



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED


**CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)**

For the nine months period ended September 30, 2020

Pakistan Kuwait Investment Company (Private) Limited
Condensed Interim Statement of Financial Position
As at September 30, 2020

	<i>Note</i>	September 30, 2020 (Un -audited)	December 31, 2019 (Audited)
------(Rupees in '000)-----			
ASSETS			
Cash and balances with treasury banks	6	256,240	54,209
Balances with other banks	7	10,582	23,762
Lendings to financial institutions	8	12,122,555	1,218,271
Investments	9	80,645,178	56,341,132
Advances	10	9,406,638	6,654,602
Fixed assets	11	288,779	197,900
Intangible assets	12	15,155	19,248
Deferred tax assets		-	-
Other assets	13	599,546	1,271,649
		103,344,673	65,780,773
LIABILITIES			
Bills payable		-	-
Borrowings	14	61,013,149	28,953,243
Deposits and other accounts	15	1,500,000	-
Liabilities against assets subject to finance lease		-	-
Subordinated debt		-	-
Deferred tax liabilities	16	3,151,569	2,528,173
Other liabilities	17	840,614	764,704
		66,505,332	32,246,120
NET ASSETS		36,839,341	33,534,653
REPRESENTED BY			
Share capital		10,000,000	10,000,000
Reserves		9,543,420	9,543,420
Surplus on revaluation of assets - net	18	1,837,512	2,831,306
Unappropriated profit		15,458,409	11,159,927
		36,839,341	33,534,653
CONTINGENCIES AND COMMITMENTS	19		

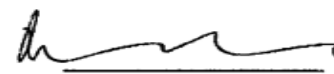
The annexed notes 1 to 36 form an integral part of these condensed interim financial statements.


Chief Executive


Chief Financial Officer


Director


Director


Director

Pakistan Kuwait Investment Company (Private) Limited
Condensed Interim Profit and Loss Account - (Un-audited)
For the nine months period ended September 30, 2020

	Note	Quarter Ended		Nine months period ended	
		September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
------(Rupees in '000)-----					
Mark-up / return / interest earned	20	1,700,586	377,684	5,127,915	947,385
Mark-up / return / interest expensed	21	1,179,600	20,550	3,532,923	35,585
Net mark-up / interest income		520,986	357,134	1,594,992	911,800

NON MARK-UP / INTEREST INCOME

Fee and commission income	22	2,892	-	27,192	2,650
Dividend income		10,862	61,008	80,170	162,099
Foreign exchange income		-	-	-	-
Income / (loss) from derivatives		-	-	-	-
Gain / (loss) on securities	23	531,937	(4,237)	488,397	(29,049)
Share in results of associates - net	24	2,222,304	1,160,151	5,593,624	3,270,611
Other income	25	5,127	2,748	13,524	5,608
Total non-markup / interest income		2,773,122	1,219,670	6,202,907	3,411,919
Total income		3,294,108	1,576,804	7,797,899	4,323,719

NON MARK-UP / INTEREST EXPENSES

Operating expenses	26	197,746	92,631	552,985	360,990
Workers Welfare Fund		53,459	27,162	127,677	69,131
Other charges	27	220	(130)	250	915
Total non-markup / interest expenses		251,425	119,663	680,912	431,036
Profit before provisions		3,042,683	1,457,141	7,116,987	3,892,683
Provision - net	28	369,732	99,029	733,123	436,128
Extra ordinary / unusual items		-	-	-	-
PROFIT BEFORE TAXATION		2,672,951	1,358,112	6,383,864	3,456,555
Taxation	29	483,500	256,525	1,280,489	672,465
PROFIT AFTER TAXATION		2,189,451	1,101,587	5,103,375	2,784,090

-----Rupees-----						
			(Restated)			
			(Restated)			
Basic and diluted earnings per share (on share of Rs. 25,000 each)	30	5,474	2,754	12,758	6,960	

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


Chief Executive


Chief Financial Officer


Director


Director


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Pakistan Kuwait Investment Company (Private) Limited
Condensed Interim Statement of Comprehensive Income - (Un-audited)
For the nine months period ended September 30, 2020

	Quarter ended		Nine months period ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
------(Rupees in '000)-----				
Profit after taxation for the period	2,189,451	1,101,587	5,103,375	2,784,090
Other comprehensive income				
Items that may be reclassified to profit and loss account in subsequent periods:				
Movement in (deficit) / surplus on revaluation of 'available-for-sale' securities - net of tax	(304,932)	92,331	(221,780)	23,242
Movement in surplus / (deficit) on revaluation of 'available-for-sale' securities of associates - net of tax	403,948	137,316	(772,014)	73,323
	99,016	229,647	(993,794)	96,565
Items that will not be reclassified to profit and loss account in subsequent periods:				
Share of deficit on revaluation of non - banking assets of associates - net of tax	-	-	-	(2,451)
Share of remeasurement (loss) / gain of defined benefit obligation of associates - net of tax	-	-	(4,893)	3,722
	-	-	(4,893)	1,271
Total comprehensive income	2,288,467	1,331,234	4,104,688	2,881,926

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


Chief Executive


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Pakistan Kuwait Investment Company (Private) Limited
Condensed Interim Statement of Changes in Equity - (Un-audited)
For the nine months period ended September 30, 2020

	Share Capital	Non-distributable Reserve	Statutory Reserve	Capital Market Equalization Reserve	Surplus / (deficit) on revaluation of		Unappropriated profit	Total
					Investments	Non banking assets of associates		
(Rupees in '000)								
Balance as at January 1, 2019	6,000,000	935,264	6,000,000	1,257,738	161,654	5,649	12,189,004	26,549,309
Profit after taxation for the nine months period ended September 30, 2019	-	-	-	-	-	-	2,784,090	2,784,090
Other comprehensive income - net of tax	-	-	-	-	96,565	(2,451)	3,722	97,836
Total comprehensive income	-	-	-	-	96,565	(2,451)	2,787,812	2,881,926
Transactions with owners recorded directly in equity								
Final dividend for the year ended December 31, 2018 @ Rs. 1,875 per share	-	-	-	-	-	-	(450,000)	(450,000)
Balance as at September 30, 2019	6,000,000	935,264	6,000,000	1,257,738	258,219	3,198	14,526,816	28,981,235
Profit after taxation for the quarter ended December 31, 2019	-	-	-	-	-	-	1,959,348	1,959,348
Other comprehensive income - net of tax	-	-	-	-	2,569,060	829	24,181	2,594,070
Total comprehensive income	-	-	-	-	2,569,060	829	1,983,529	4,553,418
Transfer to statutory reserve	-	-	948,688	-	-	-	(948,688)	-
Transfer to capital market equalization reserve	-	-	-	401,730	-	-	(401,730)	-
Transactions with owners recorded directly in equity								
Issue of 160,000 bonus shares @ Rs. 25,000 each	4,000,000	-	-	-	-	-	(4,000,000)	-
Balance as at December 31, 2019	10,000,000	935,264	6,948,688	1,659,468	2,827,279	4,027	11,159,927	33,534,653
Profit after taxation for the nine months period ended September 30, 2020	-	-	-	-	-	-	5,103,375	5,103,375
Other comprehensive income - net of tax	-	-	-	-	(993,794)	-	(4,893)	(998,687)
Total comprehensive income	-	-	-	-	(993,794)	-	5,098,482	4,104,688
Transactions with owners recorded directly in equity								
Final dividend for the year ended December 31, 2019 @ Rs.2,000 per share	-	-	-	-	-	-	(800,000)	(800,000)
Balance as at September 30, 2020	10,000,000	935,264	6,948,688	1,659,468	1,833,485	4,027	15,458,409	36,839,341

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


Chief Executive


Chief Financial Officer


Director



Director


Director

Pakistan Kuwait Investment Company (Private) Limited
Condensed Interim Cash Flow Statement - (Un-audited)
For the nine months period ended September 30, 2020

	Nine months period ended	
	September 30, 2020	September 30, 2019
	----- (Rupees in '000) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,383,864	3,456,555
Less: Dividend income	<u>(80,170)</u>	<u>(162,099)</u>
	6,303,694	3,294,456
Adjustments for:		
Depreciation	19,750	11,989
Amortization	4,093	3,181
Provisions - net	733,123	436,128
Gain on sale of fixed assets	(2,572)	-
Unrealized gain on revaluation of 'held for trading' securities	(15,701)	(410)
Share in results of associates - net	(5,593,624)	(3,270,611)
	<u>(4,854,931)</u>	<u>(2,819,723)</u>
	1,448,763	474,733
(Increase) / decrease in operating assets		
Lendings to financial institutions	(10,904,284)	(1,251,859)
Held-for-trading securities	(106,802)	7,476
Advances	(2,725,776)	289,563
Others assets (excluding advance taxation)	478,089	(106,367)
	<u>(13,258,773)</u>	<u>(1,061,187)</u>
Increase / (decrease) in operating liabilities		
Borrowings	32,059,906	9,974,666
Deposits	1,500,000	(35,000)
Other liabilities (excluding current taxation)	144,926	50,567
	<u>33,704,832</u>	<u>9,990,233</u>
	21,894,822	9,403,779
Income tax paid	(397,108)	(342,655)
<i>Net cash inflow from operating activities</i>	<u>21,497,714</u>	<u>9,061,124</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(21,290,248)	(9,749,794)
Dividends received	889,441	1,172,988
Investments in operating fixed assets	(110,628)	(21,941)
Proceeds from sale of fixed assets	2,572	-
<i>Net cash used in investing activities</i>	<u>(20,508,863)</u>	<u>(8,598,747)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(800,000)	(450,000)
<i>Net cash used in financing activities</i>	<u>(800,000)</u>	<u>(450,000)</u>
Increase in cash and cash equivalents	188,851	12,377
Cash and cash equivalents at beginning of the period	77,971	70,591
Cash and cash equivalents at end of the period	<u>266,822</u>	<u>82,968</u>

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


Chief Executive


Chief Financial Officer


Director


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Pakistan Kuwait Investment Company (Private) Limited
Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)
For the nine months period ended September 30, 2020

1. STATUS AND NATURE OF BUSINESS

Pakistan Kuwait Investment Company (Private) Limited ("the Company") was incorporated in Pakistan as a Private Limited Company on March 17, 1979. The registered office is situated at 4th Floor, Block 'C', Finance and Trade Centre, Shahrah-e-Faisal, Karachi. The Company has a representative office in Lahore. The Company is a 50:50 joint venture between the Governments of Pakistan and Kuwait. The objective of the Company is to profitably promote industrial investments in Pakistan.

The Pakistan Credit Rating Agency (PACRA) has maintained for the Company, the long-term entity rating at AAA (Triple A) and the short term rating at A1+(A one plus), the highest level.

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

- International Accounting Standards (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Directives issued by 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 SBP and SECP differ with the requirements of the IFRS or IFAS, the requirements of Companies Act, 2017 and the said directives shall

The SBP through its BSD Circular letter No. 11 dated September 11, 2002 has deferred the implementation of IAS 39 'Financial Instruments: Recognition and Measurement' and IAS 40 'Investment Property' for Non-Banking Financial Institutions (NBFIs) in Pakistan. Further, SECP has deferred the implementation of IFRS 7 'Financial Instruments: Disclosures' through SRO 411(I) / 2008 dated April 28, 2008. Accordingly, the requirements of these IFRS and their respective interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC), have not been considered in preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.

2.2 The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP through BPRD Circular Letter No. 05 dated March 22, 2019 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the audited financial statements for the financial year ended December 31, 2019.

2.3 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are effective in the current period.

The following new standards and interpretations of and amendments to existing accounting standards are effective from the dates mentioned below against the respective standard, interpretation or amendments:

Standard, Interpretation or Amendments	Effective date (annual periods beginning on or after)
IAS 1 - Presentation of Financial Statements (Amendments)	January 01, 2020
IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (Amendments)	January 01, 2020
IFRS 3 - Business Combinations (Amendments)	January 01, 2020

In addition, there are certain new 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 do not have any significant effect on the Company's operations and therefore not detailed in these condensed interim financial statements.

2.4 Standards, interpretations of and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective.

The following new standards and amendments to existing accounting standards will be effective from dates mentioned below against respective standards or amendments.

	Effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments: Classification and Measurement	January 1, 2021
Covid-19-Related Rent Concessions - Amendment to IFRS 16	June 01, 2020
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	January 01, 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	January 01, 2022
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

IFRS 9 'Financial Instruments' - SBP vide its BPRD circular No. 4 of 2019 dated October 23, 2019 directed the Banks / DFIs in Pakistan to implement IFRS 9 with effect from January 01, 2021. IFRS 9 replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. SBP has directed Banks / DFIs to conduct an impact assessment as at December 31, 2019 which is due to be submitted to SBP by August 31, 2020 as required under BPRD Circular Letter No. 15 of 2020 dated March 26, 2020.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	January 1, 2014
IFRS 17 – Insurance Contracts	January 1, 2023

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of these condensed financial statements are consistent with those applied in preparation of audited financial statements of the Company for the year ended December 31, 2019.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation were the same as those applied in the preparation of annual financial statements for the year ended December 31, 2019.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2019 except for the following additional considerations due to the COVID - 19.

Regulatory reliefs due to COVID-19

The State Bank of Pakistan (SBP) has responded to the crisis by reducing the policy rate by cumulative 625 basis points since the beginning of the year, to 7% in June 2020 by introducing regulatory measures to maintain banking system soundness and to sustain economic activity. These include (i) reducing the capital conservation buffer by 100 basis points to 1.5 percent enabled FI to lend an additional amount; (ii) increasing the regulatory limit on extension of credit to SMEs to Rs 180 million (iii) allowing banks to defer clients' payment of principal on loan obligations by one year; and (iv) relaxing regulatory criteria for restructured/rescheduled loans for borrowers who require relief beyond the extension of principal repayment for one year (v) margin requirement of 30% vis-a-vis banks' financing against listed shares has been significantly reduced to 10% (vi) relaxation in recording of impairment of capital market investment and many more.

The COVID-19 pandemic outbreak has resulted in consequences on economy, health and society. The COVID-19 pandemic has significantly impacted the markets around the globe and may continue to do so in the coming months of 2020, affecting the earnings and cash flows of businesses. The scale and duration of the COVID-19 pandemic remains uncertain.

5.1 Credit Risk Management

Risk Management had performed earlier detailed exercise "Rapid Portfolio Review" on its entire credit portfolio with respect to COVID-19 to assess financial health of its borrowers and respective sectors of the economy. Due to on going Covid-19 pandemic, Risk Management will remain cautious and monitor financial health of credit portfolio. PKIC regularly submits monthly update on entire portfolio to SBP as per prescribed format and also apprise senior management and BOD. PKIC credit portfolio remained fully compliant under risk management and its appetite framework during this period.

5.2 Liquidity Risk Management

PKIC has sufficient liquid assets and fully compliant with Liquidity coverage Ratio and Net stable Funding ratio. The Asset and Liability Committee (ALCO) of the Company effectively monitors the liquidity position of the Company and confident that the liquidity buffer currently maintained is sufficient to cater to any adverse movement in the maturity profile.

5.3 Equity Risk Management

Due to volatility in stock prices, the value of equity portfolio may reduce however, internal benchmark remains in place. Impact on equity portfolio has been recorded in line with internal approved policies and / or SBP guidelines / circulars.

5.4 Operational Risk Management

The Company's management and Board is fully aware of the challenges posed by the COVID-19 outbreak. From the onset, the company has proactively taken all required measures in line with the instructions received from local and international organization. Apart from office, under slogan of "we care for you", Company has also initiated work from home concept and has closely monitored the situation to ensure safety and security of its staff and providing uninterrupted service to its customers. Staff was trained for work at home and also provided an opportunity for online virtual learning. Diagnostic test (anti body test) was also performed for employees and appointments with tele-doctor were also arranged. All necessary equipment's (laptops/desktops) were provided to staff to ensure smooth business operations. Additional, weekly update about health of employee and his/ her family was also obtained regularly.

5.5 Capital Adequacy Ratio (CAR)

In order to encourage Company to continue lending despite anticipated pressure on profits and credit risk, the SBP has relaxed the Capital Conversion Buffer (CCB) requirements to 1.5%, resulting in a 1% decline in Capital Adequacy Ratio (CAR) requirements for all Tiers. PKIC's CAR as of September 30, 2020 is around 34.89% which is well above the regularity requirement.

6. CASH AND BALANCES WITH TREASURY BANKS	<i>Note</i>	September 30, 2020 (Un-audited) ------(Rupees in '000)-----	December 31, 2019 (Audited) ------(Rupees in '000)-----
Cash in hand in local currency		50	50
With State Bank of Pakistan in - local currency current account Foreign currency current account	6.1	256,091	52,898
With National Bank of Pakistan in - local currency current account		99	1,261
		<u>256,240</u>	<u>54,209</u>

6.1 This includes Rs. 50 million (December 31, 2019: Rs.50 million) held as minimum cash reserve required to be maintained with the SBP in accordance with its requirements issued from time to time.

7. BALANCES WITH OTHER BANKS	<i>Note</i>	September 30, 2020 (Un-audited) ------(Rupees in '000)-----	December 31, 2019 (Audited) ------(Rupees in '000)-----
In Pakistan - current account - deposit account		1,163 9,419 10,582	118 23,644 23,762

8. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse Repo)	8.3	<u>12,122,555</u>	<u>1,218,271</u>
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8.1 Particulars of lending

In local currency		<u>12,122,555</u>	<u>1,218,271</u>
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8.2 Securities held as collateral against lendings to financial institutions

September 30, 2020 (Un-audited)			December 31, 2019 (Audited)			
Held by Company	Further given as collateral	Total	Held by Company	Further given as collateral	Total	
------(Rupees in '000)-----						
Market Treasury Bills	12,122,555	-	12,122,555	1,218,271	-	1,218,271

8.3 This represents lendings to financial institutions against purchase and resale of government securities. Market value of these securities as at September 30, 2020 amounted to Rs. 12,091 million (December 31, 2019: Rs.1,220 million). The markup rates on these lendings are between 6.500 and 7.050 (December 31, 2019: 13.10) percent per annum with maturities in one day (December 31, 2019: two days).

9. INVESTMENTS

9.1 Investments by type:

	September 30, 2020 (Un-audited)				December 31, 2019 (Audited)			
	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value	Cost / Amortised cost	Provision for diminution	Surplus / (Deficit)	Carrying Value
------(Rupees in '000)-----								
Held-for-trading securities								
Shares	126,888	-	15,701	142,589	20,086	-	2,532	22,618
Available-for-sale securities								
Federal Government Securities	47,451,791	-	219,886	47,671,677	28,275,163	-	231,052	28,506,215
Shares	2,663,681	(192,724)	40,287	2,511,244	2,862,438	(278,253)	259,378	2,843,563
Non Government Debt Securities	5,385,951	(33,638)	5,483	5,357,796	3,913,486	(33,638)	(3,304)	3,876,544
	<u>55,501,423</u>	<u>(226,362)</u>	<u>265,656</u>	<u>55,540,717</u>	<u>35,051,087</u>	<u>(311,891)</u>	<u>487,126</u>	<u>35,226,322</u>
Associates								
	24,961,872	-	-	24,961,872	21,092,192	-	-	21,092,192
Total Investments	<u>80,590,183</u>	<u>(226,362)</u>	<u>281,357</u>	<u>80,645,178</u>	<u>56,163,365</u>	<u>(311,891)</u>	<u>489,658</u>	<u>56,341,132</u>

9.1.1 Movement in investments in associates

	September 30, 2020 (Un-audited) ------(Rupees in '000)-----	December 31, 2019 (Audited) ------(Rupees in '000)-----
Investments at beginning of the period	21,092,192	15,197,136
Share in (deficit) / surplus on revaluation of 'available-for-sale' securities of associates	(908,252)	2,836,726
Share of deficit on revaluation of non - banking assets of associates	-	(1,908)
Share of remeasurement of defined benefit plans of associates	(6,422)	28,673
Share of profit from associates recognized in profit and loss account	5,593,624	4,903,795
Dividend received from associates	(809,270)	(1,872,230)
Investments at end of the period / year	<u>24,961,872</u>	<u>21,092,192</u>

The cost of investments in associates as at September 30, 2020 amounted to Rs.2,895 million (December 31, 2019: Rs. 2,895 million). Share in results of associates recorded under equity method of accounting, net of dividend, capital gain and income taxes amounted to Rs. 4,056 million (September 30, 2019: Rs. 1,876 million).

9.1.2 Investments given as collateral

	September 30, 2020 (Un-audited) ------(Rupees in '000)-----	December 31, 2019 (Audited) ------(Rupees in '000)-----
Pakistan Investment Bonds	22,413,773	18,928,419
Market Treasury Bills	<u>20,578,774</u>	<u>6,703,423</u>
	<u>42,992,547</u>	<u>25,631,842</u>

9.2 Provision for diminution in the value of investments	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	(Rupees in '000)	
9.2.1 Opening balance	311,891	739,846
(Reversals) / charge		
Charge for the period / year	756,914	463,645
Reversal on disposals for the period / year	(842,443)	(891,600)
	(85,529)	(427,955)
Closing balance	226,362	311,891

9.2.2 Particulars of provision against debt securities

Category of classification	September 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
	*NPI	Provision	*NPI	Provision
	(Rupees in '000)			
Domestic				
Other assets especially mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	33,638	33,638	33,638	33,638
	33,638	33,638	33,638	33,638
Overseas	-	-	-	-
Total	33,638	33,638	33,638	33,638

* NPI stands for Non-Performing Investments.

10. ADVANCES

Note

	Performing		Non Performing		Total	
	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	(Rupees in '000)					
Loans, cash credits, running finances, etc.	9,365,149	6,613,113	1,066,057	1,092,317	10,431,206	7,705,430
Provision against advances						
- Specific	-	-	(1,024,568)	(1,050,828)	(1,024,568)	(1,050,828)
- General	-	-	-	-	-	-
	-	-	(1,024,568)	(1,050,828)	(1,024,568)	(1,050,828)
Advances - net of provision	9,365,149	6,613,113	41,489	41,489	9,406,638	6,654,602

10.1 Particulars of advances (Gross)

	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	(Rupees in '000)	
In local currency	10,431,206	7,705,430

10.2 Advances include Rs. 1,066.057 million (December 31, 2019: Rs 1,092.317 million) which have been placed under non-performing status as detailed below:

Category of Classification

Category of Classification	September 30, 2020 (Un-audited)		December 31, 2019 (Audited)	
	Non Performing Loans	Provision	Non Performing Loans	Provision
	(Rupees in '000)			
Domestic				
Other Assets Especially Mentioned	-	-	-	-
Substandard	-	-	-	-
Doubtful	-	-	-	-
Loss	1,066,057	1,024,568	1,092,317	1,050,828
Total	1,066,057	1,024,568	1,092,317	1,050,828

Provision is recorded net of security deposit of Rs. 41.49 millions (December 31, 2019: 41.49 millions).

10.3 Particulars of provision against advances

	September 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	1,050,828	-	1,050,828	1,071,860	-	1,071,860
Charge for the period / year	-	-	-	-	-	-
Reversals for the period / year	(26,260)	-	(26,260)	(21,032)	-	(21,032)
	(26,260)	-	(26,260)	(21,032)	-	(21,032)
Closing balance	1,024,568	-	1,024,568	1,050,828	-	1,050,828

11. FIXED ASSETS	<i>Note</i>	September 30, 2020 (Un-audited) ----- <i>(Rupees in '000)</i> -----	December 31, 2019 (Audited) ----- <i>(Rupees in '000)</i> -----
Capital work-in-progress	11.1	19,045	-
Property and equipment		<u>269,734</u>	<u>197,900</u>
		<u>288,779</u>	<u>197,900</u>
11.1 Capital work-in-progress		<u>19,045</u>	<u>-</u>
Civil works		<u>19,045</u>	<u>-</u>
11.2 Additions to fixed assets		Nine months period ended	
		September 30, 2020 (Un-audited) ----- <i>(Rupees in '000)</i> -----	September 30, 2019 (Audited) ----- <i>(Rupees in '000)</i> -----
The following additions have been made to fixed assets during the period:			
Property and equipment			
Leasehold land		-	4,463
Furniture and fixture		1,288	-
Electrical, office and computer equipment		24,115	5,579
Vehicles		66,180	4,417
		<u>91,583</u>	<u>14,459</u>
12. INTANGIBLE ASSETS		September 30, 2020 (Un-audited) ----- <i>(Rupees in '000)</i> -----	December 31, 2019 (Audited) ----- <i>(Rupees in '000)</i> -----
Computer Software		<u>15,155</u>	<u>19,248</u>
Additions to intangible assets		Nine months period ended	
		September 30, 2020 (Un-audited) ----- <i>(Rupees in '000)</i> -----	September 30, 2019 (Audited) ----- <i>(Rupees in '000)</i> -----
The following additions have been made to intangible assets during the period:			
Directly purchased		<u>-</u>	<u>7,482</u>
13. OTHER ASSETS		September 30, 2020 (Un-audited) ----- <i>(Rupees in '000)</i> -----	December 31, 2019 (Audited) ----- <i>(Rupees in '000)</i> -----
Income / Mark-up accrued in local currency - net		346,704	1,126,658
Advances, deposits, advance rent and other prepayments		54,273	125,465
Advance taxation (payments less provisions)		191,545	-
Other receivable		52,727	62,759
Non-current asset 'held for sale'	13.1	<u>135,000</u>	<u>135,000</u>
		<u>780,249</u>	<u>1,449,882</u>
Less: Provision held against other assets	13.2	<u>(180,703)</u>	<u>(178,233)</u>
		<u>599,546</u>	<u>1,271,649</u>
13.1 Non-current assets 'held-for-sale'			
In 2015, the Board of Directors decided to divest the Company's interest in one of its associate, 'Pak-Kuwait Takaful Company Limited' (PKTCL) (30%). In this regard, efforts to sell the associate have been initiated. Based on the Company's intention this associate has accordingly been classified as 'non-current asset held-for-sale'. As at September 30, 2020, this non-current asset held-for-sale is stated at the lower of carrying amount and fair value less costs to sell. Other assets include receivable from Pakistan Kuwait Takaful Company Limited amounting Rs. 20.214 million (December 31, 2019: Rs. 17.745 million) that has been fully provided.			
13.2 Provision held against other assets	<i>Note</i>	September 30, 2020 (Un-audited) ----- <i>(Rupees in '000)</i> -----	December 31, 2019 (Audited) ----- <i>(Rupees in '000)</i> -----
Non-current asset held-for-sale		135,000	135,000
Other receivables		45,703	43,233
		<u>180,703</u>	<u>178,233</u>
14. BORROWINGS			
<i>Secured</i>			
Borrowings from State Bank of Pakistan			
Under Long Term Finance Facility (LTFF)	14.1	3,043,819	1,265,259
Under Financing Scheme for Renewable Energy	14.2	621,466	179,924
		<u>3,665,285</u>	<u>1,445,183</u>
Bai Muajjal	14.3	42,848,966	25,692,879
Repurchase agreement borrowings	14.4	4,958,186	-
Term Finance Facility	14.5	5,000,000	-
<i>Total secured</i>		<u>56,472,437</u>	<u>27,138,062</u>
<i>Unsecured</i>			
Bai Muajjal	14.3	4,540,712	1,815,181
<i>Total unsecured</i>		<u>4,540,712</u>	<u>1,815,181</u>
Total		<u>61,013,149</u>	<u>28,953,243</u>

14.1 Borrowings from SBP under LTFF

This represents Long Term Finance Facility on concessional rates to promote industrial growth leading to exports. The loans availed under the facility shall be repayable within a maximum period of ten years including maximum grace period of two years with mark-up payable at maximum of 5 percent per annum. SBP allocates an overall yearly limit under the facility to individual Participating Financial Institution (PFI). The sanctioned limit for the Company for the period from July 1, 2020 to June 30, 2021 is Rs. 3,365 million.

14.2 Borrowing from SBP under Financing Scheme for Renewable Energy

This represents Long Term Finance Facility on concessional rates to support in addressing dual challenge of energy shortage and climate change through promotion of renewable energy. The loans availed under the facility shall be repayable within a maximum period of twelve years with mark-up payable at maximum of 3 percent per annum. SBP allocates an overall yearly limit under the facility to individual Participating Financial Institution (PFI). The sanctioned limit for the Company for the period from July 01, 2020 to June 30, 2021 is Rs. 1,097 million.

14.3 Bai Muajjal

This represents borrowings from a financial institution at mark-up rate between 6.15 and 12.60 (December 31, 2019: 12.73 and 13.14) percent per annum and having maturities between October 07, 2020 and March 30, 2021 (December 31, 2019: April 14, 2020 and September 22, 2020).

14.4 Repurchase agreement borrowings

The Company has arranged borrowing from financial institutions against sale and repurchase of government securities. The mark-up on these borrowings is 7.050 (December 31, 2019: Nil) percent per annum with maturity in one day (December 31, 2019: Nil).

14.5 Term Finance Facility

The Company has availed long term finance facility from a bank. The interest rate on this facility is 7.370 (December 31, 2019: Nil) percent per annum and is due for maturity on September 30, 2025 (December 31, 2019: Nil)

15. DEPOSITS AND OTHER ACCOUNTS

Note	September 30, 2020 (Un-audited)			December 31, 2019 (Audited)		
	In Local Currency	In Foreign currencies	Total	In Local Currency	In Foreign currencies	Total

------(Rupees in '000)-----

Financial Institutions

Term deposits (COI)

15.1	1,500,000	-	1,500,000	-	-	-
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15.1 Composition of deposits

September 30, 2020 (Un-audited)

December 31, 2019 (Audited)

------(Rupees in '000)-----

- Public Sector Entities

1,500,000 -

15.2 The profit rates on these COIs are between 7.00 and 7.30 (December 31, 2019: Nil) percent per annum. These COIs have maturities between October 14, 2020 and September 07, 2021 (December 31, 2019: Nil).

16 DEFERRED TAX LIABILITIES

September 30, 2020 (Un-audited)			
At January 1, 2020	Recognised in P&L A/C	Recognised in OCI	At September 30, 2020

------(Rupees in 000)-----

Deductible temporary differences on

- Post retirement employee benefits

- Provision against advances non-performing advances

17,843	5,093	-	22,936
304,740	(7,615)	-	297,125
322,583	(2,522)	-	320,061

Taxable temporary differences on

- Surplus on revaluation of investments

- Accelerated tax depreciation

- Finance lease arrangements

- Share of profits from Associates

(26,333)	(1,975)	(310)	(28,618)
(35,352)	(22,290)	-	(57,642)
(132,868)	(5,993)	-	(138,861)
(2,656,203)	(728,072)	137,766	(3,246,509)
(2,850,756)	(758,330)	137,456	(3,471,630)
(2,528,173)	(760,852)	137,456	(3,151,569)

December 31, 2019 (Audited)			
At January 1, 2019	Recognised in P&L A/C	Recognised in OCI	At December 31, 2019

------(Rupees in 000)-----

Deductible temporary differences on

- Post retirement employee benefits

- Provision against non-performing advances

17,594	1,721	(1,472)	17,843
310,839	(6,099)	-	304,740
328,433	(4,378)	(1,472)	322,583

Taxable temporary differences on

- Surplus on revaluation of investments

- Accelerated tax depreciation

- Finance lease arrangements

- Share of profits from Associates

107,691	(1,374)	(132,650)	(26,333)
(35,919)	567	-	(35,352)
(109,124)	(23,744)	-	(132,868)
(1,754,021)	(472,585)	(429,597)	(2,656,203)
(1,791,373)	(497,136)	(562,247)	(2,850,756)
(1,462,940)	(501,514)	(563,719)	(2,528,173)

17. OTHER LIABILITIES

September 30, 2020 (Un-audited)

December 31, 2019 (Audited)

------(Rupees in '000)-----

Mark-up / return / interest payable in local currency

Accrued expenses

Current taxation (provisions less payments)

Payable to defined benefit obligation

Security deposits against lease

Employees' compensated absences

Payable to share brokers on account of purchase of marketable securities

Others

27,576

656,862

-

66,877

41,490

12,213

29,014

6,582

840,614

7,376

578,445

69,016

49,027

41,490

12,501

2,925

3,924

764,704

18. SURPLUS ON REVALUATION OF ASSETS

Surplus on revaluation of:

- Available for sale securities

- Available for sale securities of Associates

265,659

1,876,452

2,142,111

487,126

2,784,704

3,271,830

Deferred tax on surplus on revaluation of:

- Available for sale securities

- Available for sale securities of Associates

(65,455)

(239,144)

(304,599)

1,837,512

(65,142)

(375,382)

(440,524)

2,831,306

19. CONTINGENCIES AND COMMITMENTS	Note	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		------(Rupees in '000)-----	
-Guarantees	19.1	436,201	500,000
-Commitments	19.2	10,387,641	7,584,576
		10,823,842	8,084,576

19.1 Guarantees:

Financial guarantees	436,201	500,000
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19.2 Commitments

Undisbursed sanctions against:

- Loans and advances	9,287,641	6,870,076
- Sukuks	700,000	314,500
- Leases	400,000	400,000
	10,387,641	7,584,576

19.3 Tax Contingencies

The Income Tax Department has amended the deemed assessment orders for the tax years from 2003 to 2018, raising a tax demand of Rs. 3,714 million, mainly due to additions in respect of allocation of expenses against dividend income subject to tax at reduced rate / Final Tax Regime and capital gains.

In such orders, the taxation authority has not accepted the Company's contention on the matter of allocation of expenses on exempt capital gains and dividend income. The total additions made in tax years 2003 to 2018 under this head amount to Rs 7,981 million.

In tax year 2003, the Appellate Tribunal Inland Revenue (ATIR) had directed the tax authorities for the allocation to be made taking into account the 'cost of investment' rather than 'gross turnover'. Subsequently, the action of the Taxation Officer of refusing to issue the appeal effect in view of the departmental appeal before the High Court was contested in appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] for application of section 124A of the Income Tax Ordinance, 2001 (Ordinance). The CIR(A) adjudged the matter in favour of the Company directing the Officer to give effect to the directions which have been maintained by the ATIR in the subsequent departmental appeal.

Relying on the above decision of ATIR, the CIR(A) through orders dated October 29, 2018, September 23, 2011, November 30, 2012, June 15, 2015, September 8, 2017, March 6, 2018, March 7, 2018 and July 26, 2019 for tax year 2003, tax years 2004 to 2007, tax year 2010, tax years 2011 to 2013, tax year 2015, tax years 2014 and 2017, tax year 2016 and tax year 2018 respectively, directed for the application of provision of section 124A of the Ordinance. The action was, however, maintained by the CIR(A) in the tax years 2008 and 2009 and appeals are currently pending before the ATIR. The department has preferred appeals against the order of the CIR(A) in the years 2004 to 2007 and 2010 to 2018 which are currently pending before the ATIR.

Appeal effect orders for the years 2003 to 2007 and 2010 have been issued. These are to attain finality once the departmental appeals before the ATIR / High Court as the case may be, are decided. However, in the tax order for the year 2003, the Officer has not followed the directions of the CIR(A) and allocated expenses on the basis of turnover for which the Company has preferred an appeal which was decided in the company's favour through the order dated October 29, 2018. Recently, in the tax order dated June 30, 2020 for tax year 2015 the Officer has again not followed the directions of the CIR(A) and allocated expenses on the basis of turnover for which the appeal before CIR(A) has been preferred by the Company which is pending.

Further, the Company had made representation before Federal Board of Revenue for necessary clarification and has also referred the above matter to Alternate Dispute Resolution Committee, a mechanism available to provide an opportunity to taxpayers for an easy and efficient resolution of disputes. The same is still pending.

The Company has made provision of Rs. 1,393 million against the demand for the abovementioned years based on cost of investment. The management is confident that the ultimate outcome of the appeals would be in favor of the Company inter alia on the basis of the advice of the tax consultants and the relevant law and the facts.

	Note	Nine months period ended	
		September 30, 2020 (Un-audited)	September 30, 2019 (Un-audited)
------(Rupees in '000)-----			
20. MARK-UP / RETURN / INTEREST EARNED			
On:			
Loans and advances		664,548	121,588
Investments		4,402,565	503,724
Lendings to financial institutions		59,561	321,475
Balances with banks		1,241	598
		<u>5,127,915</u>	<u>947,385</u>
21. MARK-UP / RETURN / INTEREST EXPENSED			
On:			
Deposits		136,796	614
Borrowings		3,251,384	34,321
Securities sold under repurchase agreements - government securities		144,743	650
		<u>3,532,923</u>	<u>35,585</u>
22. FEE & COMMISSION INCOME			
On:			
Participation Fee		22,075	2,025
Underwriting commission		-	625
Commitment Fee		518	-
Commission on guarantees		4,599	-
		<u>27,192</u>	<u>2,650</u>
23. GAIN / (LOSS) ON SECURITIES			
Realised gain / (loss)	23.1	472,696	(29,459)
Unrealised gain - held for trading		15,701	410
		<u>488,397</u>	<u>(29,049)</u>
23.1 Realised gain / (loss) on shares		<u>472,696</u>	<u>(29,459)</u>
24. SHARE IN RESULTS OF ASSOCIATES - NET			
Quoted Associates		5,409,288	3,218,009
Un-quoted Associates		184,336	52,602
		<u>5,593,624</u>	<u>3,270,611</u>
25. OTHER INCOME			
Late payment charges		1,737	909
Nominee directors fee		6,985	4,107
Space / arrangement income		2,122	-
Gain on sale of fixed assets		2,572	-
Others		108	592
		<u>13,524</u>	<u>5,608</u>

26. OPERATING EXPENSES	Note	Nine months period ended	
		September 30, 2020	September 30, 2019
		(Un-audited)	
		-----Rupees in '000-----	
Total compensation expense		338,070	207,651
Property expense			
Rent & taxes		10,073	8,395
Insurance		378	290
Utilities cost		3,179	3,855
Security expense		63	424
Repairs & maintenance		22,904	20,594
Depreciation		4,603	4,603
		41,200	38,161
Information technology expenses			
Software maintenance		972	212
Hardware maintenance		34	47
Depreciation		8,877	3,670
Amortisation		4,093	3,181
Network charges		3,693	1,234
		17,669	8,344
Other operating expenses			
Directors' fees and allowances		62,229	37,286
Legal & professional charges		25,795	21,380
Outsourced services costs		15,215	12,395
Travelling & conveyance		2,063	10,853
Depreciation		6,270	3,716
Training & development		2,814	1,390
Postage & courier charges		198	204
Communication		4,490	4,592
Stationery & printing		1,463	917
Marketing, advertisement & publicity		1,622	689
Donations		10,000	-
Auditors' Remuneration		3,398	3,300
Newspaper, periodicals and subscription dues		5,490	1,224
Repairs & maintenance (others)		2,515	875
Bank charges		187	156
Entertainment expense		1,363	1,506
Others		10,934	6,351
		156,046	106,834
		552,985	360,990
27. OTHER CHARGES			
Penalties imposed by State Bank of Pakistan		250	915
28. PROVISIONS / (REVERSAL OF PROVISION) & WRITE OFFS - NET			
Provisions for diminution in value of investments	9.2	756,914	457,160
Reversal of provisions against loans & advances	10.3	(26,260)	(21,032)
Provision for impairment in other assets		2,469	-
		733,123	436,128
29. TAXATION			
Current		519,637	307,693
Deferred		760,852	364,772
		1,280,489	672,465
30. BASIC / DILUTED EARNINGS PER SHARE			
Profit for the period		5,103,375	2,784,090
		(Numbers in '000)	
		(Restated)	
Weighted average number of ordinary shares		400	400
		-----Rupees-----	
		(Restated)	
Basic / diluted earnings per share	30.1	12,758	6,960

30.1 The Company issued bonus shares, accordingly the number of shares and earnings per share for the comparative period have been restated.

31. FAIR VALUE MEASUREMENTS

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:

31.1 On balance sheet financial instruments

September 30, 2020 (Un-audited)									
Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
Investments									
- Market treasury bills	25,029,808				25,029,808		25,029,808		25,029,808
- Pakistan investment bonds	22,641,869				22,641,869		22,641,869		22,641,869
- Shares of listed companies	142,589	2,510,444			2,653,033	2,653,033			2,653,033
- Listed sukuk / term finance certificates		3,610,116			3,610,116		3,610,116		3,610,116
- Unlisted sukuk / term finance certificates		1,747,680			1,747,680		1,747,680		1,747,680
Financial assets not measured at fair value									
Cash and balances with treasury banks			256,240		256,240				
Balances with other banks			10,582		10,582				
Investments									
- Shares of listed associates	23,529,562				23,529,562	37,606,681			37,606,681
- Shares in unlisted companies	800				800				
- Shares of unlisted associates	1,432,310				1,432,310				
Advances			9,406,638		9,406,638				
Other assets			346,229		346,229				
Financial liabilities not measured at fair value									
Borrowings				(61,013,149)	(61,013,149)				
Deposits and other accounts				(1,500,000)	(1,500,000)				
Other liabilities				(773,738)	(773,738)				
	142,589	80,502,589		10,019,689	(63,286,887)	27,377,980			

December 31, 2019 (Audited)									
Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
Investments									
- Market treasury bills	9,113,112				9,113,112		9,113,112		9,113,112
- Pakistan investment bonds	19,393,103				19,393,103		19,393,103		19,393,103
- Shares of listed companies	22,618	2,842,763			2,865,381	2,865,381			2,865,381
- Listed sukuk / term finance certificates		3,416,546			3,416,546		3,416,546		3,416,546
- Unlisted sukuk / term finance certificates		459,998			459,998		459,998		459,998
Financial assets not measured at fair value									
Cash and balances with treasury banks			54,209		54,209				
Balances with other banks			23,762		23,762				
Investments									
- Shares of listed associates	19,805,830				19,805,830	39,017,366			39,017,366
- Shares in unlisted companies	800				800				
- Shares of unlisted associates	1,286,362				1,286,362				
Advances			6,654,602		6,654,602				
Other assets			1,126,116		1,126,116				
Financial liabilities not measured at fair value									
Borrowings				(28,953,243)	(28,953,243)				
Other liabilities				(715,677)	(715,677)				
	22,618	56,318,514		7,858,689	(29,668,920)	34,530,901			

The fair value of financial assets and liabilities not carried at fair value are not significantly different from their carrying values since assets and liabilities are either short term in nature or in case of loans are frequently repriced.

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

31.2 Valuation techniques used in determination of fair value of financial instruments

Item	Valuation approach and input used
Market Treasury Bills(MTB) / Pakistan Investment Bonds(PIB)	The fair value of MTBs and PIBs are derived using PKRV rates.
Debt Securities - TFCs and Sukuks other than Government	Investment in Sukuks, debt securities (comprising term finance certificates, bonds 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 rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan.
Ordinary shares – listed	The fair value of investments in listed equity securities are valued on the basis of closing quoted market price available at the Pakistan Stock Exchange.

32. SEGMENT INFORMATION

32.1 Segment Details with respect to Business Activities

The segment analysis with respect to business activities is as follows:

Nine months period ended September 30, 2020 (Un-audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total	
------(Rupees in '000)-----						
Profit & Loss						
Net mark-up / return / profit	1,076,714	515,947	-	-	2,331	1,594,992
Non mark-up / return / interest income	20,329	-	5,594,621	576,171	11,786	6,202,907
Total Income	1,097,043	515,947	5,594,621	576,171	14,117	7,797,899
Segment direct expenses	(50,603)	(22,287)	(9,059)	(10,671)	(215,399)	(308,019)
Segment indirect expenses	(59,189)	(17,757)	(11,838)	(11,838)	(272,271)	(372,893)
Total expenses	(109,792)	(40,044)	(20,897)	(22,509)	(487,670)	(680,912)
Reversal / (Provisions)	26,260	-	-	(756,914)	(2,469)	(733,123)
Profit before tax	1,013,511	475,903	5,573,724	(203,252)	(476,022)	6,383,864

As at September 30, 2020 (Un-audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total	
------(Rupees in '000)-----						
Balance Sheet						
Cash & Bank balances	-	266,772	-	-	50	266,822
Investments	5,357,797	47,671,677	24,962,672	2,653,032	-	80,645,178
Lendings to financial institutions	-	12,122,555	-	-	-	12,122,555
Advances - performing	9,278,124	-	-	-	87,025	9,365,149
Advances - non-performing	41,489	-	-	-	-	41,489
Others	103,389	243,315	-	23,450	533,326	903,480
Total Assets	14,780,799	60,304,319	24,962,672	2,676,482	620,401	103,344,673
Borrowings	8,665,285	52,347,864	-	-	-	61,013,149
Deposits & other accounts	-	1,500,000	-	-	-	1,500,000
Others	(94,047)	44,300	3,246,506	21,051	774,373	3,992,183
Total liabilities	8,571,238	53,892,164	3,246,506	21,051	774,373	66,505,332
Equity	1,006,642	623,614	1,637,308	(152,890)	33,724,667	36,839,341
Total Equity & liabilities	9,577,880	54,515,778	4,883,814	(131,839)	34,499,040	103,344,673
Contingencies & Commitments	10,823,842	-	-	-	-	10,823,842

Nine months period ended September 30, 2019 (Un-audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total	
------(Rupees in '000)-----						
Profit & Loss						
Net mark-up / return / profit	263,230	646,243	-	-	2,327	911,800
Non mark-up / return / interest income	909	-	2,922,503	483,808	4,699	3,411,919
Total Income	264,139	646,243	2,922,503	483,808	7,026	4,323,719
Segment direct expenses	(36,872)	(16,478)	(6,236)	(9,638)	(147,573)	(216,797)
Segment indirect expenses	(31,739)	(11,902)	(7,935)	(7,935)	(154,728)	(214,239)
Total expenses	(68,611)	(28,380)	(14,171)	(17,573)	(302,301)	(431,036)
Reversal / (Provisions)	21,032	-	(40)	(457,120)	-	(436,128)
Profit before tax	216,560	617,863	2,908,292	9,115	(295,275)	3,456,555

As at December 31, 2019 (Audited)						
Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total	
------(Rupees in '000)-----						
Balance Sheet						
Cash & Bank balances	-	77,921	-	-	50	77,971
Investments	3,876,544	28,506,215	21,092,992	2,865,381	-	56,341,132
Lendings to financial institutions	-	1,218,271	-	-	-	1,218,271
Advances - performing	6,528,540	-	-	-	84,573	6,613,113
Advances - non-performing	41,489	-	-	-	-	41,489
Others	126,474	1,000,183	-	112,000	250,140	1,488,797
Total Assets	10,573,047	30,802,590	21,092,992	2,977,381	334,763	65,780,773
Borrowings	28,953,243	-	-	-	-	28,953,243
Deposits & other accounts	-	-	-	-	-	-
Others	52,209	(40)	1,401,435	(40,040)	1,879,313	3,292,877
Total liabilities	29,005,452	(40)	1,401,435	(40,040)	1,879,313	32,246,120
Equity	294,425	1,065,389	2,409,322	282,511	29,483,006	33,534,653
Total Equity & liabilities	29,299,877	1,065,349	3,810,757	242,471	31,362,319	65,780,773
Contingencies & Commitments	8,084,576	-	-	-	-	8,084,576

32.2 Segment details with respect to geographical locations

All the Company's business segments operate in Pakistan only.

33. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its associates, associated undertaking, employee benefit plans, key management personnel and its directors.

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 period / year ended, other than those which have been disclosed elsewhere in these financial statements are as follows:

	As at September 30, 2020 (Un-audited)				As at December 31, 2019 (Audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
----- (Rupees in '000) -----								
Balances with other banks								
In deposit account	-	-	3,847	-	-	-	21,601	-
Investments								
Opening balance	-	-	21,092,192	500	-	-	15,197,136	500
Equity method accounting adjustments	-	-	3,869,680	-	-	-	5,895,056	-
Closing balance	-	-	24,961,872	500	-	-	21,092,192	500
Advances								
Opening balance	-	50,383	-	-	-	48,324	-	-
Addition during the period / year	-	2,100	-	-	-	6,792	-	-
Repaid during the period / year	-	(4,055)	-	-	-	(4,733)	-	-
Transfer in / (out) - net	-	(38)	-	-	-	-	-	-
Closing balance	-	48,390	-	-	-	50,383	-	-
Other Assets								
Interest / mark-up accrued	-	-	41	-	-	-	126	-
Receivable from Pak Kuwait Takaful Company	-	-	-	20,214	-	-	-	17,745
Non-current asset held for sale	-	-	-	135,000	-	-	-	135,000
Provision against other assets	-	-	-	(155,214)	-	-	-	(152,745)
	-	-	41	-	-	-	126	-
Borrowings								
Opening balance	-	-	25,692,879	-	-	-	-	-
Borrowings during the period / year	-	-	49,146,579	6,750,702	-	-	27,239,766	-
Settled during the period / year	-	-	(42,898,009)	(3,696,543)	-	-	-	-
Transfer in / (out) - net	-	-	1,546,887	-	-	-	(1,546,887)	-
Closing balance	-	-	33,488,336	3,054,159	-	-	25,692,879	-
Other Liabilities								
Payable to NCCPL	-	-	166	-	-	-	67	-
	-	-	166	-	-	-	67	-
----- (Rupees in '000) -----								
	Nine months period ended September 30, 2020 (Un-audited)				Nine months period ended September 30, 2019 (Un-audited)			
	Directors	Key management personnel	Associates	Other related parties	Directors	Key management personnel	Associates	Other related parties
----- (Rupees in '000) -----								
Income								
Mark-up / return / interest earned	-	1,390	546	-	-	1,459	438	-
Dividend income	-	-	809,270	-	-	-	1,052,273	-
Other income								
- Nominee Director Fee	-	-	10,120	215	-	-	6,677	130
Expense								
Mark-up / return / interest paid	-	-	2,496,653	361,371	-	-	12,452	-
Operating expenses								
- Directors Fee	16,900	-	-	-	13,594	-	-	-
- Remuneration to key management personnel (including retirement benefits)	-	239,303	-	-	-	135,539	-	-
- Nominee Director Fee payment	-	-	-	3,350	-	-	-	2,700
- NCCPL Charges	-	-	783	-	-	-	450	-
- FMCL Office Maintenance Charges	-	-	-	21,996	-	-	-	20,485
- Contribution made to Staff Provident Fund	-	-	-	23,871	-	-	-	13,885
- Contribution made to Staff Gratuity Fund	-	-	-	17,850	-	-	-	16,732

34. CAPITAL ADEQUACY, LEVERAGE RATIO & LIQUIDITY REQUIREMENTS	September 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	(Rupees in '000)	
Minimum Capital Requirement (MCR):		
Paid-up capital	<u>10,000,000</u>	<u>10,000,000</u>
Capital Adequacy Ratio (CAR):		
Eligible Common Equity Tier 1 (CET 1) Capital	15,570,815	13,394,614
Eligible Tier 2 Capital	<u>1,837,511</u>	<u>2,831,306</u>
Total Eligible Capital (Tier 1 + Tier 2)	<u>17,408,326</u>	<u>16,225,920</u>
Risk Weighted Assets (RWAs):		
Credit Risk	35,567,033	29,634,786
Market Risk	5,707,385	6,133,412
Operational Risk	8,627,487	8,627,487
Total	<u>49,901,905</u>	<u>44,395,685</u>
Common Equity Tier 1 Capital Adequacy ratio	<u>31.20%</u>	30.17%
Tier 1 Capital Adequacy Ratio	<u>31.20%</u>	30.17%
Total Capital Adequacy Ratio	<u>34.89%</u>	36.55%
Leverage Ratio (LR):		
Eligible Tier-1 Capital	15,570,815	13,394,614
Total Exposures	95,390,302	56,674,820
Leverage Ratio	<u>16.32%</u>	<u>23.63%</u>
Liquidity Coverage Ratio (LCR):		
Total High Quality Liquid Assets	12,633,846	5,920,120
Total Net Cash Outflow	9,647,161	546,320
Liquidity Coverage Ratio	<u>131%</u>	<u>1084%</u>
Net Stable Funding Ratio (NSFR):		
Total Available Stable Funding	47,498,807	39,709,455
Total Required Stable Funding	40,922,367	32,659,182
Net Stable Funding Ratio	<u>116%</u>	<u>122%</u>

35 DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorised for issue in the Board of Directors' meeting held on Oct 28, 2020.

36. GENERAL

36.1 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

36.2 Corresponding figures


Comparative information has been re-classified, re-arranged or additionally incorporated in these condensed financial statements wherever necessary to facilitate comparison and better presentation in accordance with the new format prescribed by the State Bank of Pakistan vide BPRD Circular Letter No. 05 dated March 22, 2019.



Chief Executive

Chief Financial Officer

Director

Director

Director