

PAIR Investment Company Limited

Statement of Financial Position

As at 31 March 2021

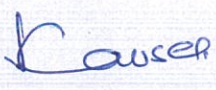


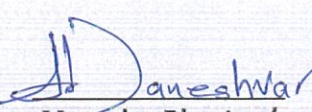
	Note	31 March 2021 (Un-audited)	31 December 2020 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks	6	37,918	54,919
Balances with other banks	7	15,982	74,589
Lendings to financial institutions		-	-
Investments	8	14,556,559	13,651,952
Advances	9	6,780,084	6,165,043
Fixed assets	10	214,626	219,675
Intangible assets	11	126	146
Deferred tax assets	12	433,712	414,100
Other assets	13	598,048	709,380
		22,637,055	21,289,804
LIABILITIES			
Bills payable		-	-
Borrowings	14	11,671,132	10,223,036
Deposits and other accounts	15	940,979	923,702
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities		-	-
Other liabilities	16	515,306	480,808
		13,127,417	11,627,546
NET ASSETS		9,509,638	9,662,258
REPRESENTED BY			
Share capital	17	6,000,000	6,000,000
Reserves	18	980,691	965,805
(Deficit) / surplus on revaluation of assets	19	(31,051)	16,001
Unappropriated profit		2,559,998	2,680,452
		9,509,638	9,662,258

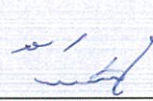
CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Managing Director /
Chief Executive Officer


Chairman


Director


Director

PAIR Investment Company Limited

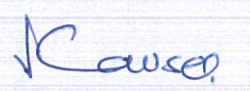
Profit and Loss Account (Un-audited)


For the three months period ended 31 March 2021

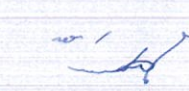


	Note	Three month period ended	
		January - March 2021	January - March 2020
(Rupees in '000)			
Mark-up / return / interest earned	23	365,872	570,276
Mark-up / return / interest expensed	24	184,629	317,182
Net mark-up / interest income		181,243	253,094
NON MARK-UP / INTEREST INCOME			
Fee and commission income	25	8,003	5,148
Dividend income		22,887	9,265
Foreign exchange income		252	144
Income / (loss) from derivatives		-	-
Gain on sale of securities	26	41,894	1,421
Total non mark-up / interest income		73,036	15,978
Total Income		254,279	269,072
NON MARK-UP / INTEREST EXPENSES			
Operating expenses	27	89,808	90,914
Workers Welfare Fund		2,962	3,202
Other charges		-	-
Total non mark-up / interest expenses		92,770	94,116
Profit Before Provisions		161,509	174,956
Provisions and write offs - net Extra ordinary / unusual items	28	54,322	65,902
PROFIT BEFORE TAXATION		107,187	109,054
Taxation	29	32,755	25,883
PROFIT AFTER TAXATION		74,432	83,171
Basic and diluted earnings per share - (Rupees)	30	0.124	0.139

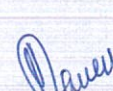
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Chief Financial Officer


Managing Director /
Chief Executive Officer


Chairman


Director

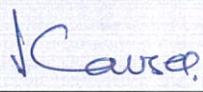
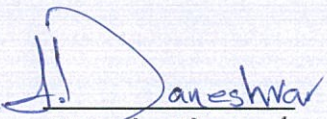
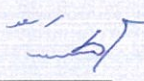



Director

PAIR Investment Company Limited
 Statement of Comprehensive Income (Un-audited)
 For the three months period ended 31 March 2021



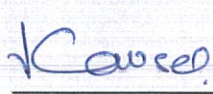
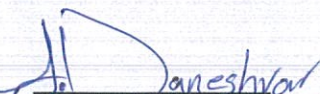
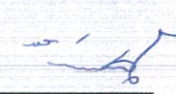

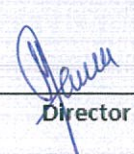
	Three month period ended	
	January - March 2021	January - March 2020
	(Rupees in '000)	
Profit after taxation for the period	74,432	83,171
Other comprehensive income		
<i>Items that may be reclassified to profit and loss account in subsequent periods:</i>		
Movement in (deficit) / surplus on revaluation of investments - net of tax	(46,452)	(97,593)
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>		
Remeasurement (loss) / gain on defined benefit obligations - net of tax	-	-
Movement in surplus on revaluation of non-banking asset - net of tax	(600)	
Total comprehensive income / (loss)	<u>27,380</u>	<u>(14,422)</u>

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

 Chief Financial Officer	 Managing Director / Chief Executive Officer	 Chairman	 Director	 Director
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Note	Share capital	Statutory reserve	(Deficit) / surplus on revaluation of		Unappropriated profit	Total
			Investments	Fixed / Non Banking assets		
(Rupees in '000)						
Balance as at 1 January 2020	6,000,000	888,356	56,305	-	2,526,058	9,470,719
Profit for the period ended 31 March 2020	-	-	-	-	83,171	83,171
Other comprehensive income - net of tax	-	-	(97,593)	-	-	(97,593)
			(97,593)	-	83,171	(14,422)
Transfer to statutory reserve	-	16,634	-	-	(16,634)	-
Final cash dividend - 31 December 2019 declared subsequent to the year end					(150,000)	(150,000)
Balance as at 31 March 2020	6,000,000	904,990	(41,288)	-	2,442,595	9,306,297
Profit for the period ended 31 December 2020	-	-	-	-	304,074	304,074
Other comprehensive income						
<i>Movement in (deficit) / surplus on revaluation of investments - net of tax</i>			24,365			
<i>Remeasurement gain / (loss) on defined benefit obligations - net of tax</i>					(5,402)	
<i>Movement in surplus on revaluation of non-banking asset - net of tax</i>				32,924		32,924
	-	-	24,365	32,924	298,672	355,961
Transfer to statutory reserve	18	-	60,815	-	(60,815)	-
Balance as at 31 December 2020	6,000,000	965,805	(16,923)	32,924	2,680,452	9,662,258
Profit for the period ended 31 March 2021	-	-	-	-	74,432	74,432
Other comprehensive income						
<i>Movement in (deficit) / surplus on revaluation of investments - net of tax</i>			(46,452)			(46,452)
<i>Remeasurement gain / (loss) on defined benefit obligations - net of tax</i>					-	-
<i>Movement in surplus on revaluation of non-banking asset - net of tax</i>				(600)		(600)
	-	-	(46,452)	(600)	74,432	27,380
Transfer to statutory reserve	18	-	14,886	-	(14,886)	-
Transactions with owners recognised directly in equity						
Final cash dividend - 31 December 2020 declared subsequent to the year end					(180,000)	(180,000)
Balance as at 31 March 2021	6,000,000	980,691	(63,375)	32,324	2,559,998	9,509,638

The annexed notes 1 to 37 form an integral part of these condensed interim financial statements.

 Chief Financial Officer	 Managing Director / Chief Executive Officer	 Chairman	 Director	 Director
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PAIR Investment Company Limited

Cash Flow Statement (Un-audited)

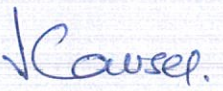
For the three months period ended 31 March 2021

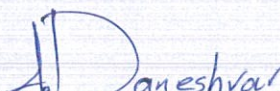


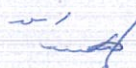
Three month period ended

	Note	31 March	31 March
		2021	2020
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		107,187	109,054
Less: Dividend income		(22,887)	(9,265)
		<u>84,300</u>	<u>99,789</u>
Adjustments:			
Depreciation		6,598	5,796
Amortisation		20	53
Provision and write-offs	28	54,322	65,902
Loss/ (gain) on sale of fixed assets		-	-
Charge for defined benefit plan		3,209	2,811
Unrealised loss on revaluation of held for trading investments	26	4,659	-
		<u>68,808</u>	<u>74,562</u>
		<u>153,108</u>	<u>174,351</u>
(Increase) / decrease in operating assets			
Lendings to financial institutions		-	150,000
Held-for-trading securities		(24,283)	35,913
Advances		(676,184)	(1,234,808)
Others assets (excluding advance taxation)		108,661	73,508
		<u>(591,806)</u>	<u>(975,387)</u>
Increase / (decrease) in operating liabilities			
Borrowings from financial institutions		1,448,096	(1,149,595)
Deposits		17,277	78,960
Other liabilities (excluding current taxation)		33,025	149,644
		<u>1,498,398</u>	<u>(920,991)</u>
		<u>1,059,700</u>	<u>(1,722,027)</u>
Income tax paid		(23,893)	(62,888)
Defined benefits paid		(1,683)	(2,811)
<i>Net cash flows used in operating activities</i>		<u>1,034,124</u>	<u>(1,787,726)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net investments in available-for-sale securities		(938,256)	1,326,635
Net investments in held-to-maturity securities		-	386,981
Dividends received		8,909	6,328
Investments in operating fixed assets		(385)	(9,127)
Proceeds from sale of fixed assets		-	3,991
<i>Net cash flows generated from investing activities</i>		<u>(929,732)</u>	<u>1,714,808</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(180,000)	-
<i>Net cash flows from financing activities</i>		<u>(180,000)</u>	<u>-</u>
Net (decrease) in cash and cash equivalents			
		<u>(75,608)</u>	<u>(72,918)</u>
Cash and cash equivalents at beginning of the period		<u>129,508</u>	<u>130,134</u>
Cash and cash equivalents at end of the period		<u><u>53,900</u></u>	<u><u>57,216</u></u>


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Chief Financial Officer


Managing Director /
Chief Executive Officer


Chairman


Director


Director

PAiR Investment Company Limited

Notes to the Accounts

For the three months period ended 31 March 2021



1. STATUS AND NATURE OF BUSINESS

PAiR Investment Company Limited, "the Company" is an unlisted Public Limited Company incorporated in Pakistan on 15 January 2007 under the Companies Ordinance, 1984. The Company has been notified as a Development Financial Institution by the Ministry of Finance, Government of Pakistan.

The Company is a Joint Venture (50:50) between Government of Pakistan and Iran Foreign Investment Company which is owned by the Government of Iran. The Company's objectives inter alia includes financing for industrial and commercial projects, capital and money market operations and other investment banking activities. Its registered and principal office is situated at ICCI Building, Clifton, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Act, 2017;
- Provisions of and directives issued under the 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 Companies Act, 2017 or the directives issued by the SBP and the SECP differ with the requirements of IFRS or IFAS, the requirements of the Companies Act, 2017 and the said directives shall prevail.

2.2 Standards and amendments to existing accounting and reporting standards that are not yet effective.

IFRS 9, Financial Instruments: Classification and Measurement, addresses recognition, classification, measurement and derecognition of financial assets and financial liabilities. The standard has also introduced a new impairment model for financial assets which requires recognition of 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 Bank which are exposed to credit risk.

IFRS 9 is effective from January 01, 2021 as per BPRD Circular No. 04 of 2019 dated October 23, 2019 of SBP. However, Implementation guidelines from SBP for consistent application of IFRS 9 across the banking industry are awaited. Therefore these condensed interim financial statements have been prepared in accordance with the existing prudential regime.

3. SIGNIFICANT ACCOUNTING POLICIES

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The basis for accounting estimates adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended 31 December 2020.

5. FINANCIAL RISK MANAGEMENT

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

6. CASH AND BALANCES WITH TREASURY BANKS	Note	31 March	31 December
		2021 (Un-audited)	2020 (Audited)
(Rupees in '000)			
In hand			
Local currency		70	51
Foreign currencies		563	560
		633	611
With State Bank of Pakistan in			
Local currency current account	6.1	36,611	53,634
With National Bank of Pakistan in			
Local currency current account		17	17
Local currency deposit account	6.2	657	657
		674	674
		37,918	54,919

6.1 This represents current account maintained for minimum cash reserve required to be maintained with the State Bank of Pakistan in accordance with its requirements of BSD Circular No. 04 dated May 22, 2004.

6.2 This carries mark-up at the rate 5.0% per annum (2020: 5.50%).

7. BALANCES WITH OTHER BANKS		31 March	31 December
		2021 (Un-audited)	2020 (Audited)
(Rupees in '000)			
In Pakistan			
In current accounts		1,981	7,505
In deposit accounts	7.1	14,001	67,084
		15,982	74,589

7.1 These deposit accounts carry annual mark-up rate of 2.85% to 5.50% (2020: 6.30% to 11.25%).

8. INVESTMENTS

8.1 Investments by type

	31 March 2021 (Un-audited)				31 December 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	(Deficit) / Surplus	Carrying Value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
Held-for-trading securities								
Shares	67,330	-	(4,659)	62,671	43,139	-	(92)	43,047
	<u>67,330</u>	<u>-</u>	<u>(4,659)</u>	<u>62,671</u>	<u>43,139</u>	<u>-</u>	<u>(92)</u>	<u>43,047</u>
Available-for-sale securities								
Federal Government securities								
Shares	8,680,117	-	18,009	8,698,126	7,668,021	-	40,280	7,708,301
Non Government Debt Securities	983,924	(37,857)	(74,825)	871,242	1,081,173	(44,678)	(26,627)	1,009,868
	4,979,147	(32,636)	(21,991)	4,924,520	4,956,955	(32,636)	(33,583)	4,890,736
	<u>14,643,188</u>	<u>(70,493)</u>	<u>(78,807)</u>	<u>14,493,888</u>	<u>13,706,149</u>	<u>(77,314)</u>	<u>(19,930)</u>	<u>13,608,905</u>
Total investments	<u>14,710,518</u>	<u>(70,493)</u>	<u>(83,466)</u>	<u>14,556,559</u>	<u>13,749,288</u>	<u>(77,314)</u>	<u>(20,022)</u>	<u>13,651,952</u>

8.2 Investments by segments

	31 March 2021 (Un-audited)				31 December 2020 (Audited)			
	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
----- (Rupees in '000) -----								
Federal Government securities								
- Market treasury bills	2,920,540	-	(4,227)	2,916,313	1,915,467	-	1,500	1,916,967
- Pakistan Investment Bonds	5,759,577	-	22,236	5,781,813	5,752,554	-	38,780	5,791,334
	<u>8,680,117</u>	<u>-</u>	<u>18,009</u>	<u>8,698,126</u>	<u>7,668,021</u>	<u>-</u>	<u>40,280</u>	<u>7,708,301</u>
Shares								
- Ordinary Shares of Listed companies	1,023,645	(37,857)	(79,484)	906,304	1,096,703	(44,678)	(26,719)	1,025,306
- Preference Shares of Listed companies	27,609	-	-	27,609	27,609	-	-	27,609
	<u>1,051,254</u>	<u>(37,857)</u>	<u>(79,484)</u>	<u>933,913</u>	<u>1,124,312</u>	<u>(44,678)</u>	<u>(26,719)</u>	<u>1,052,915</u>
Non Government Debt Securities								
- Term Finance Certificates - Listed	460,370	-	(772,629)	(312,259)	1,056,746	-	(1,033)	1,055,713
- Term Finance Certificates - Unlisted	3,284,613	(11,245)	759,470	4,032,838	2,957,162	(11,245)	(23,742)	2,922,175
- Sukuk bonds - Unlisted	1,234,164	(21,391)	(8,832)	1,203,941	943,047	(21,391)	(8,808)	912,848
	<u>4,979,147</u>	<u>(32,636)</u>	<u>(21,991)</u>	<u>4,924,520</u>	<u>4,956,955</u>	<u>(32,636)</u>	<u>(33,583)</u>	<u>4,890,736</u>
Total investments	<u>14,710,518</u>	<u>(70,493)</u>	<u>(83,466)</u>	<u>14,556,559</u>	<u>13,749,288</u>	<u>(77,314)</u>	<u>(20,022)</u>	<u>13,651,952</u>

8.3 Investments given as collateral

	31 March 2020 (Un-audited)	31 December 2020 (Audited)
----- (Rupees in '000) -----		
Market treasury bills		
Carrying Value	934,635	256,410
Surplus	(1,531)	97
	<u>933,104</u>	<u>256,507</u>
Pakistan Investment Bonds		
Carrying Value	4,432,711	4,224,607
Surplus	(10,011)	(4,817)
	<u>4,422,700</u>	<u>4,219,790</u>
Shares		
Carrying Value	101,976	101,540
Impairment	(17,453)	(17,458)
(Deficit) / Surplus	(15,136)	(7,578)
	<u>69,387</u>	<u>76,504</u>

8.4 Provision for diminution in value of investments

	31 March 2021 (Un-audited)	31 December 2020 (Audited)
----- (Rupees in '000) -----		
Opening balance	77,314	112,144
Charge / reversals		
Charge for the period / year	-	86,154
Reversals for the period / year	-	-
Reversal on disposals	(6,821)	(120,984)
	<u>(6,821)</u>	<u>(34,830)</u>
Transfers - net	-	-
Amounts written off	-	-
Closing Balance	<u>70,493</u>	<u>77,314</u>

8.5	Particulars of provision against debt securities Category of classification	31 March 2021 (Un-audited)		31 December 2020 (Audited)	
		NPI	Provision	NPI	Provision
		(Rupees in '000)			
Domestic					
	Other assets especially mentioned	-	-	-	-
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Loss	43,290	(32,636)	44,672	(32,636)
		43,290	(32,636)	44,672	(32,636)

The market value of securities classified as held-to-maturity as at March 31, 2021 amounted to Nil (December 31, 2020: Nil).

8.6 In accordance with BSD Circular No. 1 dated 21 October 2011 issued by the SBP, the Company has availed the benefit of Forced Sales Value (FSV) against the non-performing debt securities. Had this benefit of FSV not been taken by the Company, the specific provision against non-performing debt securities would have been higher by Rs. 10.65 million (31 December 2020: Rs. 12.04 million). Further, this amount arising from availing the benefit of FSV is not available for distribution amongst the shareholders either in the form of cash or stock dividend.

9 ADVANCES

Note

		Performing		Non Performing		Total	
		31 March 2021 (Un-audited)	31 December 2020 (Audited)	31 March 2021 (Un-audited)	31 December 2020 (Audited)	31 March 2021 (Un-audited)	31 December 2020 (Audited)
		(Rupees in '000)					
Loans, cash credits, running finances, etc.	9.2	6,027,239	5,368,461	2,077,752	2,081,878	8,104,991	7,450,339
Islamic financing and related assets		264,783	266,275	-	-	264,783	266,275
Bills discounted and purchased		23,024	-	-	-	23,024	-
Advances - gross	9.1	6,315,046	5,634,736	2,077,752	2,081,878	8,392,798	7,716,614
Provision against advances							
- Specific		-	-	(1,612,714)	(1,551,571)	(1,612,714)	(1,551,571)
- General		-	-	-	-	-	-
		-	-	(1,612,714)	(1,551,571)	(1,612,714)	(1,551,571)
Advances - net of provision		6,315,046	5,634,736	465,038	530,307	6,780,084	6,165,043

9.1 These include personal loans and house loans advanced to employees in accordance with their terms of employment. These personal loans and house loans carry mark-up at the rates of 3% and 5% (2020: 3% and 5%) respectively.

9.2 Includes net investment in finance lease as disclosed below:

	31 March 2021 (Un-audited)			31 December 2020 (Audited)		
	Not later than one year	Later than one and less than five years	Total	Not later than one year	Later than one and less than five years	Total
	(Rupees in '000)					
Lease rentals receivable	301,666	416,342	718,008	321,633	420,973	742,606
Residual value	99,834	126,619	226,453	89,512	137,696	227,208
Minimum lease payments	401,500	542,961	944,461	411,145	558,669	969,814
Financial charges for future periods	(32,972)	(55,387)	(88,359)	(49,784)	(45,393)	(95,177)
Present value of minimum lease payments	368,528	487,574	856,102	361,361	513,276	874,637

10.2.1 The Company's implicit rate of return on leases ranges between 8.60% to 16.91% (31 December 2020: 8.60% and 19.90%) per annum. These are secured against leased assets and security deposits generally upto 38% (31 December 2020: 38%) of the cost of leased assets.

10.2.2 Lease rentals received during the period aggregate to Rs. 77.2 million (31 December 2020: Rs. 256 million).

9.3	Particulars of advances (Gross)	31 March 2021 (Un-audited)	31 December 2020 (Audited)
		(Rupees in '000)	
		In local currency	8,392,798
In foreign currencies	-	-	
	8,392,798	7,716,614	

- 9.4 Advances include Rs. 2,077.752 million (31 December 2020: Rs. 2,081.878 million) which has been placed under non-performing status as detailed below:

Category of Classification	31 March 2021 (Un-audited)		31 December 2020 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	----- (Rupees in '000) -----			
Domestic				
OAEM	174,783	-	176,275	-
Substandard	21,179	5,446	21,179	5,446
Doubtful	-	-	-	-
Loss	1,881,790	1,607,268	1,884,424	1,546,125
	<u>2,077,752</u>	<u>1,612,714</u>	<u>2,081,878</u>	<u>1,551,571</u>

- 9.5 Particulars of provision against advances

	31 March 2021 (Un-audited)			31 December 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	1,551,571	-	1,551,571	1,259,215	-	1,259,215
Charge for the period / year	61,143	-	61,143	230,870	-	230,870
Reversals	-	-	-	(5,374)	-	(5,374)
	61,143	-	61,143	225,496	-	225,496
Amounts written off	-	-	-	-	-	-
Other movements	-	-	-	66,860	-	66,860
Closing balance	<u>1,612,714</u>	-	<u>1,612,714</u>	<u>1,551,571</u>	-	<u>1,551,571</u>

- 10.5.1 Particulars of provision against advances

	31 March 2021 (Un-audited)			31 December 2020 (Audited)		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
In local currency	1,612,714	-	1,612,714	1,551,571	-	1,551,571
In foreign currencies	-	-	-	-	-	-
	<u>1,612,714</u>	-	<u>1,612,714</u>	<u>1,551,571</u>	-	<u>1,551,571</u>

- 10.5.2 In accordance with BSD Circular No. 1 dated 21 October 2011 issued by the SBP, the Company has availed the benefit of Forced Sales Value (FSV) against the non-performing advances. Had this benefit of FSV not been taken by the Company, the specific provision against non-performing advances would have been higher by Rs.274.523 million (31 December 2020: Rs. 338.299 million). Further, this amount arising from availing the benefit of FSV is not available for distribution amongst the shareholders either in the form of cash or stock dividend.

- 9.6 Deferred and restructuring / rescheduled loans under SBP COVID-19 relief

	No. of borrowers requested for relief to the Company	No. of requests approved	Amount of principal Deferred upto One year *	Amount Restructured / Rescheduled
	----- (Rupees in '000) -----			
Corporate	16	15	1,205	468
SME	7	7	40	-
	<u>23</u>	<u>22</u>	<u>1,245</u>	<u>468</u>

* The total amount of principal that was deferred by the Company under the SBP's COVID-19 relief circular dated March 26, 2020.

10. FIXED ASSETS	<i>Note</i>	31 March 2021 (Un-audited) (Rupees in '000)	31 December 2020 (Audited)
Property and equipment		195,967	197,658
Right of use assets		<u>18,659</u>	<u>22,017</u>
		<u><u>214,626</u></u>	<u><u>219,675</u></u>
10.1 Additions to fixed assets			
The following additions have been made to fixed assets during the period:		31 March 2021 (Un-audited) (Rupees in '000)	31 December 2020 (Audited)
Property and equipment			
Furniture and fixtures		95	403
Electrical office and computer equipment		288	5,901
Vehicles		-	7,500
		<u>383</u>	<u>13,804</u>
10.2 Disposal of fixed assets		31 March 2021 (Un-audited) (Rupees in '000)	31 December 2020 (Audited)
The following disposals have been made to fixed assets during the period:			
10.3 Disposal of fixed assets			
The net book value of fixed assets disposed off during the period is as follows:			
Property and equipment			
Furniture and fixtures		-	19
Vehicles		-	3,991
		<u>-</u>	<u>4,010</u>
11. INTANGIBLE ASSETS		31 March 2021 (Un-audited) (Rupees in '000)	31 December 2020 (Audited)
Computer Software		<u>126</u>	<u>146</u>

12. DEFERRED TAX ASSETS

31 March 2021 (Un-audited)			
At 01 January 2021	Recognised in profit and loss account	Recognised in other comprehensive income	At 31 March 2021
----- (Rupees in '000) -----			
Deductible Temporary Differences on			
- Capital losses on equity shares carried forward	-	-	-
- Post retirement employee benefits	2,441	2,572	5,013
- Deficit on revaluation of investments	7,724	8,123	15,847
- Accelerated tax depreciation	10,225	1,376	11,601
- Provision against advances, off balance sheet, etc.	430,566	-	430,566
- Provision against investments	-	-	-
- Lease liability against right-of-use assets	6,163	(1,456)	4,707
- Others	1,649	(882)	767
	458,768	(962)	468,501
Taxable Temporary Differences on			
- Surplus on revaluation of investments - net	(4,721)	2,020	(2,701)
- Surplus on revaluation of non-banking asset	(13,590)	(348)	(13,938)
- Right-of-use assets	(6,385)	974	(5,411)
- Accelerated tax depreciation	1,518	(486)	1,032
- Lease assets	(21,490)	7,719	(13,771)
- Others	-	-	-
	(44,668)	8,207	(34,789)
	414,100	7,245	433,712

31 December 2020 (Audited)

At 01 January 2019	Recognised in profit and loss account	Recognised in other comprehensive income	At 31 December 2020
----- (Rupees in '000) -----			
Deductible Temporary Differences on			
- Capital losses on equity shares carried forward	15,270	(15,270)	-
- Post retirement employee benefits	(516)	-	2,441
- Deficit on revaluation of investments	6,366	150	7,724
- Accelerated tax depreciation	3,194	7,031	10,225
- Provision against advances, off balance sheet, etc.	365,172	65,394	430,566
- Provision against investments	16,822	(16,822)	-
- Lease liability against right-of-use assets	12,334	(6,171)	6,163
- Others	884	765	1,649
	419,526	35,077	458,768
Taxable Temporary Differences on			
- Surplus on revaluation of investments - net	(16,166)	-	(4,721)
- Surplus on revaluation of non-banking asset	-	-	(13,590)
- Right-of-use assets	(10,727)	4,342	(6,385)
- Accelerated tax depreciation	(6,874)	8,392	1,518
- Lease assets	(10,232)	(11,258)	(21,490)
- Others	-	-	-
	(43,999)	1,476	(44,668)
	375,527	36,553	414,100

13. OTHER ASSETS

	Note	31 March 2021 (Un-audited)	31 December 2020 (Audited)
(Rupees in '000)			
Income / Mark-up accrued in local currency - net of provision		322,987	275,824
Advances, deposits, advance rent and other prepayments		22,630	177,290
Advance taxation (payments less provisions)		99,807	115,856
Non-banking asset acquired in satisfaction of claims	14.1	83,657	84,821
Dividend receivable		15,924	1,946
Security deposits		6,781	6,781
		551,786	662,518
Less: Provision held against other assets	14.3	-	-
Other Assets (Net of Provision)		551,786	662,518
Surplus on revaluation of non-banking assets acquired in satisfaction of claims		46,262	46,862
Other Assets - total		598,048	709,380

	31 March 2021 (Un-audited)	31 December 2020 (Audited)
	(Rupees in '000)	
13.1 Market value of Non-banking assets acquired in satisfaction of claims	<u>135,060</u>	<u>135,060</u>

Non-banking asset acquired in satisfaction of claims was revalued by independent professional valuer as of 30 June 2020 and subsequently through a desktop valuation as at 31 December 2020. The revaluation was carried out by M/s Joseph Lobo (Private) Limited on the basis of an assessment of present market values and resulted in an increase in surplus by PKR 48.064 million (in both the cases).

13.2 Non-banking assets acquired in satisfaction of claims

Opening Balance	131,683	89,632
Revaluation during the year	-	48,064
Less: Depreciation for the year	<u>1,764</u>	<u>6,013</u>
Closing Balance	<u>129,919</u>	<u>131,683</u>

13.3 Provision held against other assets

Mark-up suspended amounting to PKR 1,341.96 million (2020: PKR 1,298.112 million) included in provision against other asset, has been netted off against the markup receivable amount.

14. BORROWINGS		31 March 2021 (Un-audited) (Rupees in '000)	31 December 2020 (Audited)
In Pakistan (local currency)	14.1	<u>11,671,132</u>	<u>10,842,781</u>
14.1 Details of borrowings secured / unsecured		31 March 2021 (Un-audited) (Rupees in '000)	31 December 2020 (Audited)
Secured			
Borrowings from State Bank of Pakistan- Under financing facility for:			
- Imported & Locally Manufactured Plant & Machinery (LTFF)	15.2	1,729,410	1,649,321
- Renewable Energy (LTFF)	15.3	508,063	478,844
Repurchase agreement borrowings	15.4	5,816,992	4,478,204
Term borrowings	15.5	<u>3,616,667</u>	<u>3,616,667</u>
Total Secured		<u>11,671,132</u>	<u>10,223,036</u>
Unsecured			
Call borrowings		-	-
Total Unsecured		<u>11,671,132</u>	<u>10,223,036</u>
15.2	The Company has obtained funds from the SBP for extending Long Term Financing Facility (LTFF) for Imported & Locally Manufactured Plant & Machinery. These borrowings carry mark-up rate of 2.0% to 2.5% per annum (2020: 2.0% to 2.5%). These borrowings will mature by 2033 (2020: 2029).		
15.3	The Company has obtained funds from the SBP for extending Long Term Financing Facility (LTFF) for renewable energy. These borrowings carry mark-up rate of 2.0% to 3.0% per annum (2020: 2.0% to 3.0%). These borrowings will mature by 2029 (2020: 2029).		
15.4	These carry mark-up at the rates ranging from 7.20% to 7.90% per annum (2020: 7.15% to 7.25% per annum) and are secured against government securities having carrying amount of PKR 5.367 billion (2020: PKR 4.481 billion). These borrowings will mature up to April 2021 (2020: January 2021).		
15.5	These represent finances obtained from Allied Bank Limited to finance regular business operations of the Company. These finances are secured against pledge of all present and future movable assets (excluding investments). It carries mark up at the rate of 6 months KIBOR +0.10 to 0.25% per annum. These are repayable in semi annual installments and shall be repaid by 2025.		
15. DEPOSITS AND OTHER ACCOUNTS	<i>Note</i>	31 March 2021 (Un-audited) (Rupees in '000)	31 December 2020 (Audited)
Customers			
Term deposits - In Local Currency	15.2	159,258	239,403
Financial Institutions			
Term deposits - In Local Currency	15.3	<u>781,721</u>	<u>684,299</u>
		<u>940,979</u>	<u>923,702</u>
15.1 Composition of deposits			
- Individuals	15.4	41,976	97,927
- Public Sector Entities		-	-
- Non-Banking Financial Institutions		781,721	684,299
- Private Sector		<u>117,282</u>	<u>141,476</u>
		<u>940,979</u>	<u>923,702</u>
15.2	The mark-up rates on these certificate of investments (COI) range between 7.10% to 7.40% per annum (2020: 7.10% to 7.25% per annum). These COIs will mature up to February 2022 (2020: November 2021).		
15.3	The mark-up rates on these certificate of investments (COI) is 7.25% per annum (2020:7.25% per annum). These COIs will mature up to June 2021 (2020: February 2021).		
15.4	These includes both interest bearing and non-interest bearing certificate of investments (COI) issued to the employees of the Company maturing up to February 2022 (2020: November 2021).		

16. OTHER LIABILITIES	31 March 2021 (Un-audited) (Rupees in '000)	31 December 2020 (Audited)
Mark-up / Return / Interest payable in local currency	115,411	54,275
Unearned commission income		-
Accrued expenses	37,957	37,973
Payable to defined benefit plan	13,623	12,150
Provision for compensated absences	-	4,248
Payable to an associated undertaking	7,273	8,068
Government levies payable	4,326	4,059
Provision for audit fee	1,736	1,320
Advance insurance premium on lease	447	248
Security deposits against finance lease	226,453	227,208
Provision for staff rewards	7,317	28,438
Provision for Worker's Welfare Fund	84,531	81,569
Lease liability against right-of-use assets	16,232	21,252
	515,306	480,808

17. SHARE CAPITAL

17.1 Authorised capital

31 March 2021 (Un-audited) (Number of shares)	31 December 2020 (Audited)		31 March 2021 (Un-audited) (Rupees in '000)	31 December 2020 (Audited)
<u>1,000,000,000</u>	<u>1,000,000,000</u>	Ordinary shares of Rs. 10 each	<u>10,000,000</u>	<u>10,000,000</u>

17.2 Issued, subscribed and paid-up share capital

<u>600,000,000</u>	<u>600,000,000</u>	Ordinary shares of Rs. 10 each	<u>6,000,000</u>	<u>6,000,000</u>
<u>600,000,000</u>	<u>600,000,000</u>	Fully paid in cash	<u>6,000,000</u>	<u>6,000,000</u>

17.3 Major shareholders (holding more than 5% of total paid-up capital)

Name of shareholder	31 March 2021 (Un-audited)		31 December 2020 (Audited)	
	Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
Government of Pakistan	300,000,000	50%	300,000,000	50%
Iran Foreign Investment Company	300,000,000	50%	300,000,000	50%
	<u>600,000,000</u>	<u>100%</u>	<u>600,000,000</u>	<u>100%</u>

	31 March 2021 (Un-audited)	31 December 2020 (Audited)
	(Rupees in '000)	
18. RESERVES		
Statutory reserve		
Opening balance	965,805	888,356
Transfer during the year	14,886	77,449
Closing balance	<u>980,691</u>	<u>965,805</u>

18.1 According to BPD Circular No. 15 dated 31 May 2004 issued by SBP, an amount not less than 20% of the after tax profits shall be transferred to create a reserve fund till such time the reserve fund equals the amount of the paid-up capital and after that a sum not less than 5% of profit after tax shall be credited to the statutory reserve.

	31 March 2021 (Un-audited)	31 December 2020 (Audited)
	(Rupees in '000)	
19. (DEFICIT) / SURPLUS ON REVALUATION OF ASSETS		
Surplus / (deficit) on revaluation of		
- Available for sale securities	9.1 (78,807)	(19,930)
- Non-banking assets acquired in satisfaction of claims	48,064	48,064
	<u>(30,743)</u>	28,134
Deferred tax on surplus / (deficit) on revaluation of:		
- Available for sale securities	15,432	3,007
- Non-banking assets acquired in satisfaction of claims	<u>(13,938)</u>	<u>(13,938)</u>
	1,494	(10,931)
Incremental depreciation charged during the year	<u>(1,802)</u>	<u>(1,202)</u>
	<u>(31,051)</u>	16,001

20. CONTINGENCIES AND COMMITMENTS

20.1 The Additional Commissioner Inland Revenue (ADCIR) amended the assessment for the tax year 2013 under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance). Income tax demand of PKR 51.113 million was created including liability of Workers' Welfare Fund (WWF) amounting to PKR 13.874. The Company filed a rectification application to rectify the errors apparent in order and paid under protest the demand of PKR 45.219 in respect of said demand. The Company also challenged the impugned order through appeal under section 127 of the Ordinance with the Commissioner Inland Revenue (Appeals) - CIR(A). However, CIR(A) has confirmed all the issues except the issue pertaining to premium amortization which has been set aside and against which the Company has been provided a relief. Thereafter, the Company has filed appeal before Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR(A), which is pending for hearing. The Company, in consultation with its tax advisor, is confident of a favourable outcome.

20.2 The Additional Commissioner Inland Revenue (ADCIR) amended the assessments for tax year 2014 and raised demand of PKR 53.826 million, including liability of WWF of PKR 11.508 million which was later revised to PKR 72.210 million. The demand was challenged by the Company by filing an appeal with the CIR(A). However, on confirmation of the demand order by CIR(A) the Company filed an appeal before the ATIR and made payment under protest of PKR 17.5 million. The ATIR through its order dated 24 November 2016 deleted the demand amounting to PKR 40 million and directed the department to work out the liability of WWF in the light of Supreme Court's order. Through the said order, the ATIR also remanded back the issue of taxing amortization of TFCs and preference shares and taxing of capital gain on sale of TFC and T-bills under the head business income instead of capital gain for re-adjudication, for both the tax years. Consequently, the tax department filed a reference in High Court, dated 16 February 2017, which is yet to be admitted for hearing whereas the Company filed a request before the CIR(A) in respect of remanded back issues on 05 November 2019 against which no reply has yet been received from the CIR(A). The Company, in consultation with its tax advisor, is confident of a favourable outcome with respect to both, department's appeal before the High Court and the remand back issue.

20.3 The Additional Commissioner Inland Revenue (ADCIR) amended the assessments for tax year 2015 and raised demand of PKR 80.433 million which was later revised to PKR 87.014 million. The demand was challenged by the Company by filing an appeal with the CIR(A). However, on confirmation of the demand order by CIR(A) the Company filed an appeal before the ATIR and made payment under protest of PKR 17.5 million. The ATIR through its order dated 24 November 2016 deleted the demand and directed the department to work out the liability of WWF in the light of Supreme Court's order. Consequently, the tax department filed a reference in High Court, dated 16 February 2017, which is yet to be admitted for hearing. Moreover, certain issues were remanded back by the ATIR under the aforementioned order against which relief has been allowed by the CIR(A) however, appeal effect order is pending. The Company is confident of a favourable outcome in relation to this matter.

20.4 With respect to tax year 2016, ADCIR amended the assessment and demand amounting to PKR 52.049 million was created. The Company admitted tax imposed on commission income amounting to PKR 1.031 Million, which was paid and on other issues filed appeal to CIR(A) against ADCIR order. The CIR(A) passed order and decided the appeal and allowed partial relief. Order to the extent of apportionment of finance cost was confirmed by CIR(A). An appeal effect order under section 124 of the Ordinance is required to be passed for the relief allowed by CIR(A). The Company and the department has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) on the issue decided against it. The Company, in consultation with its tax advisor, is confident of a favourable outcome.

20.5 With respect to tax year 2017, ADCIR amended the assessment and demand amounting to PKR 134.499 million was created. The order passed under 122(5A) contained mistakes which were rectified subsequently, ACIR subsequently passed order under 221(1) dated 22 January 2019 and rectified demand to PKR 46.351 Million. The Company paid the demand and paid PKR 18.0 Million while remaining amount of PKR 28.351 Million was adjusted from the refund of tax year 2018. The Company filed appeal against order before CIR(A). The CIR(A) passed order and has decided the appeal and allowed partial relief and accepted contention except on apportionment of markup expenses. An appeal effect order under section 124 of the Ordinance is required to be passed for the relief allowed by CIR(A). Moreover, both the Company and the department have filed appeals before the ATIR on the issues decided against them. The appeal is awaited to be heard. The issue is pending before ATIR and the Company, in consultation with its tax advisor, is confident of a favourable outcome.

20.6 With respect to tax year 2018, ADCIR amended the assessment under section 122(5A) of the Ordinance. The ACIR has passed order under section 122(5A) reducing the refund amounting to PKR 17.962 Million. The order passed under 122(5A) contained mistakes which were rectified subsequently, ACIR subsequently passed order under 221(1) dated 22 January 2019. The Company filed an appeal against the order before the CIR(A) on 31 January 2019. The CIR(A) passed order and has decided the appeal and allowed partial relief and accepted their contention except on apportionment of markup expenses. An appeal effect order under section 124 of the Ordinance is required to be passed for the relief allowed by CIR(A). Whereas, the Company has filed an appeal before the ATIR in respect of the issue of apportionment of finance and administration cost and the Company, in consultation with its tax advisor, is confident of a favourable outcome.

	31 March 2021 (Un-audited)	31 December 2020 (Audited)
	(Rupees in '000)	
20.7 Commitments in respect of repo transactions		
Repurchase agreement borrowings	<u>5,816,992</u>	<u>4,478,204</u>
20.8 Direct credit substitutes	<u>100,000</u>	<u>100,000</u>
20.9 Commitments to extend credit		

The Company makes commitments to extend credit in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

21. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

Off balance sheet financial instruments referred to as derivatives, contracts the characteristics of which are derived from those of underlying assets. These include forwards and swaps in money and foreign exchange markets. The Company's exposure in these instruments represents equity futures. The Company also enters into repo transactions against government securities carrying fixed interest rates and having fixed contractual maturities. The credit risk associated with repo transactions is secured through underlying government securities.

22. DERIVATIVE INSTRUMENTS

The Company at present does not offer structured derivative products such as interest rate swaps, forward rate swaps, forward rate agreements or forward exchange options. However, the Company treasury and investment group buy and sell derivative instruments such as equity futures.

22.1 Equity futures

An equity futures contract is a standardized contract, traded on a futures counter of the stock exchange, to buy or sell a certain underlying scrip at a certain date in the future, at a specified price.

The Company uses equity futures as a hedging instrument to hedge its equity portfolio against equity price risk. Only selected shares are allowed to be traded on futures exchange. Equity futures give flexibility to the Company either to take delivery on the future settlement date or to settle it by adjusting the notional value of the contract based on the current market rates.

Maximum exposure limit to the equity futures is 10% of tier 1 capital of the Company, based on prevailing SBP regulations.

23. MARK-UP / RETURN / INTEREST EARNED

	31 March 2021 (Un-audited) (Rupees in '000)	31 March 2020 (Un-audited)
On loans and advances	107,372	143,439
On investments	258,500	424,839
On deposits with financial institutions	-	6
On lendings to financial institutions	-	1,992
	<u>365,872</u>	<u>570,276</u>

24. MARK-UP / RETURN / INTEREST EXPENSED

Deposits	16,197	27,931
Securities sold under repurchase agreements	88,951	157,231
On borrowing from State Bank of Pakistan- Under LTFF financing facility	11,531	9,520
Term Borrowing	66,841	121,391
Markup on Lease liability against right of use assets	1,109	1,109
	<u>184,629</u>	<u>317,182</u>

25. FEE & COMMISSION INCOME

Investment banking fees	7,872	4,663
Commission on trade	131	112
Commission on guarantees	-	373
	<u>8,003</u>	<u>5,148</u>

26. GAIN ON SALE OF SECURITIES

Realised	26.1	46,553	1,421
Unrealised - held for trading		(4,659)	-
		<u>41,894</u>	<u>1,421</u>

26.1 Realised gain on: Shares

<u>46,553</u>	<u>1,421</u>
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27. OPERATING EXPENSES

31 March 2021 (Un-audited)	31 March 2020 (Un-audited)
----------------------------------	----------------------------------

(Rupees in '000)

Total compensation expense 27.1 **64,306** 63,717

Property expense

Rent & taxes	222	130
Insurance	717	653
Utilities cost	1,013	1,377
Security (including guards)	133	121
Repair & maintenance (including janitorial charges)	3,028	2,553
Depreciation on right-of-use assets	3,360	3,360
Depreciation on owned assets	2,308	1,318
	10,781	9,512

Information technology expenses

Software maintenance	295	3,164
Hardware maintenance	19	-
Depreciation	556	462
Amortisation	20	53
Network charges	1,209	1,287
Others	174	55
	2,273	5,021

Other operating expenses

Directors' fees and allowances	3,625	3,826
Legal & professional charges	1,269	670
Travelling & conveyance	4,363	4,523
Depreciation	374	656
Training & development	162	256
Postage & courier charges	29	99
Communication	365	328
Stationery & printing	131	108
Marketing, advertisement & publicity	-	230
Auditors Remuneration	416	697
Commission and brokerage	523	738
Others	1,191	533
	12,448	12,664
	89,808	90,914

27.1 Total compensation expense

Fees and Allowances etc	-	-
Employees Remuneration		
i) Fixed	36,404	28,449
ii) Variable		
of which;		
a) Cash Bonus / Awards etc.	2,981	12,304
b) Bonus & Awards in Shares etc.	-	-
Charge for defined benefit plan	3,209	2,811
Contribution to defined contribution Plan	2,696	2,328
Rent & house maintenance	7,752	7,065
Utilities	1,938	1,766
Medical	2,449	2,154
Conveyance	6,567	6,300
Others	310	540
Total	64,306	63,717

31 March 31 March
2021 2020
(Un-audited) (Un-audited)
(Rupees in '000)

28 PROVISIONS & WRITE OFFS - NET

Provisions against lending to financial institutions		-	-
Provisions for diminution in value of investments	8.4	(6,821)	55,379
Provisions against loans and advances	9.5	61,143	10,523
		54,322	65,902

	31 March 2021 (Un-audited) (Rupees in '000)	31 March 2020 (Un-audited)
29. TAXATION		
Current	40,000	42,213
Prior period	-	-
Deferred	(7,245)	(16,330)
	<u>32,755</u>	<u>25,883</u>

30. BASIC & DILUTED EARNINGS PER SHARE

Profit for the period	<u>74,432</u>	<u>83,171</u>
	<u>(Number of Shares in '000)</u>	
Weighted average number of ordinary shares	<u>600,000</u>	<u>600,000</u>
Basic & diluted earnings per share	<u>0.124</u>	<u>0.139</u>

31. FAIR VALUE MEASUREMENTS

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).

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

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Fair value of financial instruments is based on:

Government securities	PKRV / PKFRV rates (MUFAP rates)
Term finance certificates and sukuk bonds (other than government)	MUFAP rates
Listed securities	PSX rates

In the opinion of the management, the fair value of the remaining financial assets and liabilities is not significantly different from their carrying values.

31.2 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 measured is categorised.

On balance sheet financial instruments	31 March 2021 (Un-audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in 000) -----			
Financial assets measured at fair value				
Federal Government Securities	-	8,698,126	-	8,698,126
Units of mutual funds	-	-	-	-
Shares in listed companies	871,242	-	-	871,242
Non Government Debt Securities	4,924,520	-	-	4,924,520

	31 December 2020 (Audited)			
	Fair value			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in 000) -----			
Financial assets measured at fair value				
Federal Government Securities	-	7,708,301	-	7,708,301
Units of mutual funds	-	-	-	-
Shares in listed companies	1,052,915	-	-	1,052,915
Non Government Debt Securities	-	4,890,736	-	4,890,736

SEGMENT INFORMATION

Segment Details with respect to Business Activities

	31 March 2021				Total
	Corporate Finance & Commercial Banking	Trading & Sales (other than Capital Market)	Capital Markets	Others	
----- (Rupees in '000) -----					
Profit & Loss					
Net mark-up/return/profit	120,946	66,238	-	(5,941)	181,243
Inter segment revenue - net	-	-	-	-	-
Non mark-up / return / interest income	8,003	-	64,783	250	73,036
Total Income	128,949	66,238	64,783	(5,691)	254,279
Segment direct expenses	10,358	5,168	3,782	73,462	92,770
Inter segment expense allocation	-	-	-	-	-
Total expenses	10,358	5,168	3,782	73,462	92,770
Provisions	61,143	-	(6,821)	-	54,322
Profit before tax	57,448	61,070	67,822	(79,153)	107,187
----- (Rupees in '000) -----					
31 March 2021					
	Corporate Finance & Commercial Banking	Trading & Sales (other than Capital Market)	Capital Markets	Others	Total
----- (Rupees in '000) -----					
Balance Sheet					
Cash & Bank balances	-	-	-	53,900	53,900
Investments	4,060,398	9,589,859	906,302	-	14,556,559
Net inter segment lending	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-
Advances - performing	6,186,136	-	-	128,910	6,315,046
Advances - non-performing	465,038	-	-	-	465,038
Others	789,842	114,191	46,950	295,529	1,246,512
Total Assets	11,501,414	9,704,050	953,252	478,339	22,637,055
Borrowings	4,512,274	6,878,011	280,847	-	11,671,132
Subordinated debt	-	-	-	-	-
Deposits & other accounts	591,854	276,054	73,071	-	940,979
Net inter segment borrowing	-	-	-	-	-
Others	298,856	59,686	3,672	153,092	515,306
Total liabilities	5,402,984	7,213,751	357,590	153,092	13,127,417
Equity	6,098,430	2,490,299	595,662	325,247	9,509,638
Total Equity & liabilities	11,501,414	9,704,050	953,252	478,339	22,637,055
Contingencies & Commitments	100,000	5,816,992	-	-	5,916,992
----- (Rupees in '000) -----					
31 March 2020					
	Corporate Finance & Commercial Banking	Trading & Sales (other than Capital Market)	Capital Markets	Others	Total
----- (Rupees in '000) -----					
Profit & Loss					
Net mark-up/return/profit	177,176	85,835	-	(9,917)	253,094
Inter segment revenue - net	-	-	-	-	-
Non mark-up / return / interest income	5,148	-	10,686	144	15,978
Total Income	182,324	85,835	10,686	(9,773)	269,072
Segment direct expenses	21,904	16,178	9,630	46,404	94,116
Inter segment expense allocation	-	-	-	-	-
Total expenses	21,904	16,178	9,630	46,404	94,116
Provisions	10,523	-	55,379	-	65,902
Profit before tax	149,897	69,657	(54,323)	(56,177)	109,054
----- (Rupees in '000) -----					
31 December 2020 (Audited)					
	Corporate Finance & Commercial Banking	Trading & Sales (other than Capital Market)	Capital Markets	Others	Total
----- (Rupees in '000) -----					
Balance Sheet					
Cash & Bank balances	-	-	-	129,508	129,508
Investments	3,661,244	9,045,494	945,214	-	13,651,952
Net inter segment lending	-	-	-	-	-
Lendings to financial institutions	-	-	-	-	-
Advances - performing	5,508,761	-	-	125,975	5,634,736
Advances - non-performing	530,307	-	-	-	530,307
Others	734,458	102,611	5,954	500,278	1,343,301
Total Assets	10,878,486	8,497,472	649,335	513,883	20,539,176
Borrowings	3,731,090	6,146,158	345,788	-	10,223,036
Subordinated debt	-	-	-	-	-
Deposits & other accounts	409,390	425,998	88,314	-	923,702
Net inter segment borrowing	-	-	-	-	-
Others	249,853	30,300	-	200,655	480,808
Total liabilities	4,510,451	5,990,016	397,117	335,295	11,232,879
Equity	6,044,437	2,545,649	517,066	555,106	9,662,258
Total Equity & liabilities	10,878,485	8,497,471	649,335	513,885	20,539,176
Contingencies & Commitments	100,000	4,478,204	-	-	4,578,204

33 RELATED PARTY TRANSACTIONS

Related parties of the Company comprise retirement benefit plan, major shareholders, directors, key management personnel and their close family members.

The Company enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Contributions to and accruals in respect of staff retirement benefits and other benefit plans are made in accordance with the actuarial valuations / terms of the contribution plan. Remuneration to the executives / officers is determined in accordance with the terms of their appointment.

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

	31 March 2021 (Un-audited)			31 December 2020 (Audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
----- (Rupees in '000) -----						
Advances						
Opening balance	-	90,427	-	-	75,735	-
Addition during the period / year	-	4,580	-	-	21,200	-
Repaid during the period / year	-	(2,330)	-	-	(6,508)	-
Closing balance	-	92,677	-	-	90,427	-
Other Assets						
Other receivable	-	-	9,880	-	-	10,039
Deposits and other accounts						
Opening balance	-	3,087	691,697	-	3,170	585,356
Received during the period / year	-	8,293	795,657	-	28,697	2,113,079
Withdrawn during the period / year	-	(9,341)	(691,699)	-	(28,780)	(2,006,738)
Transfer in / (out) - net	-	-	-	-	-	-
Closing balance	-	2,039	795,655	-	3,087	691,697
Other Liabilities						
Interest / mark-up payable	-	8	1,909	-	29	12,083
Payable to staff retirement fund	-	-	13,623	-	-	12,150
Other liabilities	-	-	7,273	-	-	8,068
----- (Rupees in '000) -----						
	31 March 2021 (Un-audited)			31 March 2020 (Un-audited)		
	Directors	Key management personnel	Other related parties	Directors	Key management personnel	Other related parties
----- (Rupees in '000) -----						
RELATED PARTY TRANSACTIONS						
Income						
Mark-up / return / interest earned	-	1,108	-	-	928	-
Expense						
Mark-up / return / interest paid	-	52	12,859	-	928	19,589
Operating expenses						
Fees for Board & Committee Meeting	3,625	-	-	3,826	-	-
Allowance for Board & Committee Meeting	-	-	-	-	-	-
Managerial Remuneration	-	29,562	-	-	13,621	-
Cash Bonus / Awards	-	16,954	-	-	6,030	-
Contribution to defined contribution plan	-	2,119	-	-	1,127	-
Rent & house maintenance	-	4,102	-	-	3,630	-
Utilities	-	1,025	-	-	908	-
Medical	-	1,282	-	-	1,134	-
Conveyance	-	2,963	-	-	2,937	-
Others	-	174	-	-	-	-

The term 'related party' shall have the same meaning as specified under IAS 24 - Related party disclosures.

34 CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	31 March	31 December
	2021	2020
	(Un-audited)	(Audited)
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital (net of losses)	<u>6,000,000</u>	<u>6,000,000</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	<u>6,512,195</u>	6,431,285
Eligible Additional Tier 1 (ADT 1) Capital	<u>-</u>	-
Total Eligible Tier 1 Capital	<u>6,512,195</u>	<u>6,431,285</u>
Eligible Tier 2 Capital	<u>-</u>	-
Total Eligible Capital (Tier 1 + Tier 2)	<u>6,512,195</u>	<u>6,431,285</u>
Risk Weighted Assets (RWAs):		
Credit Risk	<u>9,173,674</u>	8,286,993
Market Risk	<u>1,371,364</u>	1,608,255
Operational Risk	<u>1,622,025</u>	1,621,542
Total	<u>12,167,063</u>	<u>11,516,790</u>

	31 March 2021 (Un-audited)		31 December 2020 (Audited)	
	Required	Actual	Required	Actual
Common Equity Tier 1 Capital Adequacy ratio (%)	<u>6.00%</u>	<u>53.52%</u>	6.00%	55.84%
Tier 1 Capital Adequacy Ratio (%)	<u>7.50%</u>	<u>53.52%</u>	7.50%	55.84%
Total Capital Adequacy Ratio (%)	<u>11.5%*</u>	<u>53.52%</u>	12.50%	55.84%

*In terms of BPRD Circular Letter No. 12 of 2020 dated March 26, 2020, SBP has reduced Capital Conversion Buffer (CCB) requirement from 2.5% to 1.5% to enable the banks/DFIs to continue funding the real economy during evolving situation of CoVID-19 outbreak.

Standardized Approach of Basel III is used for calculating Capital Adequacy for Credit and Market Risk while Basic indicator Approach is used for calculating Capital Adequacy for Operational Risk.

Leverage Ratio (LR):	31 March	31 December
	2021	2020
	(Un-audited)	(Audited)
	(Rupees in '000)	
Eligible Tier-1 Capital	<u>6,512,195</u>	6,431,285
Total Exposures	<u>19,933,254</u>	17,610,587
Leverage Ratio	<u>32.67%</u>	<u>36.52%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	<u>5,256,228</u>	4,034,704
Total Net Cash Outflow	<u>2,053,964</u>	1,186,531
Liquidity Coverage Ratio (%)	<u>2.56</u>	<u>3.40</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	<u>15,030,660</u>	15,123,909
Total Required Stable Funding	<u>10,375,162</u>	10,457,783
Net Stable Funding Ratio (%)	<u>145%</u>	<u>145%</u>

35. GENERAL

35.1 Figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

35.2 The Pakistan Credit Rating Agency Limited (PACRA) has maintained the long term entity rating to AA (Double A) and the short term rating at A1+ (A one plus) of the Company.

35.3 Corresponding figures

Comparative information has been re-classified, re-arranged or additionally incorporated in these financial statements wherever necessary to facilitate comparison and better presentation.

36. EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date which could have material effect on these condensed interim financial statements.

37. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on 24 April 2021 by the Board of Directors of the Company.

Chief Financial Officer

**Managing Director /
Chief Executive Officer**

Chairman

Director

Director

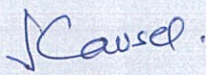
36. **EVENTS AFTER THE REPORTING DATE**

There are no events after the reporting date which could have material effect on these condensed interim financial statements.

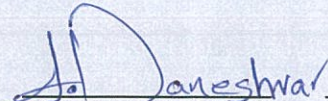
37. **DATE OF AUTHORISATION**

24 April 2021

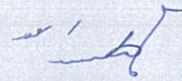
These condensed interim financial statements were authorized for issue on _____ by the Board of Directors of the Company.



Chief Financial Officer



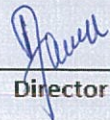
Managing Director /
Chief Executive Officer



Chairman



Director



Director