



PAK BRUNEI INVESTMENT COMPANY LTD.

**FINANCIAL STATEMENTS
(UN-AUDITED)**

FOR THE PERIOD ENDED MARCH 31, 2017

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017

| March 31, 2017 (Un-audited) ----- (US \$ in '000') ----- | December 31, 2016 (Audited) | | March 31, 2017 (Un-audited) | December 31, 2016 (Audited) |
|---|-----------------------------------|------|-----------------------------------|-----------------------------------|
| | | Note | ----- (Rupees in '000') ----- | |
| ASSETS | | | | |
| 536 | 3,075 | | 56,163 | 322,004 |
| 12,173 | 18,500 | | 1,274,474 | 1,936,970 |
| 2,388 | 4,757 | | 250,000 | 498,065 |
| 143,292 | 159,099 | 7 | 15,002,724 | 16,657,665 |
| 123,651 | 133,677 | 8 | 12,946,286 | 13,995,942 |
| 204 | 240 | | 21,404 | 25,160 |
| 907 | 1,035 | | 94,979 | 108,371 |
| 7,752 | 8,086 | | 811,680 | 846,629 |
| 290,905 | 328,470 | | 30,457,710 | 34,390,806 |
| LIABILITIES | | | | |
| - | - | | - | - |
| 179,126 | 195,730 | | 18,754,523 | 20,492,898 |
| 4,617 | 27,827 | | 483,382 | 2,913,487 |
| - | - | | - | - |
| - | - | | - | - |
| - | - | | - | - |
| 5,500 | 5,309 | | 575,893 | 555,864 |
| 189,244 | 228,866 | | 19,813,798 | 23,962,249 |
| 101,661 | 99,604 | | 10,643,912 | 10,428,557 |
| NET ASSETS | | | | |
| REPRESENTED BY | | | | |
| 57,307 | 57,307 | 9 | 6,000,000 | 6,000,000 |
| 12,385 | 12,013 | | 1,296,757 | 1,257,721 |
| 32,369 | 30,878 | | 3,389,040 | 3,232,896 |
| 102,061 | 100,197 | | 10,685,797 | 10,490,617 |
| (400) | (593) | | (41,885) | (62,060) |
| 101,661 | 99,604 | | 10,643,912 | 10,428,557 |
| CONTINGENCIES AND COMMITMENTS | | | | |

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The annexed notes 1 to 15 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2017

| Period Ended March 31, 2017 | Period Ended March 31, 2016 | | Note | Quarter Ended March 31, 2017 | Period Ended March 31, 2017 | Quarter Ended March 31, 2016 | Period Ended March 31, 2016 |
|---------------------------------------|------------------------------------|---|-------------|-------------------------------------|------------------------------------|-------------------------------------|------------------------------------|
| ----- (US \$ in '000') ----- | | | | ----- (Rupees in '000') ----- | | | |
| 3,822 | 4,202 | Mark-up / Return / Interest earned | | 400,178 | 400,178 | 439,925 | 439,925 |
| 2,758 | 2,872 | Mark-up / Return / Interest expensed | | 288,720 | 288,720 | 300,744 | 300,744 |
| 1,065 | 1,329 | Net mark-up / Interest income | | 111,458 | 111,458 | 139,181 | 139,181 |
| 46 | 11.13 | (Reversal)/Provision against non-performing loans and advances | | 4,831 | 4,831 | 1,165 | 1,165 |
| 2 | 21 | Provision for diminution in the value of investments | | 175 | 175 | 2,167 | 2,167 |
| - | - | Bad debts written off directly | | - | - | - | - |
| 48 | 32 | | | 5,006 | 5,006 | 3,332 | 3,332 |
| 1,017 | 1,298 | Net mark-up / interest income after provisions | | 106,452 | 106,452 | 135,849 | 135,849 |
| NON MARK-UP/ INTEREST INCOME | | | | | | | |
| 119 | 418 | Fee, commission and brokerage income | | 12,459 | 12,459 | 43,772 | 43,772 |
| 137 | 99 | Dividend income | | 14,368 | 14,368 | 10,414 | 10,414 |
| 1,921 | 1,648 | Gain on sale of securities | 11 | 201,104 | 201,104 | 172,516 | 172,516 |
| - | - | Unrealized gain / (loss) on revaluation of investments classified as held for trading | | 1,853 | 1,853 | (1,278) | (1,278) |
| 18 | (12) | Other income | | 96 | 96 | 993 | 993 |
| 1 | 9 | | | 229,880 | 229,880 | 226,417 | 226,417 |
| 2,196 | 2,163 | Total non-mark-up / interest income | | 336,332 | 336,332 | 362,266 | 362,266 |
| 3,212 | 3,460 | | | | | | |
| NON MARK-UP/ INTEREST EXPENSES | | | | | | | |
| 656 | 680 | Administrative expenses | | 68,643 | 68,643 | 71,210 | 71,210 |
| - | - | Other provisions / write offs - net | | - | - | - | - |
| - | - | Other charges | | - | - | - | - |
| 656 | 680 | Total non-mark-up / interest expenses | | 68,643 | 68,643 | 71,210 | 71,210 |
| 2,557 | 2,780 | | | 267,689 | 267,689 | 291,056 | 291,056 |
| - | - | Extra ordinary/unusual items | | - | - | - | - |
| 2,557 | 2,780 | PROFIT BEFORE TAXATION | | 267,689 | 267,689 | 291,056 | 291,056 |
| 565 | 961 | Taxation - Current | | 59,117 | 59,117 | 100,667 | 100,667 |
| - | - | - Prior years | | - | - | - | - |
| 128 | (65) | - Deferred | | 13,392 | 13,392 | (6,756) | (6,756) |
| 693 | 897 | | | 72,509 | 72,509 | 93,911 | 93,911 |
| 1,864 | 1,883 | PROFIT AFTER TAXATION | | 195,180 | 195,180 | 197,145 | 197,145 |
| 30,878 | 25,397 | Unappropriated profit brought forward | | 3,232,896 | 3,232,896 | 2,659,034 | 2,659,034 |
| 32,742 | 27,280 | Profit available for appropriation | | 3,428,076 | 3,428,076 | 2,856,179 | 2,856,179 |
| 0.0031 | 0.0031 | Earnings per share - Basic and diluted (in Rupees) | 12 | 0.33 | 0.33 | 0.33 | 0.33 |

The annexed notes 1 to 15 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2017

| Period Ended March 31, 2017 ----- (US \$ in '000') ----- | Period Ended March 31, 2016 | | Quarter Ended March 31, 2017 | Period Ended March 31, 2017 | Quarter Ended March 31, 2016 | Period Ended March 31, 2016 |
|--|--|---|---|--|---|--|
| ----- (Rupees in '000) ----- | | | | | | |
| 1,864 | 1,883 | Profit after taxation for the period | 195,180 | 195,180 | 197,145 | 197,145 |
| Other comprehensive income - net | | | | | | |
| - | - | Items that are not to be reclassified to profit or loss in subsequent periods | - | - | - | - |
| - | - | Items that may be reclassified to profit or loss in subsequent periods | - | - | - | - |
| 1,864 | 1,883 | Comprehensive income transferred to equity | 195,180 | 195,180 | 197,145 | 197,145 |
| Components of comprehensive income not reflected in equity | | | | | | |
| 193 | 2,426 | Surplus / (deficit) on revaluation of 'available-for-sale securities' - net of tax* | 20,175 | 20,175 | 254,038 | 254,038 |
| 2,057 | 4,309 | Total comprehensive income for the period | 215,355 | 215,355 | 451,183 | 451,183 |

* (Deficit) / Surplus on revaluation of 'available-for-sale securities' - net of tax has been shown in the Statement of Comprehensive Income in order to comply with the revised "Prudential Regulations for Corporate / Commercial Banking" issued by the State Bank of Pakistan vide BPRD Circular No. 06 of 2014 on June 26, 2014.

The annexed notes 1 to 15 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017

| Period Ended March 31, 2017 ----- (US \$ in '000') ----- | Period Ended March 31, 2016 | | Period Ended March 31, 2017 ----- (Rupees in '000) ----- | Period Ended March 31, 2016 |
|---|-----------------------------------|---|---|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 2,557 | 2,780 | Profit before taxation | 267,689 | 291,056 |
| 137 | 99 | Less: Dividend Income | 14,368 | 10,414 |
| <u>2,419</u> | <u>2,680</u> | | <u>253,321</u> | <u>280,642</u> |
| Adjustments | | | | |
| 38 | 38 | Depreciation | 3,953 | 4,002 |
| 2 | 3 | Amortization | 208 | 314 |
| 46 | 11 | (Reversal)/Provision against Non Performing Advances | 4,831 | 1,165 |
| 2 | 21 | Provision for diminution in value of investments | 175 | 2,167 |
| - | - | Provision against other assets | - | - |
| - | - | Transfer from fixed assets to staff loans | - | - |
| - | (9.48) | Loss/(Gain) on sale of fixed assets | - | (993) |
| (18) | 12 | Unrealized loss/(Gain) on investments | (1,853) | 1,278 |
| - | - | Finance charges on leased assets | - | - |
| <u>70</u> | <u>76</u> | | <u>7,314</u> | <u>7,933</u> |
| <u>2,489</u> | <u>2,756</u> | | <u>260,635</u> | <u>288,575</u> |
| (Increase) / decrease in operating assets | | | | |
| 2,369 | - | Lendings to financial institutions | 248,065 | - |
| 2,966 | (182) | Held -for-trading securities | 310,561 | (19,085) |
| 9,979 | (6,330) | Advances | 1,044,824 | (662,757) |
| 581 | 3,447 | Other assets (excluding current taxation) | 60,841 | 360,878 |
| <u>15,896</u> | <u>(3,066)</u> | | <u>1,664,291</u> | <u>(320,964)</u> |
| Increase in operating liabilities | | | | |
| (16,603) | 65,954 | Borrowings | (1,738,375) | 6,905,431 |
| (23,210) | 4,155 | Deposits and other accounts | (2,430,105) | 435,000 |
| 215 | 1,015 | Other liabilities (excluding current taxation) | 22,536 | 106,256 |
| <u>(39,598)</u> | <u>71,124</u> | | <u>(4,145,944)</u> | <u>7,446,687</u> |
| - | - | Financial charges paid | - | - |
| (809) | (1,107) | Income tax paid | (84,747) | (115,882) |
| <u>(22,023)</u> | <u>69,708</u> | Net cash from operating activities | <u>(2,305,765)</u> | <u>7,298,416</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| (8,503) | (85,501) | Net investments in available-for-sale securities | (890,253) | (8,951,918) |
| (183) | - | Net investments in held-to-maturity securities | (19,207) | - |
| - | - | Investment in subsidiary | - | - |
| 21,711 | 11,909 | Investment in associates | 2,273,187 | 1,246,848 |
| 135 | 25 | Dividend income received | 14,106 | 2,608 |
| (4) | (19) | Investments in operating fixed assets | (405) | (1,938) |
| - | 11 | Proceeds from disposal of fixed assets | - | 1,130 |
| <u>13,156</u> | <u>(73,575)</u> | Net cash used in investing activities | <u>1,377,428</u> | <u>(7,703,270)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| - | - | Payments of lease obligations | - | - |
| - | - | Advance against equity | - | - |
| - | - | Proceeds from issue of share capital | - | - |
| - | - | Net cash flows from financing activities | - | - |
| (8,867) | (3,867) | Increase/(Decrease) in cash and cash equivalents | (928,337) | (404,854) |
| <u>21,576</u> | <u>5,513</u> | Cash and cash equivalents at beginning of the period | <u>2,258,974</u> | <u>577,214</u> |
| <u><u>12,709</u></u> | <u><u>1,646</u></u> | Cash and cash equivalents at the end of the period | <u><u>1,330,637</u></u> | <u><u>172,360</u></u> |

The annexed notes 1 to 15 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017

| | Share capital | Statutory reserve | Unappropriated profit | Total |
|--|------------------------------|----------------------|--------------------------|-------------------|
| | ----- (Rupees in '000) ----- | | | |
| Balance as at January 01, 2016 | 6,000,000 | 1,065,388 | 2,659,034 | 9,724,422 |
| Comprehensive income: | | | | |
| Profit after taxation for the period ended March 31, 2016 | - | - | 197,145 | 197,145 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | - | - | 197,145 | 197,145 |
| Transfer to statutory reserve | | 39,429 | (39,429) | - |
| Transaction with owners recorded directly in equity | | | | |
| Final cash dividend - December 31, 2015 declared subsequent to year end @ Re. 0.33 per share | - | - | (200,000) | (200,000) |
| Balance as at March 31, 2016 | 6,000,000 | 1,104,817 | 2,616,750 | 9,721,567 |
| Balance as at April 01, 2016 | 6,000,000 | 1,104,817 | 2,616,750 | 9,721,567 |
| Comprehensive income: | | | | |
| Profit after taxation for the period ended December 31, 2016 | - | - | 764,513 | 764,513 |
| Other comprehensive income | - | - | 4,537 | 4,537 |
| Total comprehensive income for the period | - | - | 769,050 | 769,050 |
| Transfer to statutory reserve | - | 152,904 | (152,904) | - |
| Balance as at December 31, 2016 | 6,000,000 | 1,257,721 | 3,232,896 | 10,490,617 |
| Balance as at January 01, 2017 | 6,000,000 | 1,257,721 | 3,232,896 | 10,490,617 |
| Comprehensive income: | | | | |
| Profit after taxation for the period ended March 31, 2017 | - | - | 195,180 | 195,180 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | - | - | 195,180 | 195,180 |
| Transfer to statutory reserve | | 39,036 | (39,036) | - |
| Balance as at March 31, 2017 | 6,000,000 | 1,296,757 | 3,389,040 | 10,685,797 |

The annexed notes 1 to 15 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017

1. STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) was incorporated in Pakistan as an un-listed public limited company under the Companies Ordinance 1984. The State Bank of Pakistan (SBP) granted the approval for commencement of business with effect from August 20, 2007. The Company is a joint venture between the Government of Pakistan and Brunei Investment Agency. The Company's objective interalia includes making investments in the industrial and agri based industrial fields in Pakistan on commercial basis through carrying out of industrial and agri 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 Company is situated at Horizon Vista, Plot No. Commercial-10, Block-4, Scheme-5, Clifton, Karachi, Pakistan.

2. BASIS OF PRESENTATION

2.1 Basis of Measurement

These 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).

2.2 US Dollar equivalent

The US dollar amounts shown in the unconsolidated condensed interim statement of financial position, unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated 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. 104.70 to US Dollars has been used for both 2016 and 2017, as it was the prevalent rate as on March 31, 2017.

2.3 Separate financial statements

These unconsolidated financial statements represent the separate financial statements of the Company. The consolidated financial statements of the Company and its subsidiary Company are presented separately.

3. STATEMENT OF COMPLIANCE

3.1 These unconsolidated condensed interim financial statements of the Company for the period ended March 31, 2017 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 unconsolidated 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 unconsolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2015.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in preparation of these unconsolidated financial statements are same as those applied in preparing the most recent annual financial statements of the Company.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated financial statements requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by the management in applying the accounting policies and the key sources of estimating uncertainty were the same as those applied to unconsolidated financial statements for the year ended December 31, 2016.

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, 2016.

7. INVESTMENTS

| | | Held by Bank | Given as collateral | Total |
|--|-----|-------------------------|--------------------------------|-------------------|
|Rupees in '000'..... | | | | |
| Current period (March 31, 2017) - Un-audited | 7.1 | <u>7,525,786</u> | <u>7,476,938</u> | <u>15,002,724</u> |
| Prior year - Audited (December 31, 2016) | 7.1 | <u>8,717,473</u> | <u>7,940,192</u> | <u>16,657,665</u> |
| Prior year corresponding period - Un-Audited (March 31, 2016) | | <u>9,208,435</u> | <u>15,624,463</u> | <u>24,832,898</u> |

| March 31, 2017 (Un-audited) | | | December 31, 2016 (Audited) | | |
|------------------------------|------------------------|-------|------------------------------|------------------------|-------|
| Held by the Company | Given as collateral | Total | Held by the Company | Given as collateral | Total |
| ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |

7.1 Investments by type:

Held-for-trading securities

| | | | | | | |
|-------------------------------------|---------------|----------|---------------|---------|---|---------|
| Market Treasury Bills | - | - | - | - | - | - |
| Pakistan Investment Bonds | - | - | - | - | - | - |
| Ordinary shares of listed companies | 16,512 | - | 16,512 | 327,073 | - | 327,073 |
| | 16,512 | - | 16,512 | 327,073 | - | 327,073 |

Available- for- sale securities

| | | | | | | |
|---------------------------------------|------------------|------------------|-------------------|-----------|-----------|------------|
| Market Treasury Bills | 1,783,497 | 5,273,995 | 7,057,492 | 843,353 | 5,241,975 | 6,085,328 |
| Pakistan Investment Bonds | 140,722 | 2,201,121 | 2,341,843 | 156,822 | 2,760,267 | 2,917,089 |
| Ordinary shares of listed companies | 1,350,508 | - | 1,350,508 | 938,022 | - | 938,022 |
| Ordinary shares of unlisted companies | 240,581 | - | 240,581 | 40,581 | - | 40,581 |
| Term Finance Certificates and SUKUK | 1,168,122 | - | 1,168,122 | 1,287,273 | - | 1,287,273 |
| Preference shares | 3,250 | - | 3,250 | 3,250 | - | 3,250 |
| | 4,686,680 | 7,475,116 | 12,161,796 | 3,269,301 | 8,002,242 | 11,271,543 |

Held- to- maturity securities

| | | | | | | |
|------------------|--------|---|--------|---|---|---|
| Commercial paper | 19,207 | - | 19,207 | - | - | - |
|------------------|--------|---|--------|---|---|---|

| | | | | | | |
|--|------------------|----------|------------------|-----------|---|-----------|
| Investment in related parties 7.1.1 | 3,146,831 | - | 3,146,831 | 5,420,018 | - | 5,420,018 |
|--|------------------|----------|------------------|-----------|---|-----------|

| | | | | | | |
|---------------------------|------------------|------------------|-------------------|-----------|-----------|------------|
| Investment at cost | 7,869,230 | 7,475,116 | 15,344,346 | 9,016,392 | 8,002,242 | 17,018,634 |
|---------------------------|------------------|------------------|-------------------|-----------|-----------|------------|

| | | | | | | |
|---|------------------|----------|------------------|-----------|---|-----------|
| Less: Provision for diminution in value of Investments | (276,334) | - | (276,334) | (276,160) | - | (276,160) |
|---|------------------|----------|------------------|-----------|---|-----------|

| | | | | | | |
|--|------------------|------------------|-------------------|-----------|-----------|------------|
| Investments (net of provisions) | 7,592,896 | 7,475,116 | 15,068,012 | 8,740,232 | 8,002,242 | 16,742,474 |
|--|------------------|------------------|-------------------|-----------|-----------|------------|

| | | | | | | |
|--|---------|---|---------|-------|---|-------|
| Surplus/(Deficit) on revaluation of held-for-trading securities | (1,436) | - | (1,436) | (782) | - | (782) |
|--|---------|---|---------|-------|---|-------|

| | | | | | | |
|--|----------|-------|----------|----------|----------|----------|
| Surplus/(Deficit) on revaluation of available-for-sale securities | (65,674) | 1,822 | (63,852) | (21,977) | (62,050) | (84,027) |
|--|----------|-------|----------|----------|----------|----------|

| | | | | | | |
|---|------------------|------------------|-------------------|-----------|-----------|------------|
| Total investments (Net of Provision) | 7,525,786 | 7,476,938 | 15,002,724 | 8,717,473 | 7,940,192 | 16,657,665 |
|---|------------------|------------------|-------------------|-----------|-----------|------------|

7.1.1 Investment in related parties

| Name of Investee Company / Fund | % of holding | | Cost as at | |
|---------------------------------------|---------------|---------|------------------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 |
| Unlisted public companies | | | ----- (Rupees in '000) ----- | |
| Primus Investment Management Limited | 30.00 | 100.00 | 75,000 | 250,000 |
| PIML - classified as held for sale | - | (70.00) | - | (175,000) |
| | | | 75,000 | 75,000 |
| | | | | |
| Awwal Modaraba Management Limited | 100.00 | 100.00 | 105,000 | 105,000 |
| | | | | |
| Open-end mutual funds - listed | | | | |
| PIML Income Fund | 51.06 | 66.37 | 502,229 | 2,675,488 |
| PIML Daily Reserve Fund | - | 14.91 | - | 100,000 |
| PIML Strategic Multi Asset Fund | 74.67 | 81.47 | 258,000 | 258,000 |
| PIML Islamic Equity Fund | 46.59 | 61.91 | 159,000 | 159,000 |
| PIML Value Equity Fund | 46.61 | 66.04 | 149,000 | 149,000 |
| PIML Asset Allocation Fund | 81.40 | 84.63 | 1,000,000 | 1,000,000 |
| | | | 2,068,229 | 4,341,488 |
| | | | | |
| Listed Modaraba | | | | |
| Awwal Modaraba | 89.80 | 89.80 | 898,602 | 898,530 |
| | | | 3,146,831 | 5,420,018 |

March 31, December 31,
2017 2016
(Un-audited) (Audited)
----- (Rupees in '000) -----

8. ADVANCES

| | | |
|--|-----------------------|----------------|
| Loans, cash credits, running finances, etc. in Pakistan | 8,328,153 | 9,584,579 |
| LTFE scheme under State Bank of Pakistan | | |
| - Long Term Finance Facility (LTFE) scheme | 2,923,100 | 2,626,917 |
| - Power Plants Using Renewable Energy (PPRE) scheme | 118,021 | 171,778 |
| - Finance for Storage of Agriculture Produce (FSAP) scheme | 405,976 | 410,115 |
| Net investment in finance lease - inPakistan | 1,411,958 | 1,438,643 |
| Advances - gross | 13,187,208 | 14,232,032 |
| Provision for non-performing advances - specific | (240,046) | (235,191) |
| Provision for non-performing advances - general | (876) | (899) |
| | (240,922) | (236,090) |
| Advances - net of provision | 12,946,286 | 13,995,942 |

8.1 Advances include Rs. 451.762 million (December 31, 2016 : Rs. 451.407 million) which have been placed under non-performing status as detailed below:

| <u>Category of Classification</u> | <u>Domestic</u> | <u>Overseas</u> | <u>Total</u> | <u>Provision Required</u> | <u>Provision Held</u> |
|-----------------------------------|------------------------------|-----------------|----------------|-------------------------------|---------------------------|
| | ----- (Rupees in '000) ----- | | | | |
| OAEM | 355 | | 355 | 35 | 35 |
| Substandard | 3,691 | - | 3,691 | 923 | 923 |
| Doubtful | 17,059 | - | 17,059 | 8,531 | 8,531 |
| Loss | 430,657 | - | 430,657 | 30,457 | 230,557 |
| | 451,762 | - | 451,762 | 39,945 | 240,046 |

8.2 Movement of Provision

| | <u>March 31, 2017</u> | | | <u>December 31, 2016</u> | | |
|-----------------------|------------------------------|----------------|----------------|--------------------------|----------------|--------------|
| | <u>Specific</u> | <u>General</u> | <u>Total</u> | <u>Specific</u> | <u>General</u> | <u>Total</u> |
| | ----- (Rupees in '000) ----- | | | | | |
| Opening balance | 235,191 | 899 | 236,090 | 155,854 | 519 | 156,373 |
| Charge for the period | 4,855 | - | 4,855 | 79,337 | 380 | 79,717 |
| Reversals | - | (23) | (23) | - | - | - |
| Closing Balance | 240,046 | 876 | 240,922 | 235,191 | 899 | 236,090 |

9. SHARE CAPITAL

| | March 31, | December 31, |
|--|-------------------------------------|--------------|
| | 2017 | 2016 |
| | (Un-audited) | (Audited) |
| | ----- (Rupees in '000) ----- | |
| Authorized Capital | | |
| 600,000,000 (2016: 600,000,000) Ordinary shares of Rs. 10 each | 6,000,000 | 6,000,000 |
| Issued, subscribed and paid up Capital | | |
| 600,000,000 (2016: 600,000,000) Ordinary shares of Rs. 10 each fully paid in cash | 6,000,000 | 6,000,000 |

| | March 31, 2017 (Un-audited) | December 31, 2016 (Audited) |
|---|--|-----------------------------------|
| | ----- (Rupees in '000) ----- | |
| 10. CONTINGENCIES AND COMMITMENTS | | |
| There has been no change in the disclosure of contingencies and commitments as disclosed in last annual audited financial statements for the year ended December 31, 2016, except as follows: | | |
| 10.1 Transaction-related Contingent liability | 1,969,474 | 1,125,660 |
| 10.2 Commitments to extend credit | 7,042,773 | 5,466,485 |
| 10.3 Commitments for trading in government securities - Purchases (reverse repo) | - | 1,558,062 |
| 10.4 Other commitments - Govt securities - shares | 7,163,778 - | 7,592,065 329,712 |
| 11. Gain on sale of securities include an amount of PKR 90.375 Mn (2016 : Nil) on account of sale of 70% shareholding in subsidiary i.e. Primus Investment Management Ltd. | | |

12. BASIC AND DILUTED EARNINGS PER SHARE

| | Quarter Ended March 31, 2017 (Un-audited) | Period Ended March 31, 2017 (Un-audited) | Quarter Ended March 31, 2016 (Un-audited) | Period Ended March 31, 2016 (Un-audited) |
|---|--|---|---|--|
| Profit after taxation for the period attributable to ordinary shareholders (Rupees in '000) | 195,180 | 195,180 | 197,145 | 197,145 |
| 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) | 0.33 | 0.33 | 0.33 | 0.33 |

13. RELATED PARTY TRANSACTIONS

The Company has related party relationship with:

- subsidiary companies (Awwal Modaraba Management Ltd.)
- associated company (Primus Investment Management Ltd and collective investment schemes of PIML and Modaraba fund managed by AMML)
- its employee defined contribution and benefit plans;
- its key management personnel;
- state controlled entities
- other related parties include Maple Leaf Cement Factory Ltd., Omer Jibran Engineering Industries Ltd., Nimir Industrial Chemicals Limited, Allahdin Power Ltd. and Bunny's Pvt. Ltd. due to common directorship.

All transactions between the Company and its related parties are carried out under normal course of business except employee staff loans that are as per terms of employment.

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

| | For the period ended March 31, 2017 (Un-audited) | | | | | For the year ended December 31, 2016 (Audited) | | | | |
|--------------------------------------|---|---------------------------|-----------------------|------------|-------------|---|---------------------------|-----------------------|------------|--------------|
| | Key management personnel | State controlled entities | Other related parties | Subsidiary | Associates | Key management personnel | State controlled entities | Other related parties | Subsidiary | Associates |
| ----- (Rupees in '000) ----- | | | | | | | | | | |
| Advances | | | | | | | | | | |
| At beginning of the period / year | 55,380 | 89,962 | 359,808 | - | - | 61,644 | 53,466 | 540,232 | - | - |
| Given during the period / year | 1,793 | - | 14,096 | - | - | 7,717 | 62,454 | 292,465 | - | - |
| Transferred | (18,963) | - | 18,963 | - | - | - | - | (400,200) | - | - |
| Repaid during the period / year | (2,251) | (4,541) | (11,063) | - | - | (13,981) | (25,958) | (72,689) | - | - |
| At end of the period / year | 35,959 | 85,421 | 381,804 | - | - | 55,380 | 89,962 | 359,808 | - | - |
| Borrowings | | | | | | | | | | |
| At beginning of the period / year | - | 9,284,119 | - | - | - | - | 6,605,818 | - | - | 630,000 |
| Received during the period / year | - | 154,236,348 | - | - | - | - | 420,637,891 | - | - | 900,000 |
| Repaid during the period / year | - | (153,863,690) | - | - | - | - | (417,959,590) | - | - | (1,530,000) |
| At end of the period / year | - | 9,656,777 | - | - | - | - | 9,284,119 | - | - | - |
| Placements | | | | | | | | | | |
| At beginning of the period / year | - | - | - | - | - | - | - | - | - | - |
| Given during the period / year | - | - | - | - | - | - | 3,092,084 | - | - | - |
| Repaid during the period / year | - | - | - | - | - | - | (3,092,084) | - | - | - |
| At end of the period / year | - | - | - | - | - | - | - | - | - | - |
| Investments | | | | | | | | | | |
| At beginning of the period / year | - | 11,888,498 | 19,237 | 180,000 | 5,315,019 | - | 7,063,565 | 187,309 | 355,000 | 5,996,273 |
| Investments made during the period / | - | 6,314,794 | 6,539 | - | 50,562 | - | 61,671,690 | 289,424 | - | 23,156,924 |
| Redemption during the period / year | - | (8,646,078) | (6,526) | - | (2,398,751) | - | (56,846,757) | (457,496) | (175,000) | (23,838,178) |
| At end of the period / year | - | 9,557,214 | 19,250 | 180,000 | 2,966,830 | - | 11,888,498 | 19,237 | 180,000 | 5,315,019 |

| | For the period ended March 31, 2017 (Un-audited) | | | | | For the period ended March 31, 2016 (Un-audited) | | | | |
|--------------------------------------|---|---------------------------|-----------------------|---------------|---------------|---|---------------------------|-----------------------|------------|----------------|
| | Key management personnel | State controlled entities | Other related parties | Subsidiary | Associates | Key management personnel | State controlled entities | Other related parties | Subsidiary | Associates |
| | ----- (Rupees in '000) ----- | | | | | | | | | |
| Mark-up / return / interest earned | <u>322</u> | <u>147,959</u> | <u>5,582</u> | <u>-</u> | <u>-</u> | <u>584</u> | <u>236,241</u> | <u>8,166</u> | <u>-</u> | <u>-</u> |
| Mark-up / return / interest expensed | <u>-</u> | <u>80,200</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>94,800</u> | <u>-</u> | <u>-</u> | <u>9,873</u> |
| Gain on securities - net | <u>-</u> | <u>(16,936)</u> | <u>437</u> | <u>90,375</u> | <u>28,620</u> | <u>-</u> | <u>112,217</u> | <u>7,082</u> | <u>-</u> | <u>113,289</u> |
| Fee income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,562</u> | <u>-</u> | <u>-</u> |
| Dividend income | <u>-</u> | <u>175</u> | <u>80</u> | <u>7,800</u> | <u>-</u> | <u>-</u> | <u>4,777</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Salaries and other benefits | <u>24,666</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,798</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Re-imburement of expenses | <u>1,135</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,295</u> | <u>1,284</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

14. GENERAL

14.1 Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) has assigned a long-term entity rating of 'AA+' (Double A plus) and short-term rating of 'A1+' (Single A One Plus) to the Company in June 2016. Outlook on the assigned ratings is 'Stable'. These ratings denote a very low expectation of credit risk and indicate a very strong capacity for timely payment of financial commitments.

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

15. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 30-May-2017 by Board of Directors of the Company.

Chief Executive

Director

Director

Chairman