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PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2014

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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 2014**, 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: 25 September 2014

Karachi

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2014

(Un-audited) June 30, 2014 ----- (US \$ in '000) -----	(Audited) December 31, 2013		(Un-audited) June 30, 2014 ----- (Rupees in '000) -----	(Audited) December 31, 2013 -----
ASSETS				
939	975	Cash and balances with treasury banks	92,694	96,289
6,142	2,369	Balances with other banks	606,522	233,935
-	-	Lendings to financial institutions	-	-
225,347	277,780	Investments	22,253,045	27,430,852
62,517	68,853	Advances	6,173,508	6,799,210
379	452	Operating fixed assets	37,426	44,636
-	-	Deferred tax assets	-	-
13,394	9,141	Other assets	1,322,691	902,675
308,718	359,570		30,485,886	35,507,597
LIABILITIES				
-	-	Bills payable	-	-
176,858	267,261	Borrowings from financial institutions	17,464,755	26,391,995
41,798	5,742	Deposits and other accounts	4,127,589	567,070
-	-	Sub-ordinated loans	-	-
-	-	Liabilities against assets subject to finance lease	-	-
214	150	Deferred tax liabilities	21,177	14,771
5,189	2,910	Other liabilities	512,460	287,381
224,059	276,063		22,125,981	27,261,217
84,659	83,507		8,359,905	8,246,380
NET ASSETS				
REPRESENTED BY				
60,759	60,759	Share capital	6,000,000	6,000,000
7,804	7,058	Reserves	770,644	697,026
17,039	16,082	Unappropriated profit	1,682,572	1,588,100
85,602	83,899		8,453,216	8,285,126
(945)	(392)	Deficit on revaluation of assets - net of tax	(93,311)	(38,746)
84,657	83,507		8,359,905	8,246,380
CONTINGENCIES AND COMMITMENTS				

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The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive


Director


Chairman



Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2014

Half year ended June 30, 2014 ----- (US \$ in '000) -----	Half year ended June 30, 2013		Quarter ended June 30, 2014 Note	Half year ended June 30, 2014 (Rupees in '000)	Quarter ended June 30, 2013	Half year ended June 30, 2013
11,951	6,676	Mark-up / return / interest earned	662,879	1,180,143	370,165	659,233
10,035	3,874	Mark-up / return / interest expensed	552,914	990,954	247,596	382,589
<u>1,916</u>	<u>2,802</u>	Net mark-up / interest income	<u>109,965</u>	<u>189,189</u>	<u>122,569</u>	<u>276,644</u>
-	(1)	Reversal against non-performing advances	(21)	(42)	(102)	(102)
(34)	242	(Reversal)/ provision for diminution in the value of investments	(236)	(3,401)	11,938	23,881
-	-	Bad debts written off directly	-	-	-	-
<u>(34)</u>	<u>241</u>		<u>(257)</u>	<u>(3,443)</u>	<u>11,836</u>	<u>23,779</u>
1,950	2,561	Net mark-up / interest income after provisions	110,222	192,632	110,733	252,865
NON MARK-UP/ INTEREST INCOME						
155	149	Fee, commission and brokerage income	6,830	15,330	11,560	14,691
2,059	1,439	Dividend income	105,260	203,290	141,571	142,148
1,295	1,250	Gain on sale of securities - net	95,070	127,897	117,138	123,436
-	-	Income from dealing in foreign currencies	-	-	-	-
(6)	(12)	Unrealised loss on revaluation of investments classified as held-for-trading	4,734	(632)	(1,206)	(1,206)
21	164	Other income	1,569	2,106	15,235	16,168
<u>3,524</u>	<u>2,990</u>	Total non mark-up / interest income	<u>213,463</u>	<u>347,991</u>	<u>284,298</u>	<u>295,237</u>
5,474	5,551		323,685	540,623	395,031	548,102
NON MARK-UP/ INTEREST EXPENSES						
1,244	1,037	Administrative expenses	66,282	122,800	57,870	102,413
-	-	Other provisions / write offs	-	-	-	-
-	-	Other charges	-	-	-	-
<u>1,244</u>	<u>1,037</u>	Total non mark-up / interest expenses	<u>66,282</u>	<u>122,800</u>	<u>57,870</u>	<u>102,413</u>
4,230	4,514		257,403	417,823	337,161	445,689
-	-	Extra Ordinary / unusual items	-	-	-	-
<u>4,230</u>	<u>4,514</u>	PROFIT BEFORE TAXATION	<u>257,403</u>	<u>417,823</u>	<u>337,161</u>	<u>445,689</u>
317	1,048	Taxation - Current	(8,788)	31,317	70,890	103,448
186	225	- Deferred	18,416	18,416	22,198	22,198
503	1,273		9,628	49,733	93,088	125,646
<u>3,727</u>	<u>3,241</u>	PROFIT AFTER TAXATION	<u>247,775</u>	<u>368,090</u>	<u>244,073</u>	<u>320,043</u>
----- (US \$) -----						
<u>0.0062</u>	<u>0.0054</u>	Earnings per share - basic and diluted	14	<u>0.41</u>	<u>0.61</u>	<u>0.41</u>
----- (Rupee) -----						
<u>0.53</u>						

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

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Chief Executive


Director


Chairman

Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2014

Half year ended June 30, 2014	Half year ended June 30, 2013		Quarter ended June 30, 2014	Half year ended June 30, 2014	Quarter ended June 30, 2013	Half year ended June 30, 2013
----- (US \$ in '000) -----			----- (Rupees in '000) -----			
3,727	3,241	Profit after taxation for the period	247,775	368,090	244,073	320,043
-	-	Other comprehensive income	-	-	-	-
<u>3,727</u>	<u>3,241</u>	Total comprehensive income for the period	<u>247,775</u>	<u>368,090</u>	<u>244,073</u>	<u>320,043</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 from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

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 Chief Executive


 Director


 Chairman


 Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2014

Half year ended June 30, 2014	Half year ended June 30, 2013		Half year ended June 30, 2014	Half year ended June 30, 2013
----- (US \$ in '000) -----			----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES				
4,230	4,514	Profit before taxation	417,823	445,689
(2,059)	(1,439)	Less: Dividend income	(203,290)	(142,148)
<u>2,171</u>	<u>3,075</u>		<u>214,533</u>	<u>303,541</u>
Adjustments for non-cash charges and other items:				
73	78	Depreciation	7,166	7,657
6	6	Amortisation	624	554
-	(1)	Reversal against non-performing advances (Reversal)/ provision for diminution the value of investments	(42)	(102)
(34)	242	Gain on sale of property and equipment	(3,401)	23,881
(1.00)	-	Unrealised loss on revaluation of investments classified as held-for-trading	(126)	(49)
6	12		632	1,206
<u>50</u>	<u>337</u>		<u>4,853</u>	<u>33,147</u>
<u>2,221</u>	<u>3,412</u>		<u>219,386</u>	<u>336,688</u>
Decrease / (increase) in operating assets				
-	(7,950)	Lendings to financial institutions	-	(785,020)
-	(162)	Held-for-trading securities	-	(16,036)
6,339	8,259	Advances	625,951	815,613
(3,063)	(1,011)	Other assets (excluding current taxation)	(302,444)	(99,829)
<u>3,276</u>	<u>(864)</u>		<u>323,507</u>	<u>(85,272)</u>
(Decrease) / increase in operating liabilities				
(90,402)	78,512	Borrowings from financial institutions	(8,927,240)	7,753,058
36,056	9,768	Deposits and other accounts	3,560,519	964,607
2,271	10,547	Other liabilities (excluding current taxation)	224,248	1,041,528
<u>(52,075)</u>	<u>98,827</u>		<u>(5,142,473)</u>	<u>9,759,193</u>
<u>(46,578)</u>	<u>101,375</u>		<u>(4,599,580)</u>	<u>10,010,609</u>
(770)	(1,419)	Income tax paid	(76,044)	(140,171)
<u>(47,348)</u>	<u>99,956</u>	Net cash (used in) / generated from operating activities	<u>(4,675,624)</u>	<u>9,870,438</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
43,090	(68,431)	Net investments in available-for-sale securities	4,255,133	(6,757,556)
-	464	Net Investments in held-to-maturity securities	-	45,843
9,767	(26,329)	Net Investment in associate	964,493	(2,600,000)
(1,063)	-	Investment in subsidiary	(105,000)	-
1,321	1,429	Dividend income received	130,444	141,156
(6)	(8)	Investment in operating fixed assets	(591)	(756)
1	1	Sale proceeds from disposal of property and equipment	137	130
<u>53,110</u>	<u>(92,874)</u>	Net cash generated from / (used in) investing activities	<u>5,244,616</u>	<u>(9,171,183)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
(2,025)	(10,127)	Dividend paid	(200,000)	(1,000,000)
<u>(2,025)</u>	<u>(10,127)</u>	Net cash used in financing activities	<u>(200,000)</u>	<u>(1,000,000)</u>
3,737	(3,045)	Decrease in cash and cash equivalents	368,992	(300,745)
<u>3,344</u>	<u>3,747</u>	Cash and cash equivalents at the beginning of the period	<u>330,224</u>	<u>370,069</u>
<u><u>7,081</u></u>	<u><u>702</u></u>	Cash and cash equivalents at the end of the period	<u><u>699,216</u></u>	<u><u>69,324</u></u>

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

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 Chief Executive


 Director


 Chairman


 Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2014

	Share capital	Statutory reserve	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at January 01, 2013	6,000,000	555,884	2,023,533	8,579,417
Profit for the half year ended June 30, 2013	-	-	320,043	320,043
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	320,043	320,043
Transfer to statutory reserve	-	63,965	(63,965)	-
Final cash dividend for the year ended December 31, 2012 declared subsequent to the year end at Rs.1.67 per ordinary share	-	-	(1,000,000)	(1,000,000)
Balance as at June 30, 2013	6,000,000	619,849	1,279,611	7,899,460
Profit for the half year ended June 30, 2013	-	-	385,666	385,666
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	385,666	385,666
Transfer to statutory reserve	-	77,177	(77,177)	-
Balance as at January 01, 2014	6,000,000	697,026	1,588,100	8,285,126
Profit for the half year ended June 30, 2014	-	-	368,090	368,090
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	368,090	368,090
Transfer to statutory reserve	-	73,618	(73,618)	-
Final cash dividend for the year ended December 31, 2013 declared subsequent to the year end at Re.0.33 per ordinary share	-	-	(200,000)	(200,000)
Balance as at June 30, 2014	<u>6,000,000</u>	<u>770,644</u>	<u>1,682,572</u>	<u>8,453,216</u>

The annexed notes from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

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 Chief Executive


 Director


 Chairman

 Director

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2014

1. STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) was incorporated in Pakistan as an unlisted 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.

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, 2013.

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- 2.4 These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Company. The consolidated condensed interim financial statements of the Company and its subsidiary companies are presented separately.
- 2.5 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 cash flow statement are stated solely for the convenience of readers. For this purpose of conversion to US Dollars, the rate of Rs.98.75 to US Dollars has been used for both 2014 and 2013, as it was the prevalent rate on June 30, 2014.

3. ACCOUNTING POLICIES

The accounting policies adopted in preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2013 except as follows:

New standards, interpretations and amendments thereof adopted by the Company

The Company has adopted the following amended IFRS which became effective during the period:

Standard or interpretation

IAS 32 – Financial Instruments : Presentation – (Amendment)
- Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets – (Amendment)
- Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – (Amendment)
- Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

IFAS 3 – Profit and Loss Sharing on Deposits

The adoption of the above revision, amendments, improvements and interpretation of the standards did not have any effect on these unconsolidated condensed interim financial statements.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after January 01, 2014 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

4. 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, 2013.

5. 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, 2013.

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6. INVESTMENTS

	(Un-audited)		(Audited)		
	June 30, 2014		December 31, 2013		
	Held by Company	Given as collateral	Held by Company	Given as collateral	Total
	----- (Rupees in '000) -----		----- (Rupees in '000) -----		
Investments by type:					
Available-for-sale securities					
Market Treasury Bills	1,128,928	6,430,519	1,156,667	16,787,541	17,944,208
Pakistan Investment Bonds	30,445	6,714,729	364,311	758,049	1,122,360
Ordinary shares of listed companies	802,101	-	312,981	-	312,981
Ordinary shares of unlisted companies	124,670	-	124,670	-	124,670
Term finance certificates and Sukuks	2,258,586	-	2,155,934	84,960	2,240,894
Units of mutual funds	28,835	-	28,835	-	28,835
Preference shares	95,510	-	95,510	-	95,510
	4,469,075	13,145,248	4,238,908	17,630,550	21,869,458
Investment in associates	4,637,318	-	5,601,811	-	5,601,811
Investment in subsidiaries	355,000	-	250,000	-	250,000
Investments at cost	9,461,393	13,145,248	10,090,719	17,630,550	27,721,269
Less: Provision for diminution in value of Investments	(240,565)	-	(243,965)	-	(243,965)
Investments (net of provisions)	9,220,828	13,145,248	9,846,754	17,630,550	27,477,304
Deficit on revaluation of held-for-trading securities-net	-	-	-	-	-
(Deficit) / surplus on revaluation of available-for-sale securities - net	(89,387)	(23,644)	(31,383)	(15,069)	(46,452)
Total investments at market value	9,131,441	13,121,604	9,815,371	17,615,481	27,430,852

Note

6.1 During the period, the Company has invested in a wholly owned subsidiary namely, Awwal Modaraba Mangement Limited, that was incorporated on June 05, 2014.

(Un-audited) (Audited)
June 30, December 31,
2014 2013
----- (Rupees in '000) -----

7. ADVANCES

Loans, cash credits, running finances, etc. - In Pakistan	4,176,691	5,122,516
LTFE scheme under State Bank of Pakistan	1,080,456	805,659
Net investment in finance lease - In Pakistan	919,187	873,903
Advances - gross	<u>6,176,334</u>	<u>6,802,078</u>
Provision for non-performing advances - specific	(2,537)	(2,537)
Provision for non-performing advances - general	(289)	(331)
Advances - net of provision	<u>6,173,508</u>	<u>6,799,210</u>

7.1 Advances include Rs.2.537 million (December 31, 2013: Rs.2.537 million), which have been placed under non-performing status as detailed below:

Category of classification	June 30, 2014 (Un-audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	----- (Rupees in '000) -----				
Loss	2,537	-	2,537	2,537	2,537
	<u>2,537</u>	<u>-</u>	<u>2,537</u>	<u>2,537</u>	<u>2,537</u>

Category of classification	December 31, 2013 (Audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	----- (Rupees in '000) -----				
Loss	2,537	-	2,537	2,537	2,537
	<u>2,537</u>	<u>-</u>	<u>2,537</u>	<u>2,537</u>	<u>2,537</u>

8. OPERATING FIXED ASSETS

Additions during the six months period ended June 30, 2014 amounted to Rs.0.591 million (June 30, 2013: Rs.0.772 million) while disposals had a cost of Rs.1.51 million (June 30, 2013: Rs.0.263 million) and written down value of Rs.0.011 million (June 30, 2013: Rs.0.082 million).

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		(Un-audited) June 30, 2014	(Audited) December 31, 2013
	Note	----- (Rupees in '000) -----	
9. OTHER ASSETS			
Income / mark-up accrued in local currency		546,170	287,567
Advances, deposits and other prepayments		66,321	72,820
Advance tax (payment less provision)		305,069	260,342
Dividend receivable		100,542	28,146
Receivable from Subsidiary companies-			
Primus Investment Management Limited		1,147	384
Awwal Modaraba Management Limited		939	-
Receivable against sale of shares		165,023	-
Receivable against sale of shares and non-banking assets acquired in satisfaction of claims	9.1	187,480	303,416
		<u>1,372,691</u>	<u>952,675</u>
Less: Provision held against advances, deposits and other prepayments		(50,000)	(50,000)
Other assets (net of provisions)		<u>1,322,691</u>	<u>902,675</u>

9.1 The terms and conditions of the transaction are the same as disclosed in the unconsolidated annual financial statements of the Company for the year ended December 31, 2013

10. BORROWINGS FROM FINANCIAL INSTITUTIONS

Secured

Borrowings from State Bank of Pakistan under LTFF Scheme	10.1	1,080,454	805,659
Repurchase agreement borrowings (Repo)	10.2	13,134,301	17,508,002
Borrowings from banks	10.3	1,250,000	1,533,334
		<u>15,464,755</u>	<u>19,846,995</u>

Unsecured

Letters of placement	10.4	2,000,000	6,545,000
		<u>17,464,755</u>	<u>26,391,995</u>

10.1 The Company has entered into agreements for financing with the SBP for Long-Term Financing under Export Oriented Projects to customers. The rate of return ranges from 7.25% to 9.70% per annum (December 31, 2013: 7.25% to 9.70% per annum). This is repayable within 5 years (December 31, 2013: 7 years).

10.2 These represent borrowings from various financial institutions at mark-up rate ranging from 8.40% to 10.25% per annum (December 31, 2013: 8.60% to 9.00%) and are repayable within 1 month (December 31, 2013: 1 month).

10.3 These represent borrowings secured against hypothecation of receivables and floating charge over term finance certificates. These carry mark-up at rate ranging from 10.66% to 11.16% per annum (December 31, 2013: 9.87% to 10.18% per annum) and are repayable within 2 years (December 31, 2013: 1 year).

10.4 These carry mark-up at rate ranging from 9.75% to 10.50% per annum (December 31, 2013: 9.45% to 9.75% per annum) and are repayable within 5 months (December 31, 2013: 3 months).

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(Un-audited)	(Audited)
June 30,	December 31,
2014	2013
----- (Rupees in '000) -----	

11. DEPOSITS AND OTHER ACCOUNTS

Certificates of investment - remunerative	11.1	<u>4,127,589</u>	<u>567,070</u>
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11.1 These deposits are placed with the Company at an interest rate of 9.65% to 10.50% per annum (December 31, 2013: 8.95% to 10.25% per annum). These are repayable within 2 months to 4 months (December 31, 2013: 1 month to 11 months).

12. OTHER LIABILITIES

Mark-up / return / interest payable in local currency	208,098	102,319
Accrued expenses	39,873	36,172
Payable against purchase of shares	85,875	-
Unearned commission	5,986	7,216
Security deposit against lease	152,709	136,989
Others	19,919	4,685
	<u>512,460</u>	<u>287,381</u>

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, 2013, except as follows:

13.1 Commitments in respect of government securities

Purchase (reverse repo)	-	-
Sale (repo)	<u>13,223,003</u>	<u>17,542,178</u>

13.2 Commitments to extend credit

<u>4,326,433</u>	<u>2,080,355</u>
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13.3 Other commitments

Receivable against sale of shares	<u>34,026</u>	<u>-</u>
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Quarter ended	Half year ended	Quarter ended	Half year ended
June 30,	June 30,	June 30,	June 30,
2014	2014	2013	2013

----- (Un-audited) -----

14. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after tax	<u>247,775</u>	<u>368,090</u>	<u>244,073</u>	<u>320,043</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>0.41</u>	<u>0.61</u>	<u>0.41</u>	<u>0.53</u>

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15. 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, 2014 (un-audited)			
Total income	15,330	1,130,732	382,072
Total expenses	11,171	820,673	278,467
Net income	4,159	310,059	103,605
Segment assets (gross)	-	24,679,841	6,049,147
Segment non performing advances	-	2,537	-
Investment provided for	-	344,533	-
Segment provision held *	-	243,102	-
Segment liabilities	-	17,770,381	4,355,600
Segment return on assets (ROA) (%)	-	2.31%	3.22%
Segment return on net assets (ROA) (%)	-	9.34%	6.37%
Segment cost of funds (%)	-	9.45%	9.45%
June 30, 2013 (un-audited)			
Total income	14,691	665,260	274,519
Total expenses	7,465	361,823	139,493
Net income	7,226	303,437	135,026
Segment return on assets (ROA) (%)	-	2.73%	5.34%
Segment return on net assets (ROA) (%)	-	9.27%	16.10%
Segment cost of funds (%)	-	7.40%	7.40%
Dec 31, 2013 (audited)			
Segment assets (gross)	-	8,685,422	5,625,642
Segment non performing advances	-	2,638	-
Investment provided for	-	428,291	-
Segment provision held *	-	265,453	-
Segment liabilities	-	3,316,769	2,148,307
Segment return on assets (ROA) (%)	-	4.66%	3.93%
Segment return on net assets (ROA) (%)	-	17.21%	6.22%
Segment cost of funds (%)	-	13.83%	13.83%

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

16. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS

The Company has related party relationship with:

- the subsidiary companies (Primus Investment Management Limited and) and Awwal Modaraba Management Limited)
- the associates (collective investment schemes of Primus Investment Management Limited)
- its defined 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;
- other related parties include Omer Jibran Engineering Industries Ltd., Nimir Industrial Chemicals Limited and Haq Bahu Sugar Mills (Pvt) Limited and Maple Leaf Cement Factory Limited.

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, 2014 (Un-audited)					For the year ended December 31, 2013 (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)					(Rupees in '000)				
Advances										
At beginning of the period / year	29,194	423,829	127,852	-	-	15,520	701,671	153,423	-	-
Advances made	469	297,916	18,068	-	-	19,147	117,570	-	-	-
Deleted during the period / year	-	-	-	-	-	(1,949)	(300,000)	-	-	-
Repaid during the period / year	(2,140)	(68,148)	(15,622)	-	-	(3,524)	(95,412)	(25,571)	-	-
At end of the period / year	27,523	653,597	130,298	-	-	29,194	423,829	127,852	-	-
Investments										
At beginning of the period / year	-	94,994	29,676	250,000	5,601,811	-	94,975	21,366	250,000	2,991,134
Addition/Investments made during the period / year	-	506,441	31,957,398	105,000	4,963,475	-	232,830	1,640,767	-	10,224,985
Redemption during the period / year	-	(174,173)	(17,437,857)	-	(5,928,969)	-	(232,811)	(1,632,457)	-	(7,614,308)
At end of the period / year	-	427,262	14,549,207	355,000	4,636,317	-	94,994	29,676	250,000	5,601,811
Placements										
At beginning of the period / year	-	-	-	-	-	-	-	-	-	-
Placements made during the period / year	-	-	1,112,410	-	-	-	-	27,896,197	-	-
Placements matured during the period / year	-	-	(1,112,410)	-	-	-	-	(27,896,197)	-	-
At end of the period / year	-	-	-	-	-	-	-	-	-	-
Borrowing										
At beginning of the period / year	-	-	13,263,851	-	575,000	-	-	2,909,539	-	-
Add: Received during the year	-	-	243,243,900	-	3,585,000	-	-	150,837,364	-	5,715,000
Less: Paid during the year	-	-	(237,126,911)	-	(3,860,000)	-	-	(140,483,052)	-	(5,140,000)
Closing Balance	-	-	19,380,840	-	300,000	-	-	13,263,851	-	575,000

Sum

	For the half year ended June 30, 2014 (Un-audited)					For the half year ended June 30, 2013 (Un-audited)				
	Key management personnel	Other related parties	State controlled entities	Subsidiary	Associates	Key management personnel	Other related parties	State controlled entities	Subsidiary	Associates
Mark-up / return / interest earned	431	68,130	8,658	-	-	238	52,531	18,817	-	-
Mark-up / return / interest expensed	-	-	364,512	-	28,423	-	6,005	190,763	-	-
Gain on sale of securities-net	-	17,865	12,960	-	60,960	-	-	15,685	-	2,030
Dividend income	-	-	3,764	-	186,666	-	-	88	-	146,911
Salaries and other benefits	32,513	-	-	-	-	41,974	-	-	-	-
Contribution to Provident Fund	1,560	-	-	-	-	1,299	-	-	-	-
Reimbursement of expenses	2,331	-	-	-	-	2,166	-	-	-	-
Expenses charged to subsidiary company (see note 16.1)	-	-	-	2,219	-	-	-	-	1,302	-

16.1 Group shared services

The transactions with related parties during the year includes costs (administrative expenses) charged by the Company under the cost sharing agreement entered into between the Company and its Subsidiary companies.

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17. GENERAL

17.1 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, SBP approved rating agency. Outlook on the assigned rating is "Stable".

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

17.3 Figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2014 and June 30, 2013 have not been subjected to limited scope review by the auditors as they are only required to review half-yearly figures.

18. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on 25-SEPT-2014 by Board of Directors of the Company.

Sham



Chief Executive



Director



Chairman

Director