1,416)	-	-	(12,464)	-	-
Transfer in / (out) - net	-	30,483	-	-	-	-	-	-
Closing balance	-	84,922	4,482	-	-	75,591	-	-
<b>Other assets</b>								
Interest / mark-up accrued	-	-	1,497	-	-	-	990	-
Others	-	-	23,795	-	-	-	21,608	-
	-	-	25,292	-	-	-	22,598	-
<b>Borrowings</b>								
Opening balance	-	-	583,174	14,346	-	-	-	-
Borrowings during the period / year	-	-	2,601,793	204,788	-	-	1,921,857	428,564
Settled during the period / year	-	-	(2,636,875)	(179,672)	-	-	(1,338,683)	(414,218)
Closing balance	-	-	548,092	39,462	-	-	583,174	14,346
<b>Deposits and other accounts</b>								
Opening balance	-	-	-	-	-	-	-	-
Received during the period / year	-	-	-	-	-	-	1,580,000	-
Withdrawn during the period / year	-	-	-	-	-	-	(1,580,000)	-
Closing balance	-	-	-	-	-	-	-	-
<b>Other Liabilities</b>								
Interest / mark-up payable	-	-	2,751	71	-	-	3,994	114
Other liabilities	-	-	-	4,580	-	-	-	261
	-	-	2,751	4,651	-	-	3,994	375

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## 33.2 Transactions with related parties

	Un-audited				Un-audited			
	June 30, 2019				June 30, 2018			
	Directors	Key management personnel	Subsidiaries	Other related parties	Directors	Key management personnel	Subsidiaries	Other related parties

(Rupees in '000)

<b>Income</b>								9,066
Mark-up / return / interest earned	-	1,790	814	-	-	1,203	-	239
<b>Expense</b>								
Mark-up / return / interest paid	-	-	25,742	1,429	-	-	13,100	-
Operating expenses	3,116	58,316	13,202	-	-	47,948	-	3,163
Reimbursement of expenses	-	3,679	-	-	-	3,773	-	-

## 34 CAPITAL ADEQUACY, LEVERAGE RATIO &amp; LIQUIDITY REQUIREMENTS

**Minimum Capital Requirement (MCR):**

Paid-up capital

Un-audited June 30, 2019	Audited December 31, 2018
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----- Rupees in '000 -----

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

Eligible Common Equity Tier 1 (CET 1) Capital

6,449,692	7,316,166
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Eligible Additional Tier 1 (ADT 1) Capital

-	-
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Total Eligible Tier 1 Capital

6,449,692	7,316,166
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Eligible Tier 2 Capital

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

6,449,692	7,316,166
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**Risk Weighted Assets (RWAs):**

Credit Risk

21,900,491	23,817,108
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Market Risk

4,072,777	4,381,901
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Operational Risk

1,109,686	1,664,869
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Total

27,082,954	29,863,878
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Common Equity Tier 1 Capital Adequacy ratio

23.81%	24.50%
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Tier 1 Capital Adequacy Ratio

23.81%	24.50%
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Total Capital Adequacy Ratio

23.81%	24.50%
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**Leverage Ratio (LR):**

Eligible Tier-1 Capital

6,449,692	7,316,166
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Total Exposures

48,378,029	49,144,614
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Leverage Ratio - percentage

13.33%	14.89%
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**Liquidity Coverage Ratio (LCR):**

Total High Quality Liquid Assets

4,852,261	5,625,751
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Total Net Cash Outflow

8,643,687	8,561,213
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Liquidity Coverage Ratio - percentage

56.14%	65.71%
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**Net Stable Funding Ratio (NSFR):**

Total Available Stable Funding

21,759,595	19,869,638
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Total Required Stable Funding

20,496,320	21,364,065
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Net Stable Funding Ratio - percentage

106.16%	93.00%
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## 35 GENERAL

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



- 35.2 Comparative information has been re-classified, re-arranged or additionally incorporated in these condensed interim unconsolidated financial statements, wherever necessary, to facilitate comparison and better presentation and to conform with changes in presentation in the current period. There have been no significant reclassifications during the period except for the following:

Particulars	Before reclassification - for the half year ended June 30, 2018	Reclassification	After reclassification - for the half year ended June 30, 2018
----- Rupees '000 -----			
<b>Condensed interim unconsolidated profit and loss account</b>			
Gain / (loss) on sale of securities - net	6,421	(6,421)	-
Unrealised loss on revaluation of investments classified as held for trading - net	(25,685)	25,685	-
(Loss) / gain on securities	-	(19,264)	(19,264)
Provision against non-performing loans and advances - net	231,461	(231,461)	-
Provision for diminution in value of investments - net	26,433	(26,433)	-
Provisions and write-off - net	-	257,894	257,894

36 DATE OF AUTHORISATION FOR ISSUE

These condensed interim unconsolidated financial statements were authorised for issue on 03 OCT 2019 by the Board of Directors of the Company.

ALL

  
President/Chief Executive

  
Chief Financial Officer

  
Director

  
Director

  
Director