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PAK BRUNEI INVESTMENT COMPANY LIMITED

**UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS**

FOR THE HALF YEAR ENDED 30 JUNE 2016

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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Pak Brunei Investment Company Limited** (the Company) as at **30 June 2016**, the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Chartered Accountants

Engagement Partner: Shabbir Yunus

Date: 05 September 2016

Karachi

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2016

(Un-audited) June 30, 2016 ----- (US \$ in '000) -----	(Audited) December 31, 2015		(Un-audited) June 30, 2016 ----- (Rupees in '000) -----	(Audited) December 31, 2015 ----- (Rupees in '000) -----
		ASSETS		
865	977	Cash and balances with treasury banks	90,570	102,301
955	4,536	Balances with other banks	99,971	474,913
-	-	Lendings to financial institutions	-	-
135,360	160,940	Investments	7 14,172,154	16,850,466
108,994	97,778	Advances	8 11,411,706	10,237,341
280	302	Operating fixed assets	9 29,286	31,666
862	620	Deferred tax asset	90,164	64,945
6,632	12,929	Other assets	10 694,409	1,353,570
253,948	278,082		26,588,260	29,115,202
		LIABILITIES		
-	-	Bills payable	-	-
121,289	138,907	Borrowings from financial institutions	11 12,698,964	14,543,592
29,449	40,289	Deposits and other accounts	12 3,083,288	4,218,289
-	-	Sub-ordinated loans	-	-
-	-	Liabilities against assets subject to finance lease	-	-
6,851	6,389	Other liabilities	717,342	669,020
-	-	Deferred tax liability	-	-
157,589	185,585		16,499,594	19,430,901
96,359	92,497	NET ASSETS	10,088,666	9,684,301
		REPRESENTED BY:		
57,307	57,307	Share capital	6,000,000	6,000,000
11,242	10,176	Reserves	1,177,032	1,065,388
27,752	25,397	Unappropriated profit	2,905,610	2,659,034
96,301	92,880		10,082,642	9,724,422
58	(383)	Surplus / (deficit) on revaluation of assets - net of tax	6,024	(40,121)
96,359	92,497		10,088,666	9,684,301
		CONTINGENCIES AND COMMITMENTS		

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive


Director


Director


Chairman



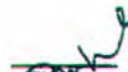
PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2016

Half year ended June 30, 2016	Half year ended June 30, 2015		Quarter ended June 30, 2016	Half year ended June 30, 2016	Quarter ended June 30, 2015	Half year ended June 30, 2015
— (US \$ in '000) —		Note	(Rupees in '000)			
7,987	10,160	Mark-up / return / interest earned	394,228	634,163	468,064	1,063,703
5,296	7,158	Mark-up / return / interest expensed	253,759	554,503	327,414	749,493
<u>2,671</u>	<u>3,002</u>	Net mark-up / interest income	<u>140,469</u>	<u>279,660</u>	<u>140,650</u>	<u>314,210</u>
449	673	Provision against non-performing advances	45,885	47,050	70,353	70,455
273	(2)	Provision / (reversal) for diminution in the value of investments	26,420	28,587	684	(191)
-	-	Bad debts written off directly	-	-	-	-
<u>722</u>	<u>671</u>		<u>72,305</u>	<u>75,637</u>	<u>71,037</u>	<u>70,264</u>
<u>1,949</u>	<u>2,331</u>	Net mark-up / interest income after provisions	<u>68,164</u>	<u>204,013</u>	<u>69,613</u>	<u>243,946</u>
NON MARK-UP/ INTEREST INCOME						
515	83	Fee, commission and brokerage income	10,187	53,959	337	8,715
467	1,091	Dividend income	38,472	46,886	98,669	114,249
6,271	7,209	Gain on sale of securities - net	484,065	656,581	302,877	754,797
-	-	Income from dealing in foreign currencies	-	-	-	-
(8)	(131)	Unrealised gain / (loss) on revaluation of investments classified as held-for-trading	461	(817)	100	(13,740)
10	1	Other income	5	998	51	51
<u>7,255</u>	<u>8,253</u>	Total non mark-up / interest income	<u>533,190</u>	<u>759,807</u>	<u>402,234</u>	<u>864,072</u>
<u>9,204</u>	<u>10,584</u>		<u>601,354</u>	<u>963,620</u>	<u>471,847</u>	<u>1,108,018</u>
NON MARK-UP/ INTEREST EXPENSES						
1,455	1,517	Administrative expenses	81,174	162,384	80,900	158,880
-	-	Other provisions / writs offs	-	-	-	-
-	-	Other charges	-	-	-	-
<u>1,455</u>	<u>1,517</u>	Total non mark-up / interest expenses	<u>81,174</u>	<u>162,384</u>	<u>80,900</u>	<u>158,880</u>
<u>7,749</u>	<u>9,067</u>	Extra Ordinary / unusual items	<u>520,180</u>	<u>811,236</u>	<u>390,947</u>	<u>949,138</u>
-	-		-	-	-	-
<u>7,749</u>	<u>9,067</u>	PROFIT BEFORE TAXATION	<u>520,180</u>	<u>811,236</u>	<u>390,947</u>	<u>949,138</u>
2,345	2,588	Taxation - Current	144,884	245,551	183,918	270,957
352	232	- Prior years	36,885	36,885	24,248	24,248
(281)	(842)	- Deferred	(22,864)	(29,420)	(86,198)	(86,198)
<u>2,416</u>	<u>1,978</u>		<u>158,105</u>	<u>253,016</u>	<u>119,968</u>	<u>207,007</u>
<u>5,333</u>	<u>7,069</u>	PROFIT AFTER TAXATION	<u>361,075</u>	<u>558,220</u>	<u>270,979</u>	<u>742,131</u>
— (US \$) —			(Rupee)			
<u>0.0089</u>	<u>0.0118</u>	Earnings per share - basic and diluted	<u>0.60</u>	<u>0.93</u>	<u>0.45</u>	<u>1.24</u>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim 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 HALF YEAR ENDED JUNE 30, 2016

Half year ended June 30, 2016 <u>(US \$ in '000)</u>	Half year ended June 30, 2015		Quarter ended June 30, 2016	Half year ended June 30, 2016	Quarter ended June 30, 2015	Half year ended June 30, 2015
			<u>(Rupees in '000)</u>			
5,333	7,089	Profit after taxation for the period	361,075	558,220	270,979	742,131
-	-	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	-	-	-	-
<u>5,333</u>	<u>7,089</u>	Comprehensive income transferred to equity	<u>361,075</u>	<u>558,220</u>	<u>270,979</u>	<u>742,131</u>
		Components of comprehensive income not reflected in equity				
539	(3,983)	Surplus / (deficit) on revaluation of 'available-for-sale securities' - net of tax*	(207,975)	46,145	(341,935)	(45,848)
<u>5,872</u>	<u>3,096</u>	Total comprehensive income for the period	<u>153,100</u>	<u>604,365</u>	<u>(70,956)</u>	<u>696,283</u>

* (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 from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements

Signature

Signature
Chief Executive

Signature
Director

Signature
Director

Signature
Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2016

Half year ended June 30, 2016 <small>— (US \$ in '000) —</small>	Half year ended June 30, 2015		Half year ended June 30, 2016 <small>— (Rupees in '000) —</small>	Half year ended June 30, 2015
		Note		
CASH FLOWS FROM OPERATING ACTIVITIES				
7,748	9,065		811,236	949,138
(467)	(1,091)		(48,886)	(114,249)
<u>7,281</u>	<u>7,974</u>		<u>762,350</u>	<u>834,889</u>
Adjustments for non-cash charges and other items:				
76	71		7,993	7,432
6	5		576	575
449	673		47,050	70,455
273	(2)		26,587	(191)
(10)	-		(998)	(15)
8	131		817	13,740
<u>802</u>	<u>878</u>		<u>84,025</u>	<u>91,996</u>
<u>8,083</u>	<u>8,852</u>		<u>846,375</u>	<u>926,885</u>
(Increase) / decrease in operating assets				
-	(8,892)		-	(930,959)
(12,480)	(2,454)		(1,306,650)	(256,965)
(11,686)	(15,377)		(1,221,415)	(1,809,960)
5,958	1,311		623,800	137,300
(18,188)	(25,412)		(1,904,265)	(2,660,584)
(Decrease) / increase in operating liabilities				
(17,618)	(94,707)		(1,844,628)	(9,916,780)
(10,841)	29,696		(1,135,001)	3,109,220
462	1,031		48,324	107,903
(27,997)	(63,980)		(2,931,305)	(6,698,657)
(38,102)	(80,540)		(3,989,195)	(8,432,356)
(2,065)	(1,215)		(216,207)	(127,193)
<u>(40,167)</u>	<u>(81,755)</u>		<u>(4,205,402)</u>	<u>(8,559,549)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
46,342	75,722		4,851,998	7,928,083
(84)	-		(6,768)	-
(7,997)	8,103		(837,328)	848,344
172	906		18,018	94,820
(61)	(128)		(6,339)	(13,447)
11	17		1,148	1,753
<u>38,383</u>	<u>84,620</u>		<u>4,018,729</u>	<u>8,859,553</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
(1,910)	(1,910)		(200,000)	(200,000)
(1,910)	(1,910)		(200,000)	(200,000)
(3,894)	955		(386,673)	100,004
5,513	1,908		577,214	199,910
<u>1,819</u>	<u>2,863</u>		<u>190,541</u>	<u>299,914</u>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive


Director


Director


Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
JNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2016

	Share capital	Statutory reserve	Unappropriated profit	Total
	(Rupees in '000)			
Balance as at January 01, 2015	6,000,000	878,000	2,110,627	8,988,627
Profit for the half year ended June 30, 2015	-	-	742,131	742,131
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	742,131	742,131
Transfer to statutory reserve	-	148,426	(148,426)	-
Final cash dividend for the year ended December 31, 2014 declared subsequent to the year end at Re.0.33 per ordinary share	-	-	(200,000)	(200,000)
Balance as at June 30, 2015	6,000,000	1,026,426	2,504,332	9,530,758
Profit for the half year ended December 31, 2015	-	-	194,802	194,802
Other comprehensive income	-	-	(1,138)	(1,138)
Total comprehensive income for the period	-	-	193,664	193,664
Transfer to statutory reserve	-	38,962	(38,962)	-
Balance as at January 01, 2016	6,000,000	1,065,388	2,659,034	9,724,422
Profit for the half year ended June 30, 2016	-	-	558,220	558,220
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	558,220	558,220
Transfer to statutory reserve	-	111,644	(111,644)	-
Final cash dividend for the year ended December 31, 2015 declared subsequent to the year end at Re.0.33 per ordinary share	-	-	(200,000)	(200,000)
Balance as at June 30, 2016	<u>6,000,000</u>	<u>1,177,032</u>	<u>2,905,610</u>	<u>10,082,642</u>

The annexed notes from 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.


 Chief Executive


 Director


 Director


 Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2016

1. STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) is a Development Finance Institution (DFI) 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 the Brunei Investment Agency. The Company's objectives inter alia 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 marketing 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.

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 The Pakistan Credit Rating Agency Limited (PACRA) in June 2016. Outlook on the assigned rating is "Stable".

2. STATEMENT OF COMPLIANCE

- 2.1 These unconsolidated condensed interim financial statements of the Company have been prepared in accordance with the requirements of International Accounting Standard 34, Interim Financial Reporting, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 2.2 The SBP vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7 Financial Instruments: Disclosures has not been made applicable for banks / DFIs. 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 the SBP.
- 2.3 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the unconsolidated annual financial statements of the Company for the year ended December 31, 2015.
- 2.4 These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Company in which investment in subsidiaries and associates is stated at cost. The consolidated condensed interim financial statements of the Company and its subsidiaries are presented separately.
- 2.5 IFRS 10 "Consolidated Financial Statements" was made applicable from periods beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by Securities and Exchange Commission of Pakistan (SECP). However, vide S.R.O 56(I) /2016 dated January 28, 2016, SECP has directed that the requirements of consolidation under section 237 of the Companies Ordinance 1984 and IFRS-10 "Consolidated Financial Statements" are not applicable in case of investment by companies in mutual funds established under trust structure. Accordingly, the requirements of this standard have not been considered in the preparation of the unconsolidated condensed interim financial information.

3. BASIS OF MEASUREMENT

These condensed interim financial statements have been prepared under the historical cost convention, except for investments which are carried at fair value.

The US dollar amounts shown in the condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim statement of cash flows are stated as additional information solely for the convenience of the readers and are not audited. For the purpose of conversion to US Dollar, the rate of Rs.104.70 to US dollars has been used for both 2016 and 2015 as it was the prevalent rate on June 30, 2016.

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4. ACCOUNTING POLICIES

- 4.1 The accounting policies adopted for the preparation of the unconsolidated condensed interim financial information are the same as those applied in the preparation of the unconsolidated annual financial statements for the year ended December 31, 2015, except as follows:

New / Revised Standards, Interpretations and Amendments

The Company has adopted the following accounting standards and the amendments and interpretations of IFRSs which became effective for the during the period:

IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 28 – Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts

IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the financial statements.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after January 01, 2015 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the unconsolidated annual financial statements of the Company for the year ended December 31, 2015.

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual financial statements of the Company for the year ended December 31, 2015.

6. ACCOUNTING ESTIMATES AND JUDGMENTS

The estimates / judgments and associated assumptions used in the preparation of these unconsolidated 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, 2015.

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7. INVESTMENTS

Note	(Un-audited) June 30, 2016			(Audited) December 31, 2015			
	Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total	
	(Rupees in '000)			(Rupees in '000)			
Investments by type:							
Held-for-trading securities							
Ordinary shares of listed companies	3,435	-	3,435	168,067	-	168,067	
Pakistan Investment Bonds	-	1,463,367	1,463,367	-	-	-	
Available-for-sale securities							
Market Treasury Bills	648,753	1,065,891	1,714,644	737,760	480,243	1,218,003	
Pakistan Investment Bonds	208,550	1,401,068	1,609,618	877,849	4,808,752	5,686,601	
Ordinary shares of listed companies	795,444	-	795,444	854,393	-	854,393	
Ordinary shares of unlisted companies	40,581	-	40,581	146,001	-	146,001	
Term finance certificates and Sukuks	1,354,962	-	1,354,962	2,461,249	-	2,461,249	
Units of mutual funds	-	-	-	1,000	-	1,000	
Preference shares	67,260	-	67,260	67,260	-	67,260	
	3,115,550	2,466,959	5,582,509	5,145,512	5,288,995	10,434,507	
Held to maturity							
Commercial paper	198,579	-	198,579	189,811	-	189,811	
Investment in related parties	7.1	7,188,601	-	7,188,601	6,351,273	-	6,351,273
Investments at cost		10,506,165	3,930,326	14,436,491	11,854,663	5,288,995	17,143,658
Less: Provision for diminution in value of investments		(287,355)	-	(287,355)	(258,766)	-	(258,766)
Investments (net of provisions)		10,218,810	3,930,326	14,149,136	11,595,897	5,288,995	16,884,892
(Deficit) / surplus on revaluation of held-for-trading securities-net		(203)	115	(88)	(7,186)	-	(7,186)
(Deficit) / surplus on revaluation of available-for-sale securities - net		(38,231)	61,337	23,106	(111,088)	83,848	(27,240)
Total investments at market value		10,180,376	3,991,778	14,172,154	11,477,623	5,372,843	16,850,466

7.1 Investment in related parties

Investment in subsidiaries -
strategic investments

Name of Investee Company / Fund	Percentage of holding		Number of units / shares / certificates held		(Un-audited) Cost as at	Audited Cost as at
	2016	2015	2016	2015	June 30, 2016	December 31, 2015
	----- (Rupees in '000) -----					
Unlisted public companies						
Primus Investment Management Limited	100.00	100.00	24,999,997	24,999,997	250,000	250,000
Awwal Modaraba Management Limited	100.00	100.00	10,499,995	10,499,995	105,000	105,000
					355,000	355,000
Investment in associates						
Listed Modaraba						
Awwal Modaraba	89.71	-	89,706,066	-	897,588	-
Open-end mutual funds - listed						
PIML Income Fund	62.37	49.21	29,644,488	24,630,987	3,054,017	2,634,000
PIML Daily Reserve Fund (Formerly Primus Daily Reserve Fund)	65.22	78.44	9,890,658	24,221,438	1,042,475	2,470,961
PIML Strategic Multi Asset Fund	81.58	80.39	2,457,181	2,054,943	258,000	241,000
PIML Islamic Equity Fund	66.87	75.98	1,340,569	1,105,206	160,000	133,000
PIML Islamic Income Fund	86.24	98.85	2,382,759	3,969,098	239,164	404,312
PIML Value Equity Fund	67.02	-	1,430,157	-	150,000	-
PIML Asset Allocation Fund	74.71	68.48	10,299,201	1,065,994	1,032,357	113,000
					5,936,013	5,996,273
					7,188,601	6,351,273

(Un-audited) (Audited)
June 30, December 31,
2016 2015
----- (Rupees in '000) -----

Note

8. ADVANCES

Loans, cash credits, running finances, etc. - in Pakistan		8,502,553	8,082,603
Advances under State Bank of Pakistan (SBP):			
- Long-Term Finance Facility (LTFF) Scheme		1,440,377	951,045
- Power Plants Using Renewable Energy (PPRE) Scheme		171,778	172,582
- Financing for Storage of Agriculture Produce (FFSAP) Scheme		89,462	17,672
Net investment in finance lease - in Pakistan		1,410,959	1,169,812
Advances - gross		11,615,129	10,393,714
Provision for non-performing advances - specific	8.1	(202,692)	(155,854)
Provision for non-performing advances - general		(731)	(519)
Advances - net of provision		11,411,706	10,237,341

8.1 Advances include Rs.439.547 million (December 31, 2015: Rs.311.707 million), which have been placed under non-performing status as detailed below:

Category of classification	June 30, 2016 (Un-audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	----- (Rupees in '000) -----				
OAEM	2,346	-	2,346	235	235
Doubtful	-	-	-	-	-
Substandard	125,494	-	125,494	31,375	31,375
Loss	311,707	-	311,707	171,082	171,082
	<u>439,547</u>	<u>-</u>	<u>439,547</u>	<u>202,692</u>	<u>202,692</u>

Category of classification	December 31, 2015 (Audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	----- (Rupees in '000) -----				
Doubtful	311,707	-	311,707	155,854	155,854
	<u>311,707</u>	<u>-</u>	<u>311,707</u>	<u>155,854</u>	<u>155,854</u>

9. OPERATING FIXED ASSETS

Additions during the six months period ended June 30, 2016 amounted to Rs.6.339 million (June 30, 2015: Rs.13.373 million) while disposals had a cost of Rs.1.437 million (June 30, 2015: Rs.7.960 million) and written down value of Rs.0.150 million (June 30, 2015: Rs.1.738 million).

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(Un-audited)	(Audited)
June 30,	December 31,
2016	2015
----- (Rupees in '000) -----	

Note

10. OTHER ASSETS

Income / mark-up accrued in local currency	294,089	425,829
Advances, deposits and other prepayments	94,860	104,838
Advance tax (payments less provisions)	120,718	186,946
Dividend receivable	31,993	1,125
Receivable from Primus Investment Management Limited (subsidiary company)	1,226	2,335
Unrealized gain on forward contracts	-	7,915
Pre IPO Investment in Awwal Modaraba (a related party)	-	650,000
Receivable from Awwal Modaraba Management Limited (subsidiary company)	13,025	4,907
Receivable from Awwal Modaraba (a related party)	8,945	12,192
Receivable against sale of shares	179,553	7,484
	<u>744,409</u>	<u>1,403,570</u>
Less: Provision held against advances, deposits and other prepayments	(50,000)	(50,000)
Other assets (net of provisions)	<u>694,409</u>	<u>1,353,570</u>

11. BORROWINGS FROM FINANCIAL INSTITUTIONS**Secured**

Borrowings from State Bank of Pakistan under:

- Long-Term Finance Facility (LTFF) Scheme	1,424,824	910,491
- Power Plants Using Renewable Energy (PPRE) Scheme	165,069	172,582
- Financing for Storage of Agriculture Produce (FFSAP) Scheme	89,462	17,672
Repurchase agreement borrowings (Repo)	3,836,925	5,162,632
Borrowings from banks	2,999,500	2,250,000
	<u>8,515,780</u>	<u>8,513,377</u>

Unsecured

Letters of placement	4,183,184	6,030,215
	<u>12,698,964</u>	<u>14,543,592</u>

12. DEPOSITS AND OTHER ACCOUNTS

Certificates of investment - remunerative	12.1	<u>3,083,288</u>	<u>4,218,289</u>
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12.1 These deposits are placed with the Company at an interest rate of 6.00% to 7.00% per annum (December 31, 2015: 7.25% to 10.20% per annum). These are repayable within 2 months to 5 months (December 31, 2015: 1 month to 6 months).

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13. 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, 2015, except as follows:

	Note	(Un-audited) June 30, 2016 ----- (Rupees in '000) -----	(Audited) December 31, 2015
13.1 Commitments in respect of government securities			
Sale (repo)		<u>3,839,598</u>	<u>5,183,360</u>
13.2 Commitments to extend credit			
		<u>4,960,430</u>	<u>3,468,396</u>
13.3 Other commitments			
Sale of shares		<u>-</u>	<u>169,891</u>
Purchase of Modaraba certificates		<u>-</u>	<u>250,000</u>

14. EARNINGS PER SHARE - BASIC AND DILUTED

	----- (Un-audited) -----			
	Quarter ended June 30, 2016	Half year ended June 30, 2016	Quarter ended June 30, 2015	Half year ended June 30, 2015
Profit after tax (Rupees in '000)	<u>361,075</u>	<u>558,220</u>	<u>270,979</u>	<u>742,131</u>
Weighted average number of Ordinary shares outstanding during the period (in '000)	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Basic and diluted earnings per share (Rupee)	<u>0.60</u>	<u>0.93</u>	<u>0.45</u>	<u>1.24</u>

15. CASH AND CASH EQUIVALENTS

	(Un-audited) June 30, 2016 ----- (Rupees in '000) -----	(Audited) December 31, 2015
Cash and balances with treasury banks	<u>90,570</u>	<u>102,301</u>
Balances with other banks	<u>99,971</u>	<u>474,913</u>
	<u>190,541</u>	<u>577,214</u>

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13, has no effect on the financial statements.

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Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of financial position date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Company's assets:

	June 30, 2016			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
Asset measured at fair value				
Held-for-trading				
Ordinary shares of listed companies	3,231	-	-	3,231
Pakistan Investment Bonds	-	1,463,770	-	1,463,770
Available-for-sale securities				
Market Treasury Bills	-	1,716,507	-	1,716,507
Pakistan Investment Bonds	-	1,692,852	-	1,692,852
Ordinary shares of listed companies	671,398	-	-	671,398
Term Finance Certificates and Sukuks	-	-	1,354,962	1,354,962
	<u>671,398</u>	<u>3,409,359</u>	<u>1,354,962</u>	<u>5,435,719</u>
	<u>674,629</u>	<u>4,873,129</u>	<u>1,354,962</u>	<u>6,902,720</u>

	December 31, 2015			Total
	Level 1	Level 2	Level 3	
	----- (Rupees in '000) -----			
Asset measured at fair value				
Held-for-trading				
Pakistan Investment Bonds	-	160,881	-	160,881
Available-for-sale securities				
Market Treasury Bills	-	1,219,870	-	1,219,870
Pakistan Investment Bonds	-	5,785,044	-	5,785,044
Ordinary shares of listed companies	692,306	-	-	692,306
Units of mutual funds	-	1,200	-	1,200
Term Finance Certificates and Sukuks	-	-	2,261,955	2,261,955
	<u>692,306</u>	<u>7,006,114</u>	<u>2,261,955</u>	<u>9,960,375</u>
	<u>692,306</u>	<u>7,166,995</u>	<u>2,261,955</u>	<u>10,121,256</u>

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17. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate finance	Trading and sales	Commercial banking
June 30, 2016 (un-audited)			
Total income	53,960	1,120,333	419,467
Total expenses	23,932	525,706	232,886
Net income	30,028	594,627	186,581
Segment assets (gross)	-	15,423,689	11,709,364
Segment non performing advances	-	2,346	437,201
Investment provided for	-	357,584	-
Segment provision held *	-	287,591	202,456
Segment liabilities	-	9,379,164	7,120,431
Segment return on assets (ROA) (%)	-	6.91%	3.35%
Segment return on net assets (ROA) (%)	-	21.07%	8.71%
Segment cost of funds (%)	-	6.54%	6.54%
June 30, 2015 (un-audited)			
Total income	8,715	1,570,689	348,372
Total expenses	4,107	810,376	164,154
Net income	4,608	760,313	184,218
Segment assets (gross)	-	18,382,212	8,512,156
Segment non performing advances	-	283,787	-
Investment provided for	-	324,767	-
Segment provision held *	-	313,431	-
Segment liabilities	-	11,565,149	5,380,668
Segment return on assets (ROA) (%)	-	7.07%	5.05%
Segment return on net assets (ROA) (%)	-	23.00%	11.95%
Segment cost of funds (%)	-	8.91%	8.91%
December 31, 2015 (audited)			
Segment assets (gross)	-	18,990,792	10,538,352
Segment non performing advances	-	-	311,707
Investment provided for	-	337,888	-
Segment provision held *	-	258,762	155,854
Segment liabilities	-	12,496,407	6,934,494
Segment return on assets (ROA) (%)	-	4.94%	1.97%
Segment return on net assets (ROA) (%)	-	18.75%	4.97%
Segment cost of funds (%)	-	7.96%	7.96%

* The provision required against each segment represents provision held on advances and investments.

18. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS

The Company has related party relationship with:

- the subsidiary companies / Funds managed by PIML (refer to note 6.1 to these condensed interim financial statements);
- its employees defined benefit plan and contribution plan;
- its key management personnel;
- state controlled entities i.e. the entities which are owned and / or controlled by the Government of Pakistan and the Government of Brunei or where these governments may exercise significant influence; and
- other related parties include Omer Jibran Engineering Industries Limited, Nimir Industrial Chemicals Limited, Haq Bahu Sugar Mills (Pvt) Limited and Maple Leaf Cement Factory Limited due to common directorship.

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

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

	For the half year ended June 30, 2016 (Un-audited)				For the year ended December 31, 2015 (Audited)					
	Key management personnel	Other related parties	State controlled entities	Subsidiary companies	Associates	Key management personnel	Other related parties	State controlled entities	Subsidiary	Associates
	----- (Rupees in '000) -----									
Advances										
At beginning of the period / year	61,644	540,232	53,466	-	-	41,922	566,259	160,825	-	-
Advances made	1,643	18,213	62,454	-	-	20,979	105,981	9,514	-	-
Transfer to/from other related party	(21,687)	21,687	-	-	-	6,991	(6,991)	-	-	-
Repaid during the period / year	(9,541)	(64,049)	(14,167)	-	-	(8,248)	(125,017)	(116,873)	-	-
At end of the period / year	32,059	516,083	101,753	-	-	61,644	540,232	53,466	-	-
Investments										
At beginning of the period / year	-	187,309	7,063,565	355,000	5,996,273	-	338,989	15,508,620	355,000	4,704,764
Addition/Investments made during the period / year	-	207,766	37,736,053	-	13,473,500	-	734,186	44,042,066	-	25,384,045
Redemption during the period / year	-	(281,864)	(39,860,691)	-	(12,636,259)	-	(885,866)	(52,487,121)	-	(24,092,536)
At end of the period / year	-	113,211	4,938,927	355,000	6,833,514	-	187,309	7,063,565	355,000	5,996,273
Placements										
At beginning of the period / year	-	-	-	-	-	-	-	-	-	-
Placements made during the period / year	-	-	2,868,769	-	-	-	-	19,307,119	-	-
Placements matured during the period / year	-	-	(2,868,769)	-	-	-	-	(19,307,119)	-	-
At end of the period / year	-	-	-	-	-	-	-	-	-	-
Borrowings										
At beginning of the period / year	-	-	6,605,818	-	630,000	-	-	15,880,124	-	690,000
Add: Received during the year	-	-	158,703,321	-	950,000	-	-	207,469,362	-	2,645,000
Less: Paid during the year	-	-	(160,170,889)	-	(630,000)	-	-	(216,743,668)	-	(2,705,000)
Closing Balance	-	-	5,138,250	-	950,000	-	-	6,605,818	-	630,000

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	For the half year ended June 30, 2016 (Un-audited)				For the half year ended June 30, 2015 (Un-audited)					
	Key management personnel	Other related parties	State controlled entities	Subsidiaries	Associates	Key management personnel	Other related parties	State controlled entities	Subsidiaries	Associates
	(Rupees in '000)									
Mark-up / return / interest earned	739	7,840	322,168	-	-	980	28,165	527,795	-	-
Mark-up / return / interest expensed	-	-	132,030	-	18,912	-	-	290,507	-	28,283
Gain / (loss) on sale of securities - net	-	8,035	460,636	-	224,879	-	16,979	492,276	-	261,379
Dividend Income	-	-	4,970	-	31,801	-	899	7,572	-	86,540
Salaries and other benefits	42,740	-	-	-	-	47,253	-	-	-	-
Contribution to Provident Fund	1,661	-	-	-	-	1,916	-	-	-	-
Contribution to Gratuity Fund	1,477	-	-	-	-	1,594	-	-	-	-
Reimbursement of expenses	2,443	-	-	-	-	2,264	-	-	-	-
Expenses charged to subsidiary companies (see note 18.1)	-	-	-	17,050	20,445	-	-	-	-	2,678

18.1 Group shared services

The transactions with related parties during the year include costs (administrative expenses) charged by the Company under the cost sharing agreement with Primus Investment Management Limited and Awal Modaraba Management Limited (subsidiary companies).

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19. GENERAL

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

19.2 Figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2016 and June 30, 2015 have not been subjected to limited scope review by the auditors as they are only required to review half-yearly figures.

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on 15 September 2016 by Board of Directors of the Company.

ENR


Chief Executive


Director


Director


Chairman