

# Modaraba & NBFCs

## Sector Overview



**March 2020**

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# Breakup of NBFIs Assets

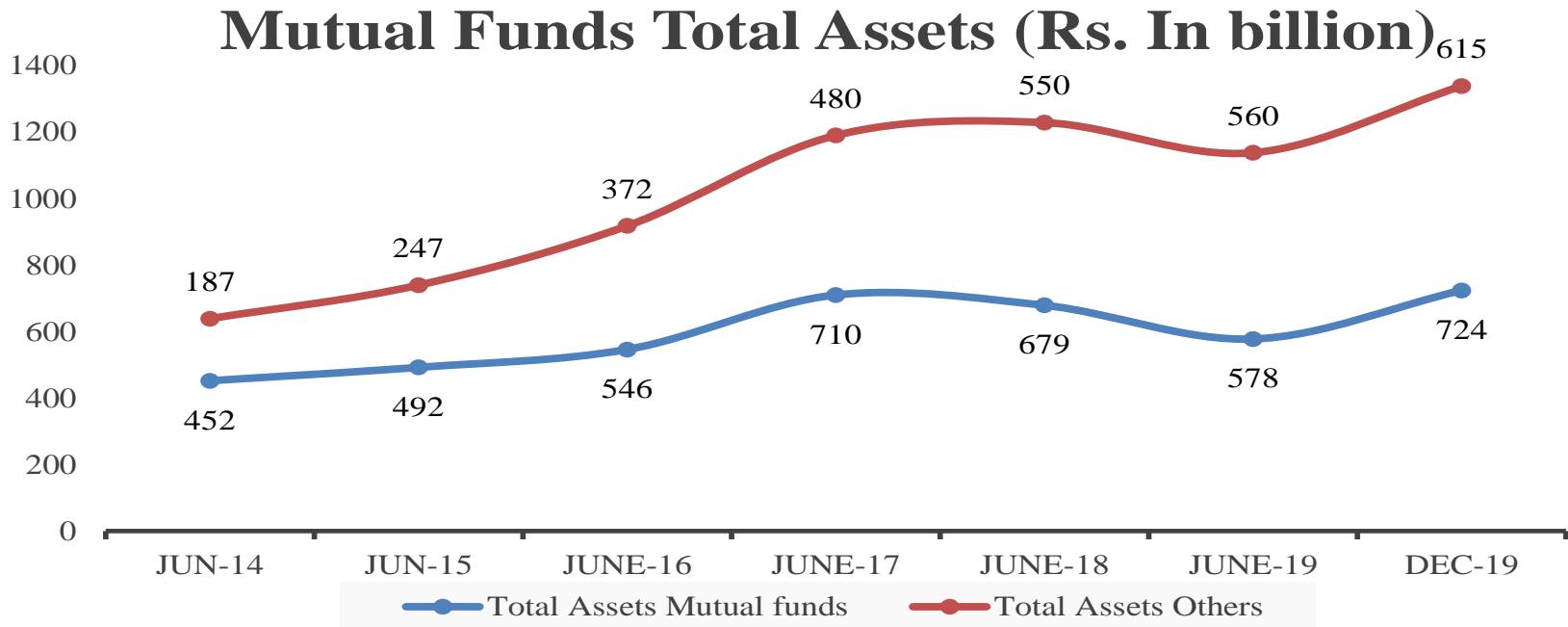
Breakup of NBFIs' Assets												
Sector	As at end-Dec 19			As at end-Jun 19			As at end-Jun 18			As at end-Jun 17		
	No of. Entities	Total Assets (PKR in bln)	Assets Share in NBFCs & Modarabas	No of. Entities	Total Assets (PKR in bln)	Assets Share in NBFCs & Modarabas	No of. Entities	Total Assets (PKR in bln)	Assets Share in NBFCs & Modarabas	No of. Entities	Total Assets (PKR in bln)	Assets Share in NBFCs & Modarabas
<b>Investment Banks</b>	11	66	5%	10	63	6%	10	58	5%	9	21	2%
<b>Leasing Companies</b>	7	11	1%	6	10	1%	7	10	1%	8	43	4%
<b>Modarabas</b>	28	54	4%	28	53	5%	29	53	4%	25	44	4%
Microfinance Institutions	26	126	9%	26	117	10%	25	157	13%	21	122	10%
<b>Lending Institutions' Total</b>	<b>72</b>	<b>256</b>	<b>19%</b>	<b>70</b>	<b>244</b>	<b>21%</b>	<b>71</b>	<b>279</b>	<b>23%</b>	<b>63</b>	<b>230</b>	<b>19%</b>
Asset Mgt Companies & Investment Advisor	23	40	3%	23	37	3%	21	39	3%	22	41	3%
Mutual Funds	211	724	54%	203	578	51%	190	679	55%	177	710	60%
Discretionary & Non-Discretionary Portfolios	-	226	17%	-	198	17%	-	153	12%	-	141	12%
Pension Funds	19	30	2%	19	27	2%	19	27	2%	19	26	2%
REITs	7	55	4%	6	52	5%	6	47	4%	1	42	4%
Private Equity Companies & Funds	9	7	1%	7	7	1%	4	5	0%	-	-	0%
<b>Investing Institutions' Total</b>	<b>269</b>	<b>1,082</b>	<b>81%</b>	<b>258</b>	<b>897</b>	<b>79%</b>	<b>240</b>	<b>950</b>	<b>77%</b>	<b>219</b>	<b>960</b>	<b>81%</b>
<b>NBFIs' Total</b>	<b>341</b>	<b>1,339</b>	<b>100%</b>	<b>328</b>	<b>1,140</b>	<b>100%</b>	<b>311</b>	<b>1,229</b>	<b>100%</b>	<b>282</b>	<b>1,190</b>	<b>100%</b>

- Investment Finance Companies: Trust Investment Bank's lost its license w.e.f. November 2018.
- Modarabas: BRR Guardian acquired Crescent Modaraba.
- Microfinance Institutions: Tezz Financials started operations post FY18.
- AMC & Investment Advisor: Pak Oman AMCs license wasn't renewed.
- Mutual Funds: 5 new mutual funds were introduced during the period.
- REITs: Orange REIT Management Co's finished operations.

# NBFI | Total Assets | Trend

Description	Jun-14	Jun-15	June-16	June-17	June-18	June-19	Dec-19
<b>Total Assets Mutual</b>	452	492	546	710	679	578	724
<b>Total Assets Others</b>	187	247	372	480	550	560	615
<b>Growth Mutual Funds</b>	12%	9%	11%	30%	-4%	-15%	25%
<b>Growth Others</b>	2%	32%	50%	29%	15%	2%	10%

- In 1HFY20, Total Assets witnessed a surge of 17% underpinned by Micro-finance institutions (PKR ~126bln) and Mutual Funds (PKR ~724bln).



# Breakup of Deposits

Breakup of Deposits as at end-Dec 19					
Category	PKR in mln				Percentage of Total Deposit
	Leasing Companies	Modarabas	Investment Banks	Total	
<b>Individual</b>	431	2,376	3,986	<b>6,793</b>	42%
<b>Corporate</b>	92	2,038	231	<b>2,362</b>	15%
<b>Trust</b>	-	232	220	<b>451</b>	3%
<b>Govt. Entities</b>	-	-	-	-	0%
<b>Financial Institutions</b>	-	5,400	-	<b>5,400</b>	33%
<b>Total Deposits</b>	<b>523</b>	<b>10,046</b>	<b>4,437</b>	<b>15,007</b>	92%
Share in the Total Deposits	3%	62%	27%	92%	
<b>Total Liabilities</b>	<b>5,534</b>	<b>33,404</b>	<b>27,902</b>	<b>66,840</b>	
Deposit/Total Liabilities	9%	30%	16%	22%	
Breakup of Deposits as at end-Jun 19					
Category	PKR in mln				Percentage of Total Deposit
	Leasing Companies	Modarabas	Investment Banks	Total	
<b>Individual</b>	415	1,553	3,903	<b>5,871</b>	39%
<b>Corporate</b>	93	2,300	319	<b>2,712</b>	18%
<b>Trust</b>	10	357	228	<b>594</b>	4%
<b>Govt. Entities</b>	-	-	-	-	0%
<b>Financial Institutions</b>	-	5,350	-	<b>5,350</b>	35%
<b>Total Deposits</b>	<b>518</b>	<b>9,560</b>	<b>4,449</b>	<b>14,527</b>	<b>96%</b>
Share in the Total Deposits	3%	63%	29%	96%	
<b>Total Liabilities</b>	<b>4,835</b>	<b>31,384</b>	<b>28,712</b>	<b>64,931</b>	
Deposit/Total Liabilities	11%	30%	15%	22%	

\* Equity and liabilities do not include deficit / surplus on revaluation of fixed assets

# Modarabas

# Modarabas | Assets | Active

Sr. No.	Name	Dec-19				Jun-19		Jun-18		Jun-17	
		Assets (PKR mln)	% Share	Trend	CAGR	Assets (PKR mln)	% Share	Assets (PKR mln)	Share in Total Assets	Assets (PKR mln)	Share in Total Assets
1	Allied Rental Modaraba	8,908	19%		2%	8,829	18%	9,036	19.3%	8,361	22.0%
2	Awwal Modaraba	1,202	3%		1%	1,234	3%	1,283	2.7%	1,184	3.1%
3	First Al-Noor Modaraba	294	1%		-6%	289	1%	316	0.7%	351	0.9%
4	First Fidelity Leasing Modaraba	380	1%		3%	382	1%	399	0.9%	349	0.9%
5	First Habib Modaraba	11,025	23%		10%	11,124	23%	10,279	22.0%	8,367	22.1%
6	First IBL Modaraba	227	0%		0%	230	0%	224	0.5%	228	0.6%
7	First National Bank Modaraba	265	1%		-20%	303	1%	356	0.8%	508	1.3%
8	First Punjab Modaraba	2,155	4%		5%	2,130	4%	1,993	4.3%	1,874	4.9%
9	First Treet Manufacturing Modaraba	12,665	26%		13%	13,175	27%	12,219	26.2%	8,867	23.4%
10	KASB Modaraba	156	0%		-36%	271	1%	376	0.8%	600	1.6%
11	Modaraba Al-Mali	259	1%		10%	261	1%	196	0.4%	196	0.5%
12	Orient Rental Modaraba	1,844	4%		0%	1,607	3%	1,462	3.1%		
13	Orix Modaraba	6,957	14%		5%	6,966	14%	6,953	14.9%	5,962	15.7%
14	Sindh Modaraba	1,666	3%		17%	1,639	3%	1,569	3.4%	1,029	2.7%
15	Unicap Modaraba	55	0%		2%	56	0%	54	0.1%	52	0.1%
<b>Total</b>		<b>48,058</b>	<b>100%</b>			<b>48,494</b>	<b>100%</b>	<b>46,717</b>	<b>100%</b>	<b>37,929</b>	<b>100%</b>
% Growth		-1%				4%		23%		34%	
	Passive Modaraba	5,762	11%		-2%	5,654	10%	6,220	13.3%	6,190	16.3%
<b>Total</b>		<b>53,820</b>				<b>54,148</b>		<b>52,936</b>		<b>44,119</b>	

Criteria | Active & Passive Modarabas | Average CAGR of Assets is below 3% AND Average ROE is below 4%

















# Modarabas | Assets | Passive

Sr. No.	Name	Dec-19				Jun-19		Jun-18		Jun-17	
		Assets (PKR mln)	% Share	Trend	CAGR	Assets (PKR mln)	% Share	Assets (PKR mln)	Share in Total Assets	Assets (PKR mln)	Share in Total Assets
1	B.F. Modaraba	114	2%		-11%	126	2%	141	2.3%	159	2.6%
2	B.R.R. Guardian Modaraba	1,964	34%		-1%	1,838	33%	2,082	33.5%	2,054	33.2%
9	First Elite Capital Modaraba	189	3%		0%	182	3%	191	3.1%	186	3.0%
10	First Equity Modaraba	643	11%		-5%	636	11%	660	10.6%	751	12.1%
3	First Imrooz Modaraba	339	6%		-3%	341	6%	415	6.7%	371	6.0%
4	First Pak Modaraba	72	1%		1%	73	1%	75	1.2%	70	1.1%
11	First Paramount Modaraba	435	8%		-2%	467	8%	444	7.1%	466	7.5%
5	First Prudential Modaraba	471	8%		-3%	493	9%	495	8.0%	515	8.3%
6	First Tri Star Modaraba	193	3%		-3%	193	3%	213	3.4%	212	3.4%
12	First UDL Modaraba	525	9%		-15%	494	9%	696	11.2%	857	13.8%
7	Habib Metro Modaraba	328	6%		0%	319	6%	305	4.9%		
8	Popular Islamic Modaraba	123	2%		-8%	121	2%	126	2.0%	159	2.6%
13	Trust Modaraba	368	6%		-2%	371	7%	377	6.1%	390	6.3%
<b>Total</b>		<b>5,762</b>	<b>100%</b>			<b>5,654</b>	<b>100%</b>	<b>6,220</b>	<b>100%</b>	<b>6,190</b>	<b>100%</b>
% Growth		2%				-9%		0%		12%	

Criteria | Active & Passive Modarabas | Average CAGR of Assets is below 3% AND Average ROE is below 4%


















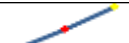
# Modarabas | Equity | Active

Sr. No.	Name	Dec-19				Jun-19				Jun-18				Jun-17			
		Equity (PKR Mln)	Paid up Capital (PKR Mln)	Equity Trend	Equity/Assets	Equity (PKR Mln)	Paid up Capital (PKR Mln)	Equity Trend	Equity/Assets	Equity (PKR Mln)	Paid up Capital (PKR Mln)	Equity Trend	Equity/Assets	Equity (PKR Mln)	Paid up Capital (PKR Mln)	Equity Trend	Equity/Assets
1	Allied Rental Modaraba	5,262	2,200		59%	5,334	2,200	4%	60%	5,151	2,000	11%	57%	4,659	1,755	6%	56%
2	Awwal Modaraba	1,164	1,000		97%	1,185	1,000	-3%	96%	1,221	1,000	5%	95%	1,160	1,000	13%	98%
3	First Al-Noor Modaraba	255	210		87%	252	210	-6%	87%	267	210	-9%	84%	293	210	-12%	83%
2	First IBL Modaraba	191	217		84%	191	217	1%	83%	189	217	4%	84%	183	202	2%	80%
3	First National Bank Modaraba	(43)	250		-16%	(22)	250	-370%	-7%	8	250	-50%	2%	16	250	-81%	3%
4	KASB Modaraba	140	481		90%	241	481	-12%	89%	275	481	-30%	73%	391	481	1%	65%
3	Unicap Modaraba	31	236		57%	33	236	-2%	59%	34	186	-13%	63%	39	186	-10%	75%
4	First Fidelity Leasing Modaraba	341	264		90%	341	264	-4%	89%	357	264	10%	89%	324	264	-2%	93%
5	First Habib Modaraba	3,403	1,008		31%	3,512	1,008	2%	32%	3,444	1,008	-1%	34%	3,472	1,008	5%	41%
4	First Punjab Modaraba	194	340		9%	193	340	-5%	9%	203	340	6%	10%	192	340	5%	10%
5	First Treet Manufacturing Modaraba	1	1,956		0%	2,042	1,956	-50%	15%	4,069	1,956	-10%	33%	4,514	1,956	1%	51%
6	Modaraba Al-Mali	236	184		91%	233	184	38%	89%	168	184	4%	86%	162	184	-4%	83%
5	Orient Rental Modaraba	818	750		44%	872	750	6%	54%	822	750		56%				
6	Orix Modaraba	1,107	285		16%	1,160	454	1%	17%	1,148	454	0%	17%	1,150	454	-2%	19%
7	Sindh Modaraba	1,561	450		94%	1,063	450	5%	65%	1,016	450	3%	65%	984	450	108%	96%
<b>Total</b>		<b>14,660</b>	<b>9,831</b>			<b>16,629</b>	<b>10,000</b>			<b>18,372</b>	<b>9,750</b>			<b>17,539</b>	<b>8,741</b>		
	Passive Modarabas	4,542	3,972		74%	2,812	3,629	-8%	74%	3,044	3,554	-11%	73%	3,404	3,539	0%	0%
<b>Total</b>		<b>19,203</b>	<b>13,803</b>			<b>21,039</b>	<b>13,941</b>			<b>75,893</b>	<b>13,666</b>			<b>73,865</b>	<b>10,562</b>		








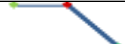





# Modarabas | Equity | Passive

Sr. No.	Name	Dec-19				Jun-19				Jun-18				Jun-17			
		Equity (PKR Mln)	Paid up Capital (PKR Mln)	Equity Trend	Equity/ Assets	Equity (PKR Mln)	Paid up Capital (PKR Mln)	Equity Trend	Equity/ Assets	Equity (PKR Mln)	Paid up Capital (PKR Mln)	Equity Trend	Equity/ Assets	Equity (PKR Mln)	Paid up Capital (PKR Mln)	Equity Trend	Equity/ Assets
1	B.F. Modaraba	139	75		122%	136	75	4%	108%	131	75	-15%	93%	154	75	0%	97%
2	B.R.R. Guardian Modaraba	1,502	864		76%	1,374	864	-1%	75%	1,392	864	10%	67%	1,264	780	20%	62%
3	First Elite Capital Modaraba	114	113		60%	113	113	-11%	62%	128	113	2%	67%	125	113	-4%	67%
4	First Equity Modaraba	602	524		94%	594	524	-3%	93%	614	524	-7%	93%	657	524	5%	87%
5	First Imrooz Modaraba	148	30		44%	139	30	3%	41%	135	30	-36%	32%	212	30	51%	57%
6	First Pak Modaraba	62	125		86%	66	125	5%	91%	63	125	0%	83%	62	125	4%	89%
7	First Paramount Modaraba	205	138		47%	216	138	1%	46%	213	138	0%	48%	213	138	1%	46%
8	First Prudential Modaraba	411	873		87%	426	872	1%	86%	421	872	-7%	85%	452	872	0%	88%
9	First Tri Star Modaraba	181	212		94%	180	212	-14%	93%	209	212	1%	98%	207	212		97%
10	First UDL Modaraba	468	319		89%	465	290	-21%	94%	588	264	-18%	84%	721	264	12%	84%
11	Habib Metro Modaraba	320	300		98%	312	300	3%	98%	304	300		100%				
12	Popular Islamic Modaraba	85	100		69%	86	100	6%	71%	81	100	3%	65%	79	100	6%	49%
13	Trust Modaraba	307	298		83%	304	298	-1%	82%	306	298	-3%	81%	315	298	2%	81%
<b>Total</b>		<b>4,542</b>	<b>3,972</b>			<b>2,812</b>	<b>3,629</b>			<b>3,044</b>	<b>3,554</b>			<b>3,404</b>	<b>3,539</b>		

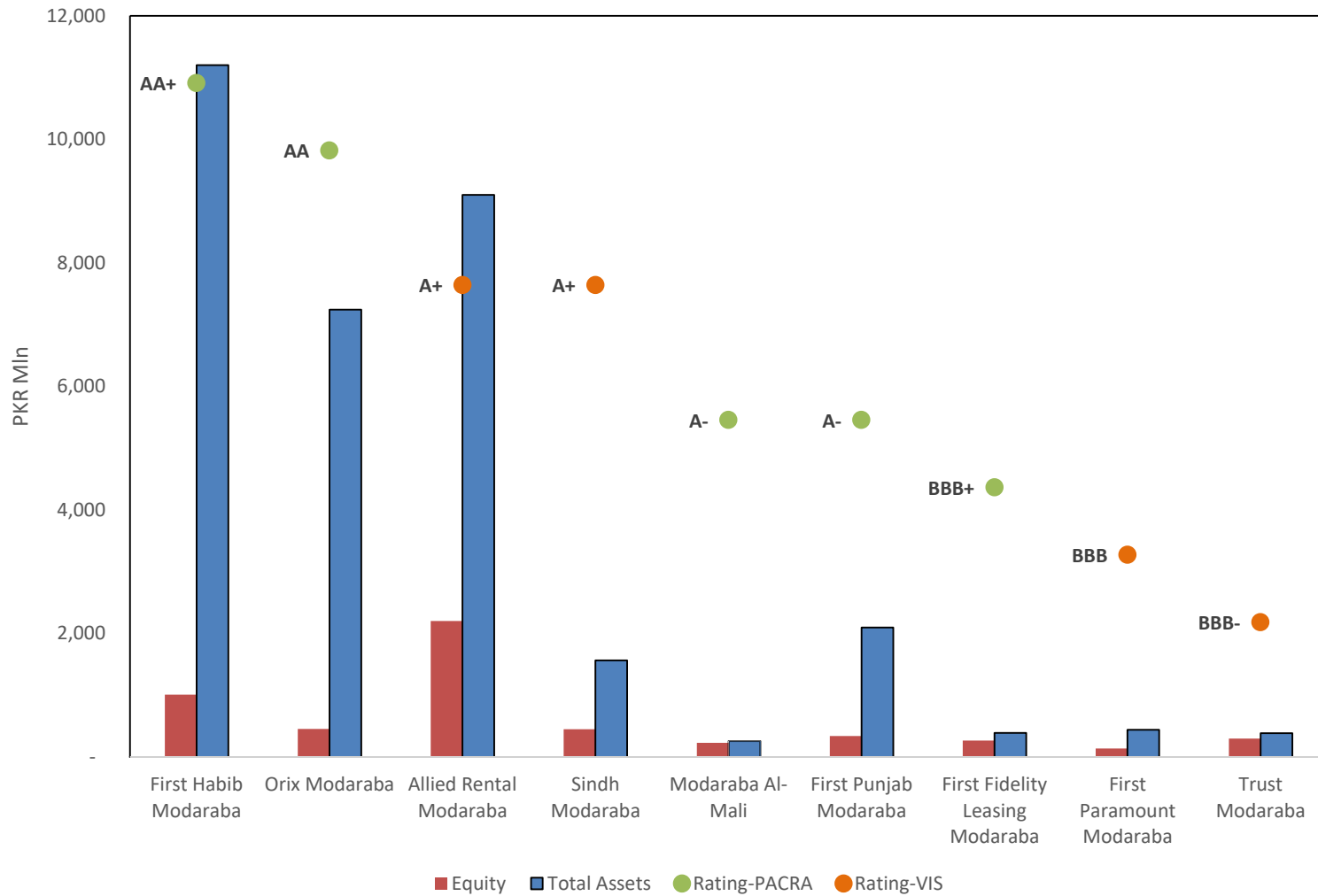
# Modarabas | Profitability | Active

Sr. No	Name	Dec-19				Jun-19			Jun-18			Jun-17		
		Profit (PKR mln)	Equity	ROE	Trend	Profit (PKR mln)	Equity	ROE	Profit (PKR mln)	Equity	ROE	Profit (PKR mln)	Equity	ROE
1	Allied Rental Modaraba	149	5,262	3%		383	5,334	7.2%	395	5,151	7.7%	458	4,659	9.8%
2	Awwal Modaraba	63	1,164	5%		45	1,185	3.8%	184	1,221	15.0%	154	1,160	13.3%
3	First Al-Noor Modaraba	60	255	24%		126	252	50.0%	25	267	9.4%	3	293	1.0%
4	First Fidelity Leasing Modaraba	3	341	1%		(54)	341	-15.8%	33	357	9.3%	(8)	324	-2.5%
5	First Habib Modaraba	69	3,403	2%		111	3,512	3.2%	290	3,444	8.4%	295	3,472	8.5%
6	First IBL Modaraba	20	191	10%		103	191	54.0%	0	189	0.0%	10	183	5.5%
7	First National Bank Modaraba	58	(43)	-135%		81	(22)	-368.2%	(8)	8	-100.5%	(71)	16	-436.9%
8	First Punjab Modaraba	(0)	194	0%		(3)	193	-1.7%	29	203	14.1%	28	192	14.5%
9	First Treet Manufacturing Modaraba	(2)	1	-336%		(0)	2,042	0.0%	(357)	4,069	-8.8%	205	4,514	4.5%
10	KASB Modaraba	24	140	17%		25	241	10.4%	(114)	275	-41.5%	5	391	1.2%
11	Modaraba Al-Mali	174	236	74%		320	233	137.3%	12	168	6.9%	7	162	4.0%
12	Orient Rental Modaraba	4	818	1%		2	872	0.2%	72	822	8.7%			
13	Orix Modaraba	3	1,107	0%		(14)	1,160	-1.2%	120	1,148	10.5%	128	1,150	11.1%
14	Sindh Modaraba	(1)	1,561	0%		(4)	1,063	-0.4%	52	1,016	5.2%	26	984	2.7%
15	Unicap Modaraba	5	31	17%		8	33	24.1%	(4)	34	-12.4%	(4)	39	-10.8%
<b>Total</b>		<b>629</b>	<b>14,660</b>			<b>1,127</b>	<b>16,629</b>		<b>728</b>	<b>18,372</b>		<b>1,234</b>	<b>17,539</b>	
	Passive Modarabas	(101)	4,542	-2%		(2,438)	4,410	-55.3%	97	4,585	2.1%	337	4,460	7.6%
<b>Total</b>		<b>528</b>	<b>19,203</b>			<b>(1,310)</b>	<b>21,039</b>		<b>825</b>	<b>22,957</b>		<b>1,571</b>	<b>21,999</b>	

# Modarabas | Profitability | Passive

Sr. No	Name	Dec-19				Jun-19			Jun-18			Jun-17		
		Profit (PKR mln)	Equity	ROE	Trend	Profit (PKR mln)	Equity	ROE	Profit (PKR mln)	Equity	ROE	Profit (PKR mln)	Equity	ROE
16	B.F. Modaraba	(1)	139	-1%		(20)	136	-14.7%	4	131	2.8%	16	154	10.3%
17	B.R.R. Guardian Modaraba	0	1,502	0%		1	1,374	0.1%	65	1,392	4.7%	170	1,264	13.4%
18	First Elite Capital Modaraba	(101)	114	-88%		(34)	113	-30.0%	5	128	3.7%	(3)	125	-2.2%
19	First Equity Modaraba	16	602	3%		11	594	1.9%	(4)	614	-0.7%	43	657	6.5%
20	First Imrooz Modaraba	2	148	1%		5	139	3.5%	31	135	22.7%	33	212	15.7%
21	First Pak Modaraba	(1)	62	-2%		(2,392)	66	-3624.2%	2	63	3.5%	3	62	4.3%
22	First Paramount Modaraba	3	205	1%		12	216	5.6%	11	213	5.1%	7	213	3.4%
23	First Prudential Modaraba	3	411	1%		5	426	1.1%	(20)	421	-4.6%	15	452	3.4%
24	First Tri Star Modaraba	1	181	0%		1	180	0.3%	2	209	1.1%	2	207	1.0%
25	First UDL Modaraba	2	468	0%		1	465	0.2%	(7)	588	-1.2%	33	721	4.5%
26	Habib Metro Modaraba	(13)	320	-4%		2	312	0.7%	4	304	1.3%			
27	Popular Islamic Modaraba	2	85	2%		6	86	7.2%	3	81	3.2%	5	79	5.8%
28	Trust Modaraba	(14)	307	-5%		(36)	304	-11.8%	2	306	0.6%	14	315	4.5%
<b>Total / Average</b>		<b>(101)</b>	<b>4,542</b>			<b>(2,438)</b>	<b>4,410</b>		<b>97</b>	<b>4,585</b>		<b>337</b>	<b>4,460</b>	

# Rated Universe | Modarabas



# **Investment Finance and Leasing Companies**

# Investment Finance & Leasing | Assets

Sr #	Name of Investment Bank	Dec-19		Jun-19		Jun-18		Jun-17	
		Total Assets	Share	Total Assets	Share	Total Assets	Share	Total Assets	Share
		PKR Mln	%	PKR Mln	%	PKR Mln	%	PKR Mln	%
1	Escorts Investment Bank Limited	1,484	3%	1,435	2%	1,520	4%	988	2%
2	First Credit & Investment Bank Limited	1,331	2%	1,385	2%	1,327	3%	1,155	3%
3	First Dawood Investment Bank Limited	991	2%	995	2%	1,031	2%	1,059	3%
4	Invest Capital Investment Bank Limited	927	2%	950	2%	1,039	2%	1,071	3%
5	Orix Leasing Pakistan Ltd	24,690	43%	25,990	42%	26,699	64%	-	0%
6	Security Investment Bank Limited	-	0%	841	1%	832	2%	648	2%
7	Grays Leasing Ltd	303	1%	292	0%	272	1%	268	1%
8	Orix Leasing Pakistan Ltd	24,690	43%	25,990	42%	-	0%	26,096	62%
9	Pak Gulf Leasing Company Ltd	2,823	5%	2,661	4%	2,549	6%	2,151	5%
10	Primus Leasing Ltd	-	0%		0%	1,025	2%		
11	Security Leasing Corporation Ltd	656	1%	657	1%	686	2%	753	2%
12	Sindh Leasing Company Ltd	-	0%		0%	4,279	10%	3,059	7%
13	SME Leasing Ltd	-	0%	494	1%	511	1%	460	1%
14	Trust Investment Bank Limited	-	0%	-	0%	-	0%	4,387	10%
<b>Total Assets</b>		<b>57,895</b>	<b>100%</b>	<b>61,689</b>	<b>100%</b>	<b>41,771</b>	<b>100%</b>	<b>42,095</b>	<b>100%</b>

Source: PSX/ [Financials](#)

Financial statements were not available

# Investment Banks | Equity

Sr #	Name of Investment Bank	Dec-19		Jun-19		Jun-18		Jun-17	
		Equity	Equity/ Assets	Equity	Equity/ Assets	Equity	Equity/ Assets	Equity	Equity/ Assets
		PKR MIn	%	PKR MIn	%	PKR MIn	%	PKR MIn	%
1	Escorts Investment Bank Limited	944	64%	50	3%	100	7%	254	26%
2	First Credit & Investment Bank Limited	722	54%	719	52%	733	55%	724	63%
3	First Dawood Investment Bank Limited	526	53%	497	50%	498	48%	409	39%
4	Invest Capital Investment Bank Limited	315	34%	256	27%	248	24%	240	22%
5	Orix Leasing Pakistan Ltd	7,778	32%	8,013	31%	7,249	27%	-	0%
6	Security Investment Bank Limited	-	0%	617	73%	601	72%	627	97%
7	Grays Leasing Ltd	68	22%	67	23%	69	25%	74	27%
8	Orix Leasing Pakistan Ltd	7,778	32%	8,013	31%	-	0%	4,466	17%
9	Pak Gulf Leasing Company Ltd	756	27%	758	28%	727	29%	676	31%
10	Primus Leasing Ltd	-	0%		0%	1,003	98%		
11	Security Leasing Corporation Ltd	109	17%	117	18%	145	21%	119	16%
12	Sindh Leasing Company Ltd	-	0%		0%	3,712	87%	2,149	70%
13	SME Leasing Ltd	-	0%	98	20%	115	22%	125	27%
14	Trust Investment Bank Limited	-	0%	-	0%	-	0%	1,534	35%
<b>Total Equity</b>		<b>18,996</b>		<b>19,205</b>		<b>15,201</b>		<b>11,396</b>	
<b>Total Assets</b>		<b>57,895</b>		<b>61689</b>		<b>41,771</b>		<b>42,095</b>	
<b>Average Equity / Assets</b>		<b>24%</b>		<b>25%</b>		<b>37%</b>		<b>36%</b>	



# Investment Banks | Profitability

Sr #	Name	Dec-19		Jun-19		Jun-18		Jun-17	
		Profit	ROE	Profit	ROE	Profit	ROE	Profit	ROE
		PKR MIn	%	PKR MIn	%	PKR MIn	%	PKR MIn	%
1	Escorts Investment Bank Limited	(5)	-1%	(50)	-101%	(154)	-154%	(119)	-47%
2	First Credit & Investment Bank Limited	12	2%	10	1%	9	1%	7	1%
3	First Dawood Investment Bank Limited	2	0%	2	0%	102	20%	(285)	-70%
4	Invest Capital Investment Bank Limited	60	19%	(116)	-45%	8	3%	(9)	-4%
5	Orix Leasing Pakistan Ltd	503	6%	1,022	13%	1,380	19%	-	0%
6	Security Investment Bank Limited	-	0%	26	4%	20	3%	103	17%
7	Grays Leasing Ltd	1	1%	(2)	-3%	(4)	-6%	(1)	-1%
8	Orix Leasing Pakistan Ltd	503	6%	1,023	13%	-	0%	841	19%
9	Pak Gulf Leasing Company Ltd	16	2%	64	8%	69	10%	47	7%
10	Primus Leasing Ltd	-	0%	-	0%	3	0%		
11	Security Leasing Corporation Ltd	(8)	-8%	(28)	-24%	26	18%	(37)	-31%
12	Sindh Leasing Company Ltd	-	0%	-	0%	63	2%	45	2%
13	SME Leasing Ltd	-	0%	(14)	-14%	(18)	-16%	(32)	-25%
14	Trust Investment Bank Limited	-	0%	-	0%	-	0%	57	4%
<b>Total Profit</b>		<b>1,083</b>		<b>1,936</b>		<b>1,502</b>		<b>617</b>	
<b>Total Equity</b>		<b>18,996</b>		<b>19,205</b>		<b>15,201</b>		<b>11,396</b>	
<b>Average ROE</b>			<b>2%</b>		<b>-11%</b>		<b>-7%</b>		<b>-10%</b>

Source: PSX/ [Financials](#)

Financial statements were not available

# Industry

# Industry | Key Developments

## Amendment in NBFC and Notified Entities Regulations 2008

1. An NBFC shall ensure compliance with the following requirements while appointing independent directors on its board,-
  - Independent directors shall be selected from the data bank notified by the Commission in accordance with section 166 of Companies Act, 2017; and
  - The independent directors shall be elected in the same manner as shareholder directors are elected in accordance with section 159 of the Companies Act, 2017
2. The Listed Companies (Code of Corporate Governance) Regulations, 2019 shall be applicable on Asset Management Companies and Deposit taking NBFCs.
3. For NBFC engaged exclusively in the business of issuance of guarantees, to enhance the quality of debt instruments issued to finance infrastructure projects in Pakistan, the following shall apply;

Head	Shall not exceed
The aggregate liabilities, excluding contingent liabilities and security deposits	10 times of its equity and qualified capital
The total outstanding exposure (fund based and non-fund based) by an NBFC to a person	40% of the equity (as disclosed in the latest financial statements) and qualified capital
The total outstanding Exposure (fund based and non-fund based) to any group	50% of the equity (as disclosed in the latest financial statements) and qualified capital

# Industry | Key Developments

3. An AMC shall have at least one investment committee which shall be responsible for selecting and developing appropriate investment and risk management strategies for the proper performance of the collective investment schemes and developing internal investment restrictions limits and restriction for Collective Investment Schemes.
4. Any employee of Asset Management shall not ;
  - hold office as employee in another Asset Management Company;
  - hold any office including that of a director of another Asset Management Company; and
  - engage in brokerage services
5. An AMC shall ensure adequate disclosure of the following expenses and sales load to investor before soliciting investment, and also prominently disclose on a daily basis, the following information regarding all Collective Investment Schemes on its website and on the website of Mutual Funds Association of Pakistan (MUFAP)
  - Total Expense Ratio
  - Management Fee as a percentage of net assets
  - Selling and Marketing expenses as percentage of net assets; and
  - Front-end, back-end and contingent load as a percentage of net assets.
6. Formation cost of the Collective Investment Scheme not exceeding 1.5 percent of the net assets at the close of initial public offering (IPO) in case of an Open End Scheme and one percent of the paid-up capital in case of a Closed End Fund or ten million rupees whichever is lower.
7. An Asset Management Company, on behalf of sector specific fund shall not take exposure more than 20% of net asset of collective investment scheme in listed group companies of the asset management company.

# Industry | Key Developments

- **Amendments in NBFCs and Notified Entities Regulations 2008 are made in August 2019. The salient features of these regulations are as follows:**

Head of Fee	Amount in PKR
Annual Monitoring Fee to be paid by Deposit taking NBFCs	Rs. 250,000/-
Annual Fee for Collective Investment Schemes	0.02%

# Industry | Key Developments

- **Draft Amendments in NBFCs and Notified Entities Regulations 2008 are proposed to be made in February 2020. The salient features of these regulations are as follows:**

## A) Application Fee under the Rules

Subject of Application	Amount in PKR
Application for permission to form an NBFC	250,000/-
Application for license to undertake or carry out an activity or function	500,000/-
Application for renewal of license to carry out an activity or function	Nil

\*Provided that Non-Bank Micro Finance Companies shall pay the following fee amounts:

Subject of Application	Amount in PKR
Application for permission to form an NBFC	125,000/-
Application for license to undertake or carry out an activity or function	250,000/-
Application for renewal of license to carry out an activity or function	Nil

# Industry | Key Developments

## B) Application Fee under the Regulations

Subject of Application	Amount in PKR
Application for registration of an Open End Scheme or Closed End Scheme	500,000/-
Application for certificate of registration to act as a trustee	500,000/-

# Industry | SECP | Relaxations

The SECP has allow the following relaxation to all lending NBFCs including NBMFCs:

1. Upon request received from borrower before 30 Jun,20 the NBFCs may defer the repayment of principal loan by one year. The NBFCs will convey their decision within 15 working days of the receipt of the written request.
2. The financing facilities of borrower may be rescheduled/ restructured upon their request. If the rescheduling/ restructuring is done within 90 days of the loan being overdue in case of microfinance and within 180 days in case of other finance facility , such facilities will continue to be treated as regular and reported on ECIB accordingly.
3. The NBFCs shall not classify the financing facilities of the above borrower unless payment obligations are past due by 90 days in case of microfinance and 180 days in case of other running finance facility. If deferment or rescheduling/ restructuring is not executed within the past due periods , such financing facilities shall be classified as “Doubtful” in case of microfinance and “ Substandard” in case of other facilities.
4. The aforementioned relaxation, shall stand expired on 31st Mar, 2021 and afterwards prevailing provisions of the NBFC regulation shall be applicable. Moreover, the aforementioned treatment shall be available for loans , which were regular as on 15th Feb, 2020 and become non-performing subsequently.
5. To support the mutual fund industry, the maximum period of borrowing by mutual funds for redemption purposes will be extended from existing 90 days to 360 days



# Industry | Key Developments

Deposit taking ability of NBFIs has been linked with the credit rating in the following manner:

Draft Amendments	Credit Rating	Total deposits from all sources including deposits from individuals, sole proprietors, provident/ gratuity funds, trust, charitable institutions and Section 42 Companies	Deposits from individuals, sole proprietors, provident/ gratuity funds, trust, charitable institutions and Section 42 Companies
	AA & Above	5 times of equity	3 times of equity
	A to AA-	3 times of equity	Equal to equity
	BBB+ to A-	2 times of equity	Nil

Credit Rating	Total deposits from all sources including deposits from individuals, sole proprietors, provident/ gratuity funds, trust, charitable institutions and Section 42 Companies	Deposits from individuals, sole proprietors, provident/ gratuity funds, trust, charitable institutions and Section 42 Companies
AA- & Above	5 times of equity	4 times of equity
A to A+	3 times of equity	2 times of equity
BBB to BBB+	2 times of equity	Nil

# Sector Recent Developments

- Two new Modaraba's floated - Habib Metro Modaraba and Orient Rental Modaraba.
- Modaraba Act 2017 is under deliberation.
- Pak Burnei Investment Limited has established a leasing Company in the name of Primus Leasing Limited.

Need to be updated

# Challenges

## Current Challenges:

- Limited product menu on Funding and Lending side which increases concentration of risks and earnings. Meanwhile, limited network as compared to banks.
- Minimal access to cheaper funds, for resource mobilization. industry depends on borrowings from banks and DFIs
- Inadequate resource mobilization capacity, only few Modarabas are allowed to accept deposits from public rest are dependent on equity.
- Lack of financial literacy in the country and low savings rate
- Lack of depth in the domestic securities market especially bond market

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