



PAK BRUNEI INVESTMENT COMPANY LTD.

**CONSOLIDATED FINANCIAL STATEMENTS
(UN-AUDITED)**

FOR THE HALF YEAR ENDED JUNE 30, 2012

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - (UN-AUDITED)
AS AT JUNE 30, 2012

June 30, 2012 (Un-audited)	December 31, 2011 (Audited)		June 30, 2012 (Un-audited)	December 31, 2011 (Audited)
----- (US \$ in '000) -----			Note ----- (Rupees in '000) -----	
ASSETS				
854	1,859	Cash and balances with treasury banks	80,270	174,790
2,289	5,980	Balances with other banks	215,150	562,085
-	6,679	Lendings to financial institutions	7	627,841
257,723	273,855	Investments - net	8	24,225,954
55,188	49,433	Advances - net	9	5,187,692
615	362	Operating fixed assets	10	57,846
-	-	Deferred tax assets - net		-
11,734	8,055	Other assets	11	1,103,022
328,404	346,224		30,869,934	32,545,016
LIABILITIES				
-	-	Bills payable	-	-
201,722	248,506	Borrowings from financial institutions	12	18,961,848
35,432	10,415	Deposits and other accounts	13	3,330,653
-	-	Sub-ordinated loans		-
-	-	Liabilities against assets subject to finance lease		-
1,869	4	Deferred tax liabilities - net		175,731
3,288	2,959	Other liabilities		309,093
242,312	261,884		22,777,325	24,617,113
86,092	84,339	NET ASSETS	8,092,609	7,927,903
REPRESENTED BY				
63,830	63,830	Share capital	14	6,000,000
4,973	4,247	Reserves		467,470
17,832	16,987	Unappropriated profit		1,676,240
86,635	85,064		8,143,710	7,996,016
(544)	(725)	Deficit on revaluation of assets - net of deferred tax	15	(51,101)
86,092	84,339		8,092,609	7,927,903
CONTINGENCIES AND COMMITMENTS				
			16	

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2012

Half Year Ended June 30, 2012	Half Year Ended June 30, 2012		Quarter Ended June 30, 2012	Half Year Ended June 30, 2012	Quarter Ended June 30, 2011	Half Year Ended June 30, 2011	
----- (US \$ in '000) -----			Note ----- (Rupees in '000) -----				
17,495	10,680	Mark-up / return / interest earned	870,812	1,644,504	517,028	1,003,948	
12,804	5,538	Mark-up / return / interest expensed	635,342	1,203,529	280,910	520,569	
4,691	5,142	Net mark-up / interest income	235,470	440,975	236,118	483,379	
(191)	133	(Reversal)/provision against non-performing loans and advances	(17,813)	(17,933)	12,663	12,514	
(201)	302	(Reversal)/Provision for diminution in the value of investments	(23,592)	(18,895)	28,433	28,433	
-	-	Bad debts written off directly	-	-	-	-	
(392)	436		(41,405)	(36,828)	41,096	40,947	
5,083	4,707	Net mark-up / interest income after provisions	276,875	477,803	195,022	442,432	
NON MARK-UP/ INTEREST INCOME							
292	303	Fee, commission and brokerage income	24,654	27,476	21,022	28,441	
653	364	Dividend income	21,680	61,341	14,183	34,220	
730	537	Gain on sale of securities - net	31,338	68,643	17,579	50,455	
-	-	Unrealized gain on revaluation of investments classified as held for trading	(504)	(1,044)	25,157	25,893	
(11)	275	Other income	-	-	11	184	
-	2						
1,664	1,481	Total non-markup / interest income	77,168	156,416	77,952	139,193	
6,747	6,188		354,043	634,219	272,974	581,625	
NON MARK-UP/ INTEREST EXPENSES							
1,071	1,055	Administrative expenses	56,130	100,710	47,524	99,214	
-	-	Other provisions / write offs	-	-	-	-	
10	10	Other charges	909	966	(40)	916	
1,082	1,065	Total non-markup / interest expenses	57,039	101,676	47,484	100,130	
5,665	5,122		297,004	532,543	225,490	481,495	
-	-	Extra ordinary / unusual items	-	-	-	-	
5,665	5,122	PROFIT BEFORE TAXATION	297,004	532,543	225,490	481,495	
155	2,525	Taxation - Current	(57,216)	14,599	160,534	237,336	
-	-	- Prior years	-	-	-	-	
1,811	(902)	- Deferred	170,343	170,250	(92,473)	(84,793)	
1,966	1,623		113,127	184,849	68,061	152,543	
3,699	3,499	PROFIT AFTER TAXATION	183,877	347,694	157,429	328,952	
-----US Dollar-----			-----Rupees-----				
0.0062	0.0058	Earnings Per Share - Basic and Diluted (Rupees)	17	0.31	0.58	0.26	0.55

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2012

Half Year Ended June 30, 2012	Half Year Ended June 30, 2011		Quarter Ended June 30, 2012	Half Year Ended June 30, 2012	Quarter Ended June 30, 2011	Half Year Ended June 30, 2011
----- (US \$ in '000) -----			----- (Rupees in '000) -----			
3,699	3,499	Profit after taxation for the period	183,877	347,694	157,429	328,952
-	-	Other comprehensive income	-	-	-	-
<u>3,699</u>	<u>3,499</u>	Total comprehensive income for the period	<u>183,877</u>	<u>347,694</u>	<u>157,429</u>	<u>328,952</u>

Deficit / surplus on revaluation of assets has been reported in accordance with the requirements of the Companies Ordinance, 1984 and the directives of the State Bank of Pakistan in a separate account below equity.

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2012

Half Year Ended June 30, 2012 ----- (US \$ in '000) -----	Half Year Ended June 30, 2011		Half year ended June 30, 2012 ----- (Rupees in '000) -----	Half year ended June 30, 2011 ----- (Rupees in '000) -----
CASH FLOWS FROM OPERATING ACTIVITIES				
5,665	5,122	Profit before taxation	532,543	481,495
(653)	(364)	Less: Dividend income	(61,341)	(34,220)
<u>5,013</u>	<u>4,758</u>		<u>471,202</u>	<u>447,275</u>
Adjustments for non-cash charges				
43	38	Depreciation	4,068	3,559
10	11	Amortization	936	1,020
(191)	133	Provision against non performing advances	(17,933)	12,514
(201)	302	Provision for diminution in the value of investments	(18,895)	28,433
(7)	-	Gain on sale of investments	(690)	-
(0)	-	Gain on sale of fixed assets	(1)	-
(147)	-	Interest income on investments	(13,780)	-
1	-	Return on bank balance	88	-
11	(275)	Unrealized gain on revaluation of investments classified as held for trading	1,044	(25,893)
8	10	Unrealized loss on interest rate swap contracts	767	916
-	-	Finance charges on leased assets	-	-
(472)	219		(44,396)	20,549
<u>4,540</u>	<u>4,977</u>		<u>426,806</u>	<u>467,824</u>
(Increase) / decrease in operating assets				
6,679	6,772	Lendings to financial institutions	627,841	636,592
66,265	(2,389)	Held-for-trading securities	6,228,889	(224,567)
(5,565)	(13,660)	Advances	(523,098)	(1,284,083)
(1,887)	(3,572)	Other assets (excluding advance taxation)	(177,413)	(335,759)
<u>65,492</u>	<u>(12,849)</u>		<u>6,156,219</u>	<u>(1,207,817)</u>
Increase in operating liabilities				
(46,784)	58,061	Borrowings from financial institutions	(4,397,683)	5,457,717
25,016	6,649	Deposits and other accounts	2,351,535	625,000
301	781	Other liabilities (excluding current taxation)	28,297	73,382
(21,467)	65,490		(2,017,851)	6,156,099
<u>48,566</u>	<u>57,618</u>		<u>4,565,174</u>	<u>5,416,106</u>
-	-	Financial charges paid	-	-
2,098	1,462	Income tax paid	197,218	137,434
<u>46,468</u>	<u>56,156</u>	Net cash flows from operating activities	<u>4,367,956</u>	<u>5,278,672</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
(49,408)	(54,150)	Net investments in available-for-sale securities	(4,644,371)	(5,090,109)
(4)	-	Net investments in held-to-maturity securities	(396)	-
(1)	-	Return on bank balance	(88)	-
830	329	Dividend income received	78,024	30,972
(454)	(12)	Investment in operating fixed assets	(42,638)	(1,095)
1	-	Sale proceeds from disposal of property and equipment	58	-
(49,036)	(53,832)	Net cash used in investing activities	(4,609,411)	(5,060,232)
CASH FLOWS FROM FINANCING ACTIVITIES				
-	-	Payments of lease obligations	-	-
(2,128)	-	Dividend paid	(200,000)	-
(2,127.66)	-	Net cash flows from financing activities	(200,000)	-
(4,696)	2,324	Increase / (decrease) in cash and cash equivalents	(441,455)	218,440
7,839	1,710	Cash and cash equivalents at beginning of the period	736,875	160,772
<u>3,143</u>	<u>4,034</u>	Cash and cash equivalents at end of the period	<u>295,420</u>	<u>379,212</u>

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2012

	Share capital	Statutory reserve	Unappropriated profit	Total
----- (Rupees in '000) -----				
Balance as at December 31, 2010	6,000,000	278,311	1,113,241	7,391,552
Comprehensive income - Profit after taxation for the six months ended June 30, 2011	-	-	328,952	328,952
Transfer to statutory reserve	-	65,790	(65,790)	-
Transactions with owners - Issue of right shares	-			-
Balance as at June 30, 2011	6,000,000	344,101	1,376,403	7,720,504
Comprehensive income - Profit after taxation for the six months ended December 31, 2011	-	-	275,512	275,512
Transfer to statutory reserve	-	55,103	(55,103)	-
Balance as at December 31, 2011	6,000,000	399,204	1,596,812	7,996,016
Comprehensive income - Profit after taxation for the six months ended June 30, 2012	-	-	347,694	347,694
Transfer to statutory reserve	-	69,539	(69,539)	-
Transactions with owners - payment of dividend			(200,000)	(200,000)
Balance as at June 30, 2012	6,000,000	468,743	1,674,967	8,143,710

The annexed notes 1 to 21 form an integral part of these consolidated condensed interim financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2012

1. STATUS AND NATURE OF BUSINESS

The Group comprises of Pak Brunei Investment Company Limited (the "holding company" or "parent") and a subsidiary, Primus Investment Management Limited. Brief profile of the holding company and its subsidiary is as follows:

Holding Company

Pak Brunei Investment Company Limited (the "holding company" or "parent") is incorporated as an un-listed public limited company under the Companies Ordinance, 1984. The State Bank of Pakistan (the SBP) granted the approval for commencement of business with effect from August 20, 2007. The Holding Company is a joint venture between the Government of Pakistan and the Brunei Investment Agency. The Holding Company's objective interalia includes making investments in the industrial and agro based industrial fields in Pakistan on commercial basis through carrying out of industrial and agro based industrial projects and making of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the holding company is situated at Horizon Vista, Plot No. Commercial-10, Block No. 4, Scheme No.5, Clifton, Karachi, Pakistan.

Subsidiary Company

Primus Investment Management Limited is a public unlisted company incorporated in Pakistan on August 10, 2011 under the Companies Ordinance, 1984. The registered office of the Company is situated at 4th Floor, Horizon Vista, Plot No. Commercial-10, Block No. 4, Scheme No. 5, Clifton, Karachi, Pakistan. The Company has obtained the license of an "Investment Advisor" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and intends to launch mutual funds in near future.

2. BASIS OF PRESENTATION AND CONSOLIDATION

2.1 Basis of presentation

These consolidated financial statements have been prepared from the information available in the un-audited financial statements of the holding company and subsidiary company for the period ended June 30, 2012. The accounting policies used by the subsidiary in preparation of their financial statements are consistent with that of the holding company.

2.2 Basis of Measurement

These consolidated financial statements have been prepared under the historical cost convention except that certain investments and derivatives have been stated at revalued amounts in accordance with the directives of the State Bank of Pakistan (SBP).

2.3 US Dollar equivalent

The US dollar amounts shown in the consolidated condensed interim statement of financial position, consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flow are stated as additional information solely for the convenience of readers. For this purpose of conversion to US Dollars, the rate of Rs. 94.00 to US Dollars has been used for both 2011 and 2012, as it was the prevalent rate as on June 30, 2012.

3. STATEMENT OF COMPLIANCE

- 3.1** These consolidated condensed interim financial statements of the Company for the period ended June 30, 2012 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 3.2** The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Non Banking Financial Institutions in Pakistan vide BSD Circular Letter number 11 dated September 11, 2002, till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks and NBFCs. Therefore, it is also not applicable on the Company as it follows the same format of reporting as made applicable on banks by the SBP and accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.
- 3.3** The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these consolidated condensed interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2011.

4. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2011.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates/judgments and associated assumptions used in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2011.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2011.

	June 30, 2012 (Un-audited)	December 31, 2011 (Audited)
Note	----- (Rupees in '000) -----	

7. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse repo)	7.2	-	462,841
Term deposit receipts (TDRs)	7.3	-	165,000
		<hr/>	<hr/>
		-	627,841
		<hr/> <hr/>	<hr/> <hr/>

7.1 All lendings of the Company are in local currency.

7.2 This represents short-term lending to financial institutions against government securities. These carry mark-up at a rate of NIL (December 31, 2011: 11.85% per annum) and are due for maturity within NIL days (December 31, 2011: 6 days).

7.3 The profit rate on these TDRs is NIL per annum (December 31, 2011: 12.00% to 14.50% per annum). All TDRs are due for maturity within NIL (December 31, 2011: within 1 months).

8. INVESTMENTS - net

	Note	Held by Company	Given as collateral	Total
		(Rupees in '000)		
Current period (June 30, 2012) - Un-audited	8.1	7,785,588	16,440,366	24,225,954
Prior year (December 31, 2011) - Audited	8.1	5,801,830	19,940,534	25,742,364
Prior year corresponding period (June 30, 2011) - Un-audited		5,767,900	9,396,511	15,164,411

June 30, 2012 (Un-audited)			December 31, 2011 (Audited)		
Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total
(Rupees in '000)			(Rupees in '000)		

8.1 Investments by type:

Held-for-trading securities

Market Treasury Bills	191,504	718,139	909,643	260,792	6,977,094	7,237,886
Pakistan Investment Bonds	-	-	-	194,855	-	194,855
Ordinary shares of listed companies	50,568	-	50,568	7,837	-	7,837
	242,072	718,139	960,211	463,484	6,977,094	7,440,578

Available-for-sale securities

Market Treasury Bills	1,706,629	15,251,353	16,957,982	255,771	12,985,868	13,241,639
Pakistan Investment Bonds	1,883,605	476,017	2,359,622	340,549	-	340,549
Ordinary shares of listed companies	348,316	-	348,316	620,040	-	620,040
Ordinary shares of un-listed companies	100,000	-	100,000	100,000	-	100,000
Term Finance Certificates and Sukuks	2,725,413	-	2,725,413	3,312,763	-	3,312,763
Mutual Funds	928,835	-	928,835	978,890	-	978,890
Preference Shares	21,500	-	21,500	21,500	-	21,500
	7,714,298	15,727,370	23,441,668	5,629,513	12,985,868	18,615,381

Held-to-maturity securities

Term Finance Certificates and Sukuks	190,802	-	190,802	190,406	-	190,406
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Investments at cost

	8,147,172	16,445,509	24,592,681	6,283,403	19,962,962	26,246,365
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Less: Provision for diminution in value of Investments

	(307,281)	-	(307,281)	(409,752)	-	(409,752)
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Investments (net of provisions)

	7,839,891	16,445,509	24,285,400	5,873,651	19,962,962	25,836,613
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Surplus on revaluation of

held-for-trading securities	(568)	(299)	(867)	(3,731)	(9,829)	(13,560)
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(Deficit) / surplus on revaluation of available-for-sale securities - net

	(53,735)	(4,844)	(58,579)	(68,090)	(12,599)	(80,689)
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Total investments at market value

	7,785,588	16,440,366	24,225,954	5,801,830	19,940,534	25,742,364
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June 30, December 31,
2012 2011
(Un-audited) (Audited)
----- (Rupees in '000) -----

9. ADVANCES - net

Loans, cash credits, running finances, etc. - In Pakistan		3,723,532	3,337,302
LTFE scheme under State Bank of Pakistan		808,671	767,211
Margin financing / margin trading system - In Pakistan		88,200	88,000
Net investment in finance lease - in Pakistan		570,068	474,860
Advances - gross		5,190,471	4,667,373
Provision for non-performing advances - Specific	9.1	(2,779)	(1,723)
Provision for non-performing advances - General		-	(18,989)
		(2,779)	(20,712)
Advances - net of provision		5,187,692	4,646,661

9.1 Advances include Rs. 2.779 million (December 31, 2011: Rs. 2.992 million), which have been placed under non-performing status as detailed below:

	June 30, 2012 (Un-audited)				
	Rupees in '000				
	Non-performing loans			Provision	Provision
<u>Category of Classification</u>	Domestic	Overseas	Total	Required	Held
Other assets especially mentioned	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	2,779	-	2,779	2,779	2,779
	2,779	-	2,779	2,779	2,779

	December 31, 2011 (Audited)				
	Rupees in '000				
	Non-performing loans			Provision	Provision
<u>Category of Classification</u>	Domestic	Overseas	Total	Required	Held
Other assets especially mentioned	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	2,537	-	2,537	1,268	1,268
Loss	455	-	455	455	455
	2,992	-	2,992	1,723	1,723

Note	June 30, 2012 (Un-audited)	December 31, 2011 (Audited)
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----- (Rupees in '000) -----

10. OPERATING FIXED ASSETS

During the period, additions to operating fixed assets were as follows:

Property and equipment		
Furniture and fixtures	-	19
Leasehold improvements	-	-
Office equipment	1,106	42
Computers	2,196	919
Vehicles	42	7,875
Others - mobile phones	30	167
	3,375	9,022
Intangible assets - software	4,408	774
Capital work in progress - office renovation	34,160	14,049
	41,943	23,845

- 10.1** During the period, assets amounting to Rs. 0.087 million (December 31, 2011: Rs. 4.9 million) have been disposed off at a written down value of Rs. 0.057 million (December 31, 2011: Rs. 1.5 million) in accordance with the Company policy.

Note	June 30, 2012 (Un-audited)	December 31, 2011 (Audited)
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----- (Rupees in '000) -----

11. OTHER ASSETS

Income / mark-up accrued in local currency	430,464	353,988
Non-banking assets acquired in satisfaction of claims	209,652	209,652
Advances, deposits and other prepayments	87,561	87,773
Unrealised gain on interest rate swap contracts	-	119
Advance tax (payment less provision)	287,737	105,118
Dividend receivable	6,104	22,787
Receivable against sale of shares	131,504	27,756
Others	-	15
	1,153,022	807,208
Less: Provision held against advances, deposits and other prepayments	(50,000)	(50,000)
Other assets (net of provision)	1,103,022	757,208

12. BORROWINGS FROM FINANCIAL INSTITUTIONS

Secured

Borrowings from State Bank of Pakistan under LTFF Scheme	808,672	767,209
Repurchase agreement borrowings (Repo)	16,445,510	20,350,655
Borrowing from banks	1,166,666	1,666,667
	18,420,848	22,784,531

Unsecured

Letters of placement	541,000	575,000
	18,961,848	23,359,531

		June 30, 2012	December 31, 2011
		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
13. DEPOSITS AND OTHER ACCOUNTS	Note		
Certificate of investment - remunerative	13.1	<u>3,330,653</u>	<u>979,018</u>

13.1 These deposits are placed with the Company at an interest rate of 11.50% to 13.65% per annum (December 31, 2011: 11.50% to 13.85% per annum). These are repayable within 1 month to 12 months (December 31, 2011: 1 month to 10 months).

14. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

June 30, 2012	December 31, 2011		June 30, 2012	December 31, 2011
(Un-audited)	(Audited)		(Un-audited)	(Audited)
----- (Number of shares) -----		Note	----- (Rupees in '000) -----	
<u>600,000,000</u>	<u>600,000,000</u>	Ordinary shares of Rs. 10 each fully paid in cash	<u>6,000,000</u>	<u>6,000,000</u>
		11.1		

14.1 The Ministry of Finance and Secretary Economic Affairs Division holds 299,996,000 and 4,001 shares (December 31, 2011: 299,996,000 and 4,001 shares) respectively on behalf of Government of Pakistan and remaining 300,000,000 shares (December 31, 2011: 300,000,000 shares) are held by Brunei Investment Agency.

	June 30, 2012	December 31, 2011
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
15. DEFICIT ON REVALUATION OF ASSETS - net of deferred tax		

Federal Government Securities	(12,133)	(14,777)
Term Finance Certificates	(10,920)	18,652
Listed shares and units of mutual funds	(35,526)	(84,564)
	(58,579)	(80,689)
Deferred tax asset recognised	7,478	12,576
	<u>(51,101)</u>	<u>(68,113)</u>

16. CONTINGENCIES AND COMMITMENTS

16.1 Transaction related contingent liability

Standby letter of credit	<u>152,293</u>	<u>158,884</u>
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16.2 In the year 2009, Burj Bank Limited (formerly Dawood Islamic Bank Limited) filed a legal suit amounting to Rs.200 million for damages against the Company for alleged non performance of underwriting commitment to issue shares at a premium. Legal advisors of the Company are of the opinion that the possibility of the Company being subject to any liability in relation to the suit is negligible.

	June 30, 2012 (Un-audited)	December 31, 2011 (Audited)
	----- (Rupees in '000) -----	
16.3 Commitment in respect of capital expenditure	-	28,134
16.4 Commitments for trading in government securities		
Purchase (reverse repo)	-	464,944
Sale (repo)	16,596,281	20,502,275
16.5 Commitments to extend credit	1,285,020	392,750
16.6 Other commitments		
Sale of shares	30,075	-

16.7 Income tax returns for the tax years 2007 to 2011 have been filed by the Company on due dates that are deemed to be assessed by the Commissioner Inland Revenue under the provisions of section 120 of the Income Tax Ordinance, 2001.

There is no change in tax status in respect of tax years 2008, 2009 and 2010 as disclosed in the financial statements for the year ended December 31, 2011.

During the period, assessment for tax year 2011 was also amended and a tax demand of Rs. 55.547 million created which was reduced to Rs. 52.091 million after issuance of rectified order under section 221 of the Income Tax Ordinance, 2001. The Company has already paid Rs. 33.381 million on account of tax liability for the tax year 2010. An appeal is currently being filed before the Commissioner Inland revenue (Appeals) against the amended order.

An appeal filed with the CIR(A) against the rectified order levying WWF in the tax year 2009 was decided in favour of the Company. However, the tax department has filed an appeal with the Appellate Tribunal Inland Revenue against the aforesaid decision of CIR(A). In 2011, the CIR(A) deleted the levy of WWF. The unrecognised amount relating to WWF is Rs.11.234 million at the period end.

17. EARNINGS PER SHARE - BASIC AND DILUTED

	Quarter Ended June 30, 2012	Half Year Ended June 30, 2012	Quarter Ended June 30, 2011	Half Year Ended June 30, 2011
	----- (Un-audited) -----			
Profit after taxation for the period attributable to ordinary shareholders (Rupees in '000)	183,877	347,694	157,429	328,952
Weighted average number of ordinary shares outstanding during the period (in '000)	600,000	600,000	600,000	600,000
Basic and diluted earnings per share (Rupees)	0.31	0.58	0.26	0.55

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate Finance	Trading & Sales	Commercial Banking
	----- (Rupees in '000) -----		
June 30, 2012 - Un-audited			
Total income	27,476	1,459,343	299,543
Total expenses	19,993	1,025,077	217,877
Net income	7,483	434,266	81,666
Segment assets (gross)	-	25,815,906	5,351,362
Segment non performing loans	-	2,779	-
Investment provided for	-	419,618	-
Segment provision held	-	310,060	-
Segment liabilities	-	18,718,199	3,880,101
Segment Return on Assets (ROA) (%)	-	3.21%	3.26%
Segment Return on net Assets (ROA) (%)	-	13.09%	11.86%
Segment cost of funds (%)	-	10.32%	10.32%
June 30, 2011 - Un-audited			
Total income	28,441	920,070	194,630
Total expenses	16,462	532,533	112,651
Net income	11,979	387,537	81,979
Segment assets (gross)	-	17,480,565	3,697,808
Segment non performing loans	-	104,216	89,890
Investment provided for	-	726,986	-
Segment provision held	-	375,548	8,989
Segment liabilities	-	10,847,598	2,294,682
Segment Return on Assets (ROA) (%)	-	3.28%	3.33%
Segment Return on net Assets (ROA) (%)	-	12.53%	12.53%
Segment cost of funds (%)	-	10.57%	10.57%

19. RELATED PARTY TRANSACTIONS

The Company has related party relationships with its subsidiary namely Primus Investment Management Ltd., its employee contribution plans, its key management personnel and other related parties including Pakistan Mercantile Exchange Ltd., Nimir Industrial Chemicals Ltd. and Haq bahu Sugar Mills (Pvt) Ltd. due to common directorship. There are no transactions with key management personnel other than under the terms of employment.

Details of transactions with related parties during the period, are as follows:

	For the half year ended June 30, 2012 (Un-audited)		For the year ended December 31, 2011 (Audited)	
	Key management personnel	Other related parties	Key management personnel	Other related parties
----- (Rupees in '000) -----				
Advances				
At beginning of the period / year	23,286	474,000	20,063	-
Given during the period / year	2,378	8,106	8,263	479,000
Repaid during the period / year	(10,286)	(39,266)	(5,040)	(5,000)
At end of the period / year	<u>15,378</u>	<u>442,840</u>	<u>23,286</u>	<u>474,000</u>

Investments

At beginning of the period / year	-	15,000	-	-
Investments made during the period / year	-	-	-	15,000
Redemption during the period / year	-	-	-	-
At end of the period / year	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>

	For the half year ended June 30, 2012 (Un-audited)		For the half year ended June 30, 2011 (Un-audited)	
	Key management personnel	Other related parties	Key management personnel	Other related parties
----- (Rupees in '000) -----				
Mark-up / return / interest earned	<u>297</u>	<u>35,081</u>	<u>362</u>	<u>179</u>
Salaries and other benefits	<u>35,927</u>	<u>-</u>	<u>37,886</u>	<u>-</u>
Contribution to Provident Fund	<u>1,474</u>	<u>-</u>	<u>1,663</u>	<u>670</u>
Re-imburement of expenses	<u>4,532</u>	<u>-</u>	<u>4,921</u>	<u>-</u>

20. GENERAL

20.1 Credit Rating

The Company has been assigned credit rating of 'AA+' (Double A plus) in the medium to long term and A1+ (A One Plus) in the short-term by JCR-VIS Credit Rating Agency Limited, a SBP-approved rating agency. Outlook on the assigned rating is "Stable".

20.2 Figures have been rounded-off to the nearest thousand rupees.

21. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on **09-May-2013** by Board of Directors of the Company.

Chief Executive

Director

Director

Chairman