



PAK BRUNEI INVESTMENT COMPANY LTD.

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

FOR THE HALF YEAR ENDED JUNE 30, 2013

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - (UN-AUDITED)
AS AT JUNE 30, 2013


June 30, 2013 (Un-audited) ----- (US \$ in '000) -----	December 31, 2012 (Audited)		June 30, 2013 (Un-audited) Note ----- (Rupees in '000) -----	December 31, 2012 (Audited)
ASSETS				
552	554	Cash and balances with treasury banks	54,553	54,763
161	3,211	Balances with other banks	15,873	317,222
7,946	-	Lendings to financial institutions	785,020	-
165,694	71,871	Investments - net	16,370,521	7,100,816
50,228	58,496	Advances - net	4,962,548	5,779,397
552	611	Operating fixed assets	54,520	60,329
-	136	Deferred tax assets - net	-	13,403
8,707	7,293	Other assets	860,257	720,507
233,839	142,170		23,103,292	14,046,437
LIABILITIES				
-	-	Bills payable	-	-
102,937	24,465	Borrowings from financial institutions	10,170,197	2,417,139
38,356	28,592	Deposits and other accounts	3,789,531	2,824,924
-	-	Sub-ordinated loans	-	-
-	-	Liabilities against assets subject to finance lease	-	-
46	-	Deferred tax liabilities - net	4,519	-
12,820	2,276	Other liabilities	1,266,598	224,841
154,158	55,333		15,230,845	5,466,904
79,681	86,837	NET ASSETS	7,872,447	8,579,533
REPRESENTED BY				
60,729	60,729	Share capital	6,000,000	6,000,000
6,274	5,626	Reserves	619,849	555,884
12,904	20,471	Unappropriated profit	1,274,943	2,022,531
79,907	86,826		7,894,792	8,578,415
(226)	11	Deficit on revaluation of assets - net of deferred tax	(22,345)	1,118
79,681	86,837		7,872,447	8,579,533
CONTINGENCIES AND COMMITMENTS				
			16	

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


 Chief Executive


 Director

Director


 Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2013

Half Year Ended June 30, 2013
 Half Year Ended June 30, 2012
 ----- (US \$ in '000) -----

Quarter Ended June 30, 2013
 Half Year Ended June 30, 2013
 Quarter Ended June 30, 2012
 Half Year Ended June 30, 2012
 Note ----- (Rupees in '000) -----

6,674	16,645	Mark-up / return / interest earned	370,224	659,400	870,812	1,644,504
3,872	12,181	Mark-up / return / interest expensed	247,596	382,589	635,342	1,203,529
2,802	4,463	Net mark-up / interest income	122,628	276,811	235,470	440,975
(1)	(182)	(Reversal)/provision against non-performing loans and advances	(102)	(102)	(17,813)	(17,933)
242	(191)	(Reversal)/Provision for diminution in the value of investments	11,938	23,881	(23,592)	(18,895)
-	-	Bad debts written off directly	-	-	-	-
241	(373)		11,836	23,779	(41,405)	(36,828)
2,561	4,836	Net mark-up / interest income after provisions	110,792	253,032	276,875	477,803

NON MARK-UP/ INTEREST INCOME

370	278	Fee, commission and brokerage income	23,241	36,590	24,654	27,476
1,439	621	Dividend income	141,571	142,148	21,680	61,341
1,253	695	Gain on sale of securities - net	117,519	123,817	31,338	68,643
-	-	Unrealized gain on revaluation of investments classified as held for trading	(1,206)	(1,206)	(504)	(1,044)
(12)	(11)	Other income	15,275	16,259	-	-
165	-					
3,215	1,583	Total non-markup / interest income	296,400	317,608	77,168	156,416
5,776	6,419		407,192	570,640	354,043	634,219

NON MARK-UP/ INTEREST EXPENSES

1,210	1,019	Administrative expenses	67,593	119,525	56,130	100,710
-	-	Other provisions / write offs	-	-	-	-
1	10	Other charges	49	109	909	966
1,211	1,029	Total non-markup / interest expenses	67,642	119,634	57,039	101,676
4,565	5,390		339,550	451,006	297,004	532,543
(70)	-	Share of profit/(loss) of associates	(60,415)	(6,962)	-	-
4,494	5,390	PROFIT BEFORE TAXATION	279,135	444,044	297,004	532,543

1,064	148	Taxation - Current	71,651	105,077	(57,216)	14,599
-	-	- Prior years	-	-	-	-
229	1,723	- Deferred	22,198	22,590	170,343	170,250
1,292	1,871		93,849	127,667	113,127	184,849
3,202	3,519	PROFIT AFTER TAXATION	185,286	316,377	183,877	347,694

-----US Dollar-----

0.0053 0.0059

Earnings Per Share - Basic and Diluted (Rupees)

-----Rupees -----

17 0.31 0.53 0.31 0.58

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


 Chief Executive


 Director


 Director


 Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
 CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2013

Half Year Ended June 30, 2013	Half Year Ended June 30, 2012		Quarter Ended June 30, 2013	Half Year Ended June 30, 2013	Quarter Ended June 30, 2012	Half Year Ended June 30, 2012
----- (US \$ in '000) -----			----- (Rupees in '000) -----			
3,202	3,519	Profit after taxation for the period	185,286	316,377	183,877	347,694
-	-	Other comprehensive income	-	-	-	-
<u>3,202</u>	<u>3,519</u>	Total comprehensive income for the period	<u>185,286</u>	<u>316,377</u>	<u>183,877</u>	<u>347,694</u>

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

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


 Chief Executive


 Director

 Director


 Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2013

Half Year Ended June 30, 2013	Half Year Ended June 30, 2012		Half year ended June 30, 2013	Half year ended June 30, 2012
----- (US \$ in '000) -----			----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES				
4,565	5,390	Profit before taxation	451,006	532,543
(1,439)	(621)	Less: Dividend income	(142,148)	(61,341)
<u>3,126</u>	<u>4,769</u>		<u>308,858</u>	<u>471,202</u>
Adjustments for non-cash charges				
83	41	Depreciation	8,156	4,068
12	9	Amortization	1,211	936
(1)	(182)	Provision against non performing advances	(102)	(17,933)
242	(191)	Provision for diminution in the value of investments	23,881	(18,895)
-	(7)	Gain on sale of investments	-	(690)
(0.50)	(0.01)	Gain on sale of propert & equipment	(49)	(1)
-	(139)	Interest income on investments	-	(13,780)
-	1	Return on bank balance	-	88
12	11	Unrealized gain on revaluation of investments classified as held for trading	1,206	1,044
-	8	Unrealized loss on interest rate swap contracts	-	767
-	-	Finance charges on leased assets	-	-
<u>347</u>	<u>(449)</u>		<u>34,303</u>	<u>(44,396)</u>
<u>3,473</u>	<u>4,320</u>		<u>343,161</u>	<u>426,806</u>
(Increase) / decrease in operating assets				
(7,946)	6,355	Lendings to financial institutions	(785,020)	627,841
(162)	63,045	Held-for-trading securities	(16,036)	6,228,889
8,268	(5,295)	Advances	816,849	(523,098)
(1,028)	(1,796)	Other assets (excluding advance taxation)	(101,580)	(177,413)
<u>(868)</u>	<u>62,310</u>		<u>(85,787)</u>	<u>6,156,219</u>
Increase in operating liabilities				
78,472	(44,511)	Borrowings from financial institutions	7,753,058	(4,397,683)
9,763	23,801	Deposits and other accounts	964,607	2,351,535
10,544	286	Other liabilities (excluding current taxation)	1,041,756	28,297
<u>98,780</u>	<u>(20,424)</u>		<u>9,759,421</u>	<u>(2,017,851)</u>
<u>101,385</u>	<u>46,206</u>		<u>10,016,795</u>	<u>4,565,174</u>
-	-	Financial charges paid	-	-
(1,440)	(1,996)	Income tax paid	(142,253)	(197,218)
<u>99,945</u>	<u>44,210</u>	Net cash flows from operating activities	<u>9,874,542</u>	<u>4,367,956</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
(68,417)	(47,008)	Net investments in available-for-sale securities	(6,759,605)	(4,644,371)
464	(4)	Net investments in held-to-maturity securities	45,843	(396)
(26,316)	-	Net Investment in Associates	(2,600,000)	-
-	(1)	Return on bank balance	-	(88)
1,429	790	Dividend income received	141,156	78,024
(37)	(432)	Investment in operating fixed assets	(3,625)	(42,638)
1	1	Sale proceeds from disposal of property and equipment	130	58
<u>(92,876)</u>	<u>(46,654)</u>	Net cash used in investing activities	<u>(9,176,101)</u>	<u>(4,609,411)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
-	-	Payments of lease obligations	-	-
(10,121)	(2,024)	Dividend paid	(1,000,000)	(200,000)
<u>(10,121)</u>	<u>(2,024)</u>	Net cash flows from financing activities	<u>(1,000,000)</u>	<u>(200,000)</u>
<u>(3,052)</u>	<u>(4,468)</u>	Increase / (decrease) in cash and cash equivalents	<u>(301,559)</u>	<u>(441,455)</u>
<u>3,765</u>	<u>7,458</u>	Cash and cash equivalents at beginning of the period	<u>371,985</u>	<u>736,875</u>
<u>713</u>	<u>2,990</u>	Cash and cash equivalents at end of the period	<u>70,426</u>	<u>295,420</u>

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


Chief Executive


Director

Director


Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
 CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2013

	Share capital	Statutory reserve	Unappropriated profit	Total
----- (Rupees in '000) -----				
Balance as at January 01, 2012	6,000,000	399,204	1,596,812	7,996,016
Comprehensive income - Profit after taxation for the six months ended June 30, 2012	-	-	347,694	347,694
Transfer to statutory reserve	-	69,539	(69,539)	-
Final cash dividend for the year ended December 31, 2011 declared subsequent to the year end at Rs.0.33 per share	-	-	(200,000)	(200,000)
Balance as at June 30, 2012	6,000,000	468,743	1,674,967	8,143,710
Comprehensive income - Profit after taxation for the six months ended December 31, 2012	-	-	434,705	434,705
Transfer to statutory reserve	-	87,213	(87,213)	-
Transfer to unappropriated profit	-	(72)	72	-
Balance as at December 31, 2012	6,000,000	555,884	2,022,531	8,578,415
Comprehensive income - Profit after taxation for the six months ended June 30, 2013	-	-	316,377	316,377
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 share	-	-	(1,000,000)	(1,000,000)
Balance as at June 30, 2013	6,000,000	619,849	1,274,943	7,894,792

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


 Chief Executive


 Director

 Director


 Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED JUNE 30, 2013

1. STATUS AND NATURE OF BUSINESS

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

Holding Company

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

Subsidiary Company

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

2. BASIS OF PRESENTATION AND CONSOLIDATION

2.1 Basis of presentation

These consolidated financial statements have been prepared from the information available in the un-audited financial statements of the holding company and subsidiary company for the period ended June 30, 2013. The accounting policies used by the subsidiary in preparation of their financial statements are consistent with that of the holding company.

2.2 Basis of Measurement

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

2.3 US Dollar equivalent

The US dollar amounts shown in the consolidated condensed interim statement of financial position, consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flow are stated as additional information solely for the convenience of readers. For this purpose of conversion to US Dollars, the rate of Rs. 98.80 to US Dollars has been used for both 2012 and 2013, as it was the prevalent rate as on June 30, 2013.

3. STATEMENT OF COMPLIANCE

- 3.1 These consolidated condensed interim financial statements of the Company for the period ended June 30, 2013 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 3.2 The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Non Banking Financial Institutions in Pakistan vide BSD Circular Letter number 11 dated September 11, 2002, till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks and NBFCs. Therefore, it is also not applicable on the Company as it follows the same format of reporting as made applicable on banks by the SBP and accordingly, the requirements of these standards have not been considered in the preparation of these unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.
- 3.3 The disclosures made in these consolidated condensed interim financial statements have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these consolidated condensed interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2012.

4. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2012.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates/judgments and associated assumptions used in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2012.

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, 2012.

		June 30, 2013 (Un-audited)	December 31, 2012 (Audited)
Note		----- (Rupees in '000) -----	
		485,020	-
		300,000	-
		785,020	-

7. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings (Reverse repo)
Term deposit receipts (TDRs)

7.2	485,020	-
7.3	300,000	-
	785,020	-

7.1 All lendings of the Company are in local currency.

7.2 This represents short-term lending to financial institution against government securities. These carry mark-up at a rate of 8.55% (December 31, 2012: Nil) and are due for maturity within 2 days (December 31, 2012: Nil).

7.3 The profit rate on TDRs is 9.75% per annum (December 31, 2012: Nil). TDR is due for maturity within 1 month (December 31, 2012: Nil).

8. INVESTMENTS - net

	Note	Held by Company	Given as collateral (Rupees in '000)	Total
Current period (June 30, 2013) - Un-audited	8.1	10,059,621	6,310,900	16,370,521
Prior year (December 31, 2012) - Audited	8.1	7,100,816	-	7,100,816
Prior year corresponding period (June 30, 2012) - Un-audited		7,785,588	16,440,366	24,225,954

June 30, 2013 (Un-audited)			December 31, 2012 (Audited)		
Held by Company	Given as collateral (Rupees in '000)	Total	Held by Company	Given as collateral (Rupees in '000)	Total

8.1 Investments by type:

Held-for-trading securities

Market Treasury Bills	-	-	-	-	-
Pakistan Investment Bonds	-	-	-	-	-
Ordinary shares of listed companies	16,036	-	16,036	-	-
	16,036	-	16,036	-	-

Available- for- sale securities

Market Treasury Bills	1,602,296	6,173,000	7,775,296	880,117	-	880,117
Pakistan Investment Bonds	-	-	-	-	-	-
Ordinary shares of listed companies	519,076	-	519,076	319,707	-	319,707
Ordinary shares of un-listed companies	124,670	-	124,670	121,375	-	121,375
Term Finance Certificates and Sukuks	2,007,482	127,179	2,134,661	2,511,797	-	2,511,797
Mutual Funds	280,894	-	280,894	28,835	-	28,835
Preference Shares	95,510	-	95,510	85,625	-	85,625
	4,629,928	6,300,179	10,930,107	3,947,456	-	3,947,456

Held-to-maturity securities

Term Finance Certificates and Sukuks	140,037	5,350	145,387	191,230	-	191,230
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Investment in associates	5,563,899	-	5,563,899	3,220,460	-	3,220,460
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Investments at cost	10,349,900	6,305,529	16,655,429	7,359,146	-	7,359,146
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Less: Provision for diminution in value of Investments	(260,056)	-	(260,056)	(262,815)	-	(262,815)
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Investments (net of provisions)	10,089,844	6,305,529	16,395,373	7,096,331	-	7,096,331
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Surplus on revaluation of held-for-trading securities	(1,206)	-	(1,206)	-	-	-
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(Deficit) / surplus on revaluation of available-for-sale securities - net	(29,017)	5,371	(23,646)	4,485	-	4,485
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Total investments at market value	10,059,621	6,310,900	16,370,521	7,100,816	-	7,100,816
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		June 30, 2013 (Un-audited)	December 31, 2012 (Audited)
	Note	----- (Rupees in '000) -----	
9. ADVANCES - net			
Loans, cash credits, running finances, etc. - In Pakistan		3,522,653	4,296,219
LTFE scheme under State Bank of Pakistan		939,933	936,165
Margin financing / margin trading system - In Pakistan		-	-
Net investment in finance lease - in Pakistan		502,499	549,651
Advances - gross		<u>4,965,085</u>	<u>5,782,035</u>
Provision for non-performing advances - Specific	9.1	(2,537)	(2,638)
Provision for non-performing advances - General		-	-
		<u>(2,537)</u>	<u>(2,638)</u>
Advances - net of provision		<u>4,962,548</u>	<u>5,779,397</u>

9.1 Advances include Rs. 2.537 million (December 31, 2012: Rs. 2.638 million), which have been placed under non-performing status as detailed below:

	June 30, 2013 (Un-audited)				
	Rupees in '000				
	Non-performing loans			Provision	Provision
<u>Category of Classification</u>	Domestic	Overseas	Total	Required	Held
Other assets especially mentioned	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	2,537	-	2,537	2,537	2,537
	<u>2,537</u>	<u>-</u>	<u>2,537</u>	<u>2,537</u>	<u>2,537</u>

	December 31, 2012 (Audited)				
	Rupees in '000				
	Non-performing loans			Provision	Provision
<u>Category of Classification</u>	Domestic	Overseas	Total	Required	Held
Other assets especially mentioned	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	2,638	-	2,638	2,638	2,638
	<u>2,638</u>	<u>-</u>	<u>2,638</u>	<u>2,638</u>	<u>2,638</u>

	June 30, 2013 (Un-audited)	December 31, 2012 (Audited)
Note	----- (Rupees in '000) -----	

10. OPERATING FIXED ASSETS

Additions during the six months period ended June 30, 2013 amounted to Rs.3.641 million (2012: Rs.41.943 million) while disposals had a cost of Rs.0.263 million (2012: Rs.0.087 million) and written down value of Rs.0.082 million (2012: Rs.0.57 million).

	June 30, 2013 (Un-audited)	December 31, 2012 (Audited)
Note	----- (Rupees in '000) -----	

11. OTHER ASSETS

Income / mark-up accrued in local currency	245,060	279,491
Non-banking assets acquired in satisfaction of claims	-	209,652
Advances, deposits and other prepayments	67,992	75,041
Unrealised gain on interest rate swap contracts	-	-
Advance tax (payment less provision)	177,302	140,125
Dividend receivable	60,273	59,281
Receivable from subsidiary - Primus Investment Management Limited	-	
Receivable against sale of shares and assets acquired in satisfaction of claims - non-banking assets	11.1 349,135	-
Receivable from associates	10,495	6,917
	<u>910,257</u>	<u>770,507</u>
Less: Provision held against advances, deposits and other prepayments	(50,000)	(50,000)
Other assets (net of provision)	<u>860,257</u>	<u>720,507</u>

- 11.1 This represents receivable arising on account of deferred sale consideration for sale of certain listed equity securities and properties (which were previously classified under 'assets acquired in satisfaction of claims') at a marked-up price determined in accordance with a sale agreement dated May 30, 2013. The balance outstanding at the end of the current period will be received by the Company as per the terms and conditions of the underlying agreement latest by August 2015. The shares will be released as and when payments are received while the title to the properties will be transferred by the Company only upon receipt of the entire sale consideration as agreed under the above agreement. The above sale agreement resulted in a gain on settlement of Rs.50.960 million and Rs.13.020 million on derecognition of listed equity securities and assets acquired in satisfaction of claims, respectively.

12. BORROWINGS FROM FINANCIAL INSTITUTIONS

Secured

Borrowings from State Bank of Pakistan under LTFF Scheme	939,933	937,139
Repurchase agreement borrowings (Repo)	6,110,264	-
Borrowing from banks	1,850,000	1,100,000
	<u>8,900,197</u>	<u>2,037,139</u>

Unsecured

Letters of placement	1,270,000	380,000
	<u>10,170,197</u>	<u>2,417,139</u>

June 30, 2013 (Un-audited)	December 31, 2012 (Audited)
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13. DEPOSITS AND OTHER ACCOUNTS Note ----- (Rupees in '000) -----

Certificate of investment - remunerative	13.1	<u>3,789,531</u>	<u>2,824,924</u>
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13.1 These deposits are placed with the Company at an interest rate of 9.05% to 10.15% per annum (December 31, 2012: 9.70% to 12.00% per annum). These are repayable within 1 month to 10 months (December 31, 2012: 1 month to 11 months).

14. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

June 30, 2013 (Un-audited)	December 31, 2012 (Audited)		June 30, 2013 (Un-audited)	December 31, 2012 (Audited)
----- (Number of shares) -----		Note	----- (Rupees in '000) -----	
<u>600,000,000</u>	<u>600,000,000</u>	Ordinary shares of Rs. 10 each fully paid in cash	<u>6,000,000</u>	<u>6,000,000</u>

14.1 The Ministry of Finance and Secretary Economic Affairs Division holds 299,996,000 and 4,001 shares (December 31, 2012: 299,996,000 and 4,001 shares) respectively on behalf of Government of Pakistan and remaining 300,000,000 shares (December 31, 2012: 300,000,000 shares) are held by Brunei Investment Agency.

June 30, 2013 (Un-audited)	December 31, 2012 (Audited)
----- (Rupees in '000) -----	

15. DEFICIT ON REVALUATION OF ASSETS - net of deferred tax

Federal Government Securities	2,952	1,652
Term Finance Certificates	5,025	3,619
Listed shares and units of mutual funds	<u>(31,625)</u>	<u>(786)</u>
	(23,648)	4,485
Deferred tax asset recognised	1,303	(3,367)
	<u>(22,345)</u>	<u>1,118</u>

16. CONTINGENCIES AND COMMITMENTS

16.1 Transaction related contingent liability

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

	June 30, 2013 (Un-audited)	December 31, 2012 (Audited)
	----- (Rupees in '000) -----	
16.3	Commitments for trading in government securities	
	485,474	-
	Purchase (reverse repo)	
	6,136,983	-
	Sale (repo)	
16.4	<u>722,119</u>	<u>716,013</u>

16.5 There has been no change in the status of tax contingencies and contingency relating to WWF as disclosed in last annual audited financial statements for the year ended December 31, 2012.

17. EARNINGS PER SHARE - BASIC AND DILUTED

	Quarter Ended June 30, 2013	Half Year Ended June 30, 2013	Quarter Ended June 30, 2012	Half Year Ended June 30, 2012
	----- (Un-audited) -----			
Profit after taxation for the period attributable to ordinary shareholders (Rupees in '000)	<u>185,286</u>	<u>316,377</u>	<u>183,877</u>	<u>347,694</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 (Rupees)	<u>0.31</u>	<u>0.53</u>	<u>0.31</u>	<u>0.58</u>

18. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate Finance	Trading & Sales	Commercial Banking
	----- (Rupees in '000) -----		
June 30, 2013 - Un-audited			
Total income	36,590	665,899	274,519
Total expenses	24,197	369,274	139,493
Net income	12,393	296,625	135,026
Segment assets (gross)	-	18,591,718	4,764,839
Segment non performing loans	-	2,537	-
Investment provided for	-	370,951	-
Segment provision held	-	262,593	-
Segment liabilities	-	12,121,782	3,106,670
Segment Return on Assets (ROA) (%)	-	3.35%	5.34%
Segment Return on net Assets (ROA) (%)	-	8.98%	16.10%
Segment cost of funds (%)	-	7.40%	7.40%
June 30, 2012 - Un-audited			
Total income	27,476	1,459,343	299,543
Total expenses	19,993	1,025,077	217,877
Net income	7,483	434,266	81,666
Segment assets (gross)	-	25,815,906	5,351,362
Segment non performing loans	-	2,779	-
Investment provided for	-	419,618	-
Segment provision held	-	310,060	-
Segment liabilities	-	18,718,199	3,880,101
Segment Return on Assets (ROA) (%)	-	3.21%	3.26%
Segment Return on net Assets (ROA) (%)	-	13.09%	11.86%
Segment cost of funds (%)	-	10.32%	10.32%

19. RELATED PARTY TRANSACTIONS

The Company has related party relationship with:

- subsidiary company (Primus Investment Management Limited)
- associated company (collective investment schemes of Primus Investment Management Limited)
- its employee defined contribution plan;
- its key management personnel;
- other related parties include Omer Jibran Engineering Industries Ltd., Nimir Industrial Chemicals Limited, Maple Leaf Cement and Haq Bahu Sugar Mills (Pvt) Limited due to common directorship.

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

	For the half year ended June 30, 2013 (Un-audited)			For the year ended December 31, 2012 (Audited)		
	Key management personnel	Other related parties	Associates	Key management personnel	Other related parties	Associates
	----- (Rupees in '000) -----					
Advances						
At beginning of the period / year	23,626	693,565	-	23,286	474,000	-
Maple Leaf (added)	-	87,570	-	-	-	-
OK Feed (removed)	-	(300,000)	-	-	-	-
Given during the period	6,112	-	-	8,634	300,000	-
Repaid during the period	(1,411)	(50,701)	-	(8,294)	(80,435)	-
At end of the period	<u>28,327</u>	<u>430,434</u>	<u>-</u>	<u>23,626</u>	<u>693,565</u>	<u>-</u>
Borrowings						
At beginning of the period	-	-	-	-	-	-
Given during the period	-	-	1,100,000	-	500,000	-
Redemption during the period	-	-	(550,000)	-	(500,000)	-
At end of the period	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments						
At beginning of the period	-	334,965	3,241,144	-	15,000	-
Maple Leaf (added)	-	340,341	-	-	-	-
Investments made during the period	-	65,222	3,063,696	-	98,437	4,465,000
Transfer	-	-	-	-	(15,000)	-
Redemption during the period	-	(289,971)	(449,589)	-	236,528	(1,223,856)
At end of the period	<u>-</u>	<u>450,557</u>	<u>5,855,251</u>	<u>-</u>	<u>334,965</u>	<u>3,241,144</u>
	For the half year ended June 30, 2013 (Un-audited)			For the half year ended June 30, 2012 (Un-audited)		
	Key management personnel	Other related parties	Associates	Key management personnel	Other related parties	Associates
	----- (Rupees in '000) -----					
Mark-up / return / interest earned	<u>238</u>	<u>28,443</u>	<u>-</u>	<u>297</u>	<u>35,081</u>	<u>-</u>
Mark-up / return / interest expensed	<u>-</u>	<u>24,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gain on sale of securities - net	<u>-</u>	<u>-</u>	<u>2,030</u>	<u>-</u>	<u>-</u>	<u>-</u>
Dividend Income	<u>-</u>	<u>-</u>	<u>146,911</u>	<u>-</u>	<u>-</u>	<u>-</u>
Salaries and other benefits	<u>49,260</u>	<u>-</u>	<u>-</u>	<u>35,927</u>	<u>-</u>	<u>-</u>
Contribution to Provident Fund	<u>1,299</u>	<u>-</u>	<u>-</u>	<u>1,474</u>	<u>-</u>	<u>-</u>
Re-imbusement of expenses	<u>2,166</u>	<u>-</u>	<u>-</u>	<u>4,532</u>	<u>-</u>	<u>-</u>

20. GENERAL

20.1 Credit Rating

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

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

21. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 23-September-2013 by Board of Directors of the Company


Chief Executive


Director

Director


Chairman