

**Pak Brunei Investment
Company Limited**

Condensed Interim Financial Statements
for the six month period
ended June 30, 2011

REVIEW REPORT TO THE MEMBERS ON CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pak Brunei Investment Company Limited (the Company)** as at June 30, 2011 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and the relevant notes for the six-month period then ended (hereinafter referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of the condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements 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 condensed interim financial statements 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 condensed interim financial statements as of and for the six-month period ended June 30, 2011 are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarters ended June 30, 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2011.

M. Yousuf Adil Saleem & Co
Chartered Accountants

Karachi

Date: 27 AUG 2011

PAK BRUNEI INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
 AS AT JUNE 30, 2011

June 30, 2011
 (Un-audited)
 ----- (US \$ in '000) -----

December 31, 2010
 (Audited)

June 30, 2011
 (Un-audited)
 Note ----- (Rupees in '000) -----

December 31, 2010
 (Audited)

ASSETS

700	360
3,728	1,518
6,845	14,279
177,093	115,244
43,667	28,818
205	245
365	-
10,231	7,335
<u>242,834</u>	<u>167,799</u>

Cash and balances with treasury banks
 Balances with other banks
 Lendings to financial institutions
 Investments - net
 Advances - net
 Operating fixed assets
 Deferred tax assets - net
 Other assets

59,954	30,803
319,258	129,969
6 586,135	1,222,727
7 15,164,411	9,868,363
8 3,739,212	2,467,643
9 17,529	21,013
31,260	-
876,077	628,093
<u>20,793,836</u>	<u>14,368,611</u>

LIABILITIES

-	-
133,144	69,408
17,155	9,856
-	-
-	-
-	580
3,179	2,207
<u>153,478</u>	<u>82,051</u>
<u>89,356</u>	<u>85,748</u>

Bills payable
 Borrowings from financial institutions
 Deposits and other accounts
 Sub-ordinated loans
 Liabilities against assets subject to finance lease
 Deferred tax liabilities - net
 Other liabilities

-	-
11,401,102	5,943,385
10 1,469,000	844,000
-	-
-	-
-	49,667
272,178	189,000
<u>13,142,280</u>	<u>7,026,052</u>
<u>7,651,556</u>	<u>7,342,559</u>

NET ASSETS

REPRESENTED BY

70,069	70,069
4,018	3,250
16,074	13,001
<u>90,161</u>	<u>86,320</u>
(805)	(572)
<u>89,356</u>	<u>85,748</u>

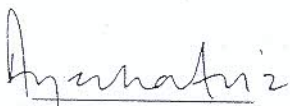
Share capital
 Reserves
 Unappropriated profit
 Deficit on revaluation of assets - net of deferred tax

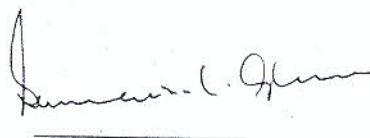
11 6,000,000	6,000,000
344,101	278,311
1,376,403	1,113,241
<u>7,720,504</u>	<u>7,391,552</u>
12 (68,948)	(48,993)
<u>7,651,556</u>	<u>7,342,559</u>


CONTINGENCIES AND COMMITMENTS


13

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


 Chief Executive


 Director


 Director


 Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2011

Half Year Ended June 30, 2011
 Half Year Ended June 30, 2010
 ---- (US \$ in '000) ----

Quarter Ended June 30, 2011
 Half Year Ended June 30, 2011
 Quarter Ended June 30, 2010
 Half Year Ended June 30, 2010
 Note ----- (Rupees in '000) -----

11,724	9,339	Mark-up / return / interest earned	517,028	1,003,948	404,392	799,729
6,079	4,362	Mark-up / return / interest expensed	280,910	520,569	189,144	373,494
5,645	4,977	Net mark-up / interest income	236,118	483,379	215,248	426,235
146	13	(Reversal) / provision against non-performing loans and advances	12,663	12,514	(10,834)	1,148
332	884	Provision for diminution in the value of investments	28,433	28,433	77,178	75,733
-	-	Bad debts written off directly	-	-	-	-
478	897		41,096	40,947	66,344	76,881
5,167	4,080	Net mark-up / interest income after provisions	195,022	442,432	148,904	349,354

NON MARK-UP/ INTEREST INCOME

332	486	Fee, commission and brokerage income	21,022	28,441	38,100	41,577
400	13	Dividend income	14,183	34,220	18	1,143
589	759	Gain on sale of securities - net	17,579	50,455	16,203	65,001
302	-	Unrealized gain on revaluation of investments classified as held for trading	25,157	25,893	-	-
2	2	Other income	11	184	480	143
1,625	1,260	Total non-markup / interest income	77,952	139,193	54,801	107,864
6,792	5,340		272,974	581,625	263,705	457,218

NON MARK-UP/ INTEREST EXPENSES

1,159	1,018	Administrative expenses	47,524	99,214	44,975	87,142
-	-	Other provisions / write offs	-	-	-	-
11	2	Other charges	(40)	916	-	202
1,170	1,020	Total non-markup / interest expenses	47,484	100,130	44,975	87,344
5,622	4,320	Extra ordinary / unusual items	225,490	481,495	158,730	369,874
-	-		-	-	-	-
5,622	4,320	PROFIT BEFORE TAXATION	225,490	481,495	158,730	369,874

2,772	1,577	Taxation - Current	160,534	237,336	63,130	135,012
-	-	- Prior years	-	-	-	-
(990)	(59)	- Deferred	(92,473)	(84,793)	(7,015)	(5,079)
1,782	1,518		68,061	152,543	56,115	129,933
3,840	2,802	PROFIT AFTER TAXATION	157,429	328,952	102,615	239,941

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

0.0064 0.0048

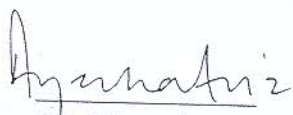
Earnings Per Share - Basic and Diluted (Rupees)

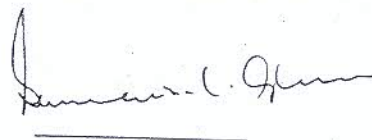
14


-----Rupees-----

0.26 0.55 0.17 0.41

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


 Chief Executive


 Director


 Director

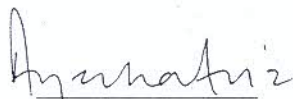

 Chairman

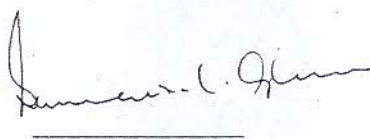
PAK BRUNEI INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2011

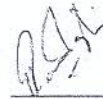
Half Year Ended June 30, 2011 ----- (US \$ in '000) -----	Half Year Ended June 30, 2010		Quarter Ended June 30, 2011	Half Year Ended June 30, 2011	Quarter Ended June 30, 2010	Half Year Ended June 30, 2010 ----- (Rupees in '000) -----
3,840	2,802	Profit after taxation for the period	157,429	328,952	102,615	239,941
-	-	Other comprehensive income	-	-	-	-
<u>3,840</u>	<u>2,802</u>	Total comprehensive income for the period	<u>157,429</u>	<u>328,952</u>	<u>102,615</u>	<u>239,941</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 18 form an integral part of these condensed interim financial statements.


 Chief Executive


 Director

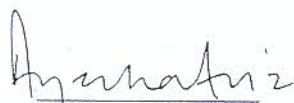

 Director

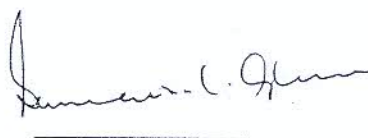

 Chairman

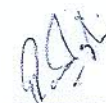
PAK BRUNEI INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2011


Half Year Ended June 30, 2011	Half Year Ended June 30, 2010		Half year ended June 30, 2011	Half year ended June 30, 2010
(US \$ in '000)			(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES				
5,623	4,319	Profit before taxation	481,495	369,874
(400)	(13)	Less: Dividend income	(34,220)	(1,143)
5,223	4,306		447,275	368,731
Adjustments for non-cash charges				
42	56	Depreciation	3,559	4,837
12	14	Amortization	1,020	1,173
146	13	Provision against non performing advances	12,514	1,148
332	884	Provision for diminution in the value of investments	28,433	75,733
-	126	Transfer from fixed assets to staff loans	-	10,788
-	(2)	Gain on sale of fixed assets	-	(134)
(302)	-	Unrealized gain on revaluation of investments classified as held for trading	(25,893)	-
11	2	Unrealized loss on interest rate swap contracts	916	200
-	13	Finance charges on leased assets	-	1,113
241	1,106		20,549	94,858
5,464	5,412		467,824	463,589
(Increase) / decrease in operating assets				
7,434	10,875	Lendings to financial institutions	636,592	931,259
(2,623)	183	Held-for-trading securities	(224,567)	15,671
(14,996)	(11,001)	Advances	(1,284,083)	(941,983)
(3,921)	(1,931)	Other assets (excluding advance taxation)	(335,759)	(165,380)
(14,106)	(1,874)		(1,207,817)	(160,433)
Increase in operating liabilities				
63,736	28,699	Borrowings from financial institutions	5,457,717	2,457,496
7,299	1,763	Deposits and other accounts	625,000	151,000
857	747	Other liabilities (excluding current taxation)	73,382	63,975
71,892	31,209		6,156,099	2,672,471
63,250	34,747		5,416,106	2,975,627
-	(15)	Financial charges paid	-	(1,268)
1,606	(2,432)	Income tax paid	137,434	(208,251)
61,644	32,300	Net cash flows from operating activities	5,278,672	2,766,108
CASH FLOWS FROM INVESTING ACTIVITIES				
(59,443)	(38,693)	Net investments in available-for-sale securities	(5,090,109)	(3,313,312)
362	13	Dividend income received	30,972	1,143
(13)	(51)	Investment in operating fixed assets	(1,095)	(4,382)
-	12	Sale proceeds from disposal of property and equipment	-	993
(59,094)	(38,719)	Net cash used in investing activities	(5,060,232)	(3,315,558)
CASH FLOWS FROM FINANCING ACTIVITIES				
-	(188)	Payments of lease obligations	-	(16,118)
-	5,839	Issue of right shares	-	500,000
-	5,651	Net cash flows from financing activities	-	483,882
2,550	(768)	Increase / (decrease) in cash and cash equivalents	218,440	(65,568)
1,878	2,520	Cash and cash equivalents at beginning of the period	160,772	215,784
4,428	1,752	Cash and cash equivalents at end of the period	379,212	150,216

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


 Chief Executive


 Director

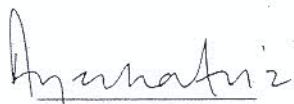

 Director

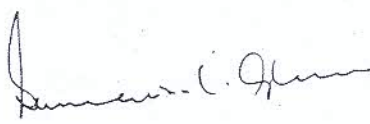

 Chairman


PAK BRUNEI INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE HALF YEAR ENDED JUNE 30, 2011

	Share capital	Statutory reserve	Unappropriated profit	Total
----- (Rupees in '000) -----				
Balance as at December 31, 2009	5,000,000	162,093	648,369	5,810,462
Comprehensive income - Profit after taxation for the six months ended June 30, 2010	-	-	239,941	239,941
Transfer to statutory reserve	-	47,988	(47,988)	-
Transactions with owners - Issue of right shares	1,000,000			1,000,000
Balance as at June 30, 2010	6,000,000	210,081	840,322	7,050,403
Comprehensive income - Profit after taxation for the six months ended December 31, 2010	-	-	341,149	341,149
Transfer to statutory reserve	-	68,230	(68,230)	-
Balance as at December 31, 2010	6,000,000	278,311	1,113,241	7,391,552
Comprehensive income - Profit after taxation for the six months ended June 30, 2011	-	-	328,952	328,952
Transfer to statutory reserve	-	65,790	(65,790)	-
Balance as at June 30, 2011	6,000,000	344,101	1,376,403	7,720,504

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


 Chief Executive


 Director


 Director


 Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2011

1. STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) was incorporated in Pakistan as an un-listed public limited company under the Companies Ordinance 1984. The State Bank of Pakistan (SBP) granted the approval for commencement of business with effect from August 20, 2007. The Company is a joint venture between the Government of Pakistan and the Brunei Investment Agency. The Company's objective interalia includes making investments in the industrial and agri based industrial fields in Pakistan on commercial basis through carrying out of industrial and agri based industrial projects and making of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the Company is situated at Khadija Towers, Plot No. 11/5, Block No. 2, Scheme No. 5, Clifton, Karachi, Pakistan.

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements of the Company for the six months period ended June 30, 2011 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.
- 2.2 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 condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.
- 2.3 The disclosures made in these 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 condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2010.
- 2.4 The US dollar amounts shown in the condensed interim statement of financial position, condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement are stated solely for information purposes. For this purpose the amounts in Pakistan rupees have been converted into US Dollar at a rate of Rs. 85.63= US dollar 1 for the six months ended June 30, 2011 and the corresponding period.

Muhammad Asif

2.5 These condensed interim financial statements are un-audited but subject to a limited scope review by the external auditors of the Company and are being submitted to shareholders in accordance with section 245 of the Companies Ordinance, 1984.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2010.

4. 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, 2010.

5. 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, 2010.

6. LENDINGS TO FINANCIAL INSTITUTIONS

		June 30, 2011 (Un-audited)	December 31, 2010 (Audited)
Note		----- (Rupees in '000) -----	-----
	Repurchase agreement lendings (Reverse repo)	6.2 571,135	22,727
	Letter of placement	6.3 -	100,000
	Term deposit receipts (TDRs)	6.4 15,000	1,100,000
		<u>586,135</u>	<u>1,222,727</u>

6.1 All lendings of the Company are in local currency.

6.2 This represents short-term lending to financial institutions against government securities. These carry mark-up at a rate of 13.9% per annum (December 31, 2010: 12.50% per annum) and are due for maturity within 2 days.

6.3 The profit rate on placement is Nil (December 31, 2010 : 13.8% per annum). Placement is due for maturity within Nil (December 31 2010 : 3 days).

6.4 The profit rate on these TDRs is 14.5% per annum (December 31, 2010: 13.6% to 14% per annum). All TDRs are due for maturity within 4 days (December 31, 2010: within 2 months).

My AS

7. INVESTMENTS - net

	Note	Held by Company	Given as collateral (Rupees in '000)	Total
Current period (June 30, 2011) - Un-audited	7.1	5,767,900	9,396,511	15,164,411
Prior year (December 31, 2010) - Audited	7.1	4,817,543	5,050,820	9,868,363
Prior year corresponding period (June 30, 2010) - Un-audited		4,871,921	6,706,085	11,578,006

June 30, 2011 (Un-audited)			December 31, 2010 (Audited)		
Held by Company	Given as collateral (Rupees in '000)	Total	Held by Company	Given as collateral (Rupees in '000)	Total

7.1 Investments by type:

Held-for-trading securities

Ordinary shares of listed companies	224,567	-	224,567	-	-	-
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Available-for-sale securities

Market Treasury Bills	552,365	9,394,646	9,947,011	408,668	4,835,485	5,244,153
Pakistan Investment Bonds	243,760	-	243,760	-	242,930	242,930
Ordinary shares of listed companies	743,630	-	743,630	283,552	-	283,552
Ordinary shares of un-listed companies	100,000	-	100,000	-	-	-
Term Finance Certificates and Sukuks	3,680,077	-	3,680,077	4,269,039	-	4,269,039
Mutual Funds	428,836	-	428,836	28,840	-	28,840
Preference Shares	21,500	-	21,500	6,500	-	6,500
	5,770,168	9,394,646	15,164,814	4,996,599	5,078,415	10,075,014

Held-to-maturity securities

Term Finance Certificates and Sukuks	190,060	-	190,060	189,751	-	189,751
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Investments at cost	6,184,795	9,394,646	15,579,441	5,186,350	5,078,415	10,264,765
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Less: Provision for diminution in value of Investments	(364,494)	-	(364,494)	(336,061)	-	(336,061)
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Investments (net of provisions)	5,820,301	9,394,646	15,214,947	4,850,289	5,078,415	9,928,704
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Surplus on revaluation of held-for-trading securities	25,893	-	25,893	-	-	-
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(Deficit) / surplus on revaluation of available-for-sale securities - net	(78,294)	1,865	(76,429)	(32,746)	(27,595)	(60,341)
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Total investments at market value	5,767,900	9,396,511	15,164,411	4,817,543	5,050,820	9,868,363
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		June 30, 2011 (Un-audited) ----- (Rupees in '000) -----	December 31, 2010 (Audited)
8. ADVANCES - net			
Loans, cash credits, running finances, etc. - In Pakistan		3,064,406	1,837,725
Long term finance facility scheme under State Bank of Pakistan		385,225	326,109
Margin financing / margin trading system - In Pakistan		105,428	88,200
Net investment in finance lease - in Pakistan		204,196	223,138
Advances - gross		3,759,255	2,475,172
Provision for non-performing advances - Specific	8.1	(1,054)	(1,684)
Provision for non-performing advances - General		(18,989)	(5,845)
	8.2	(20,043)	(7,529)
Advances - net of provision		3,739,212	2,467,643

8.1 Advances include Rs. 4.2 million (December 31, 2010: Rs. 6.7 million), which have been placed under non-performing status as detailed below:

Category of Classification	June 30, 2011 (Un-audited)				
	Rupees in '000			Provision Required	Provision Held
	Domestic	Overseas	Total		
Other assets especially mentioned	-	-	-	-	-
Substandard	4,216	-	4,216	1,054	1,054
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	4,216	-	4,216	1,054	1,054

Note	December 31, 2010 (Audited)				
	Rupees in '000			Provision Required	Provision Held
	Domestic	Overseas	Total		
Other assets especially mentioned	-	-	-	-	-
Substandard	6,736	-	6,736	1,684	1,684
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	6,736	-	6,736	1,684	1,684

8.2 The provision held against non-performing advances as at June 30, 2011 includes a general provision of Rs. 18.9 million (December 31, 2010: Rs. 5.8 million).

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Note	June 30,	December 31,
	2011	2010
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	

9. OPERATING FIXED ASSETS

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

	June 30, 2011	December 31, 2010
Property and equipment		
Furniture and fixtures	19	1,906
Leasehold improvements	-	1,916
Office equipment	17	250
Computers	615	1,706
Vehicles	-	541
Others - mobile phones	59	15
	710	6,334
Intangible assets - software	486	1,014
Capital work in progress - office renovation	-	101
	<u>1,196</u>	<u>7,449</u>

During the period, disposals from operating fixed assets were as follows:

Property and equipment		
Vehicles - owned	-	5,685
Others - mobile phone	29	30
	<u>29</u>	<u>5,715</u>

Note	June 30,	December 31,
	2011	2010
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	

10. DEPOSITS AND OTHER ACCOUNTS

Certificate of investment - remunerative	10.1	<u>1,469,000</u>	<u>844,000</u>
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10.1 These deposits are placed with the Company at an interest rate of 12.75% to 13.95% per annum (December 31, 2010: 12% to 13.2% per annum). These are repayable within 2 months to 6 months (December 31, 2010: 1 month to 10 months).

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11. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

June 30, 2011 (Un-audited) ----- (Number of shares) -----	December 31, 2010 (Audited)		Note	June 30, 2011 (Un-audited) ----- (Rupees in '000) -----	December 31, 2010 (Audited)
<u>600,000,000</u>	<u>600,000,000</u>	Ordinary shares of Rs. 10 each fully paid in cash	11.1	<u>6,000,000</u>	<u>6,000,000</u>

11.1 The Ministry of Finance and Secretary Economic Affairs Division holds 299,996,000 and 4,001 shares (December 31, 2010: 299,996,000 and 4,001 shares) respectively on behalf of Government of Pakistan and remaining 300,000,000 shares (December 31, 2010: 300,000,000 shares) are held by Brunei Investment Agency.

June 30, 2011 (Un-audited) ----- (Rupees in '000) -----	December 31, 2010 (Audited)
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12. DEFICIT ON REVALUATION OF ASSETS - net of deferred tax

Federal Government Securities	(9,866)	(28,304)
Term Finance Certificates	(21,294)	(31,660)
Quoted Shares and Units of Mutual Funds	(45,269)	(377)
	(76,429)	(60,341)
Deferred tax asset recognised	7,481	11,348
	<u>(68,948)</u>	<u>(48,993)</u>

13. CONTINGENCIES AND COMMITMENTS

13.1 Transaction related contingent liability

Standby letter of credit	<u>425,001</u>	<u>425,001</u>
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13.2 Dawood Islamic Bank Limited filed a legal suit 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.

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	June 30, 2011 (Un-audited)	December 31, 2010 (Audited)
	----- (Rupees in '000) -----	
13.3	Commitment for acquisition of software	150
13.4	Commitments for trading in government securities	
	Purchase (reverse repo)	22,751
	Sale (repo)	5,097,961
13.5	Commitments to extend credit	785,670
13.6	There is no change in tax status in respect of tax years 2008 and 2009 as disclosed in the financial statements for the year ended December 31, 2010. However, during the period the tax authority amended tax return for tax year 2010 and disallowed accounting of amortization of discount on securities claimed as deduction, raised concerns on allocation of finance cost on short-term borrowings to normal business income of the Company, and charged Workers' Welfare Fund on the Company's profits. Rectification application for the aforesaid matters has been filed with Assistant Commissioner Inland Revenue (ACIR). The rectified order has still not been received.	

14. EARNINGS PER SHARE - BASIC AND DILUTED

	Quarter Ended June 30, 2011	Half Year Ended June 30, 2011	Quarter Ended June 30, 2010	Half Year Ended June 30, 2010
	----- (Un-audited) -----			
Profit after taxation for the period attributable to ordinary shareholders (Rupees in '000)	157,429	328,952	102,615	239,941
Weighted average number of ordinary shares outstanding during the period (in '000)	600,000	600,000	600,000	582,873
Basic and diluted earnings per share (Rupees)	0.26	0.55	0.17	0.41

15. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate Finance	Trading & Sales	Commercial Banking	Total
	----- (Rupees in '000) -----			
June 30, 2011 - Un-audited				
Total income	28,441	920,070	194,630	1,143,141
Total expenses	16,462	532,533	112,651	661,646
Net income	11,979	387,537	81,979	481,495
June 30, 2010 - Un-audited				
Total income	41,577	766,768	99,248	907,593
Total expenses	21,106	466,230	50,383	537,719
Net income	20,471	300,538	48,865	369,874

16. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its associated undertakings, employee contribution plans, and its key management personnel (including their associates). There are no transactions with key management personnel other than under the terms of employment.

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

	For the half year ended June 30, 2011 (Un-audited)		For the year ended December 31, 2010 (Audited)	
	Key management personnel	Other related parties	Key management personnel	Other related parties
----- (Rupees in '000) -----				
Advances				
At beginning of the period / year	20,063	-	28,389	-
Given during the period / year	763	-	5,478	-
Repaid during the period / year	(3,092)	-	(13,804)	-
At end of the period / year	17,734	-	20,063	-
Borrowings				
At beginning of the period / year	-	-	-	-
Given during the period / year	-	-	-	633,445
Repaid during the period / year	-	-	-	(633,445)
At end of the period / year	-	-	-	-
Placements				
At beginning of the period / year	-	-	-	7
Made during the period / year	-	-	-	693,338
Matured during the period / year	-	-	-	(693,345)
At end of the period / year	-	-	-	-
Shares held by the Company	-	15,000	-	-
----- (Rupees in '000) -----				
	For the half year ended June 30, 2011 (Un-audited)		For the half year ended June 30, 2010 (Un-audited)	
	Key management personnel	Other related parties	Key management personnel	Other related parties
Mark-up / return / interest earned	362	179	649	300
Mark-up / return / interest expensed	-	-	-	209
Salaries and other benefits	37,886	-	26,469	-
Contribution to Provident Fund	1,663	670	1,152	572
Re-imbursment of expenses	4,921	-	2,544	-

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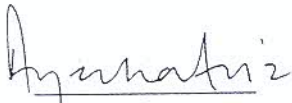
17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 24 JUL 2011 by Board of Directors of the Company.

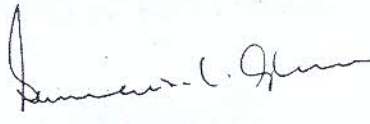
18. GENERAL

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

by AS



Chief Executive



Director



Director



Chairman