



PAK BRUNEI INVESTMENT COMPANY LTD.

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2010

PAK BRUNEI INVESTMENT COMPANY LIMITED

BALANCE SHEET

AS AT MARCH 31, 2010

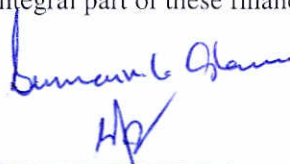
		March 31, 2010 (Un-audited)	December 31, 2009 (Audited)
	Note	----- (Rupees in '000') -----	
ASSETS			
Cash and balances with treasury banks		15,265	23,869
Balances with other banks		92,752	191,915
Lendings to financial institutions	6	676,650	1,507,910
Investments	7	10,222,960	8,415,996
Advances	8	2,087,687	1,732,493
Operating fixed assets		34,946	37,614
Deferred tax assets-net		-	-
Other assets		219,366	221,182
		13,349,626	12,130,979
LIABILITIES			
Bills payable		-	-
Borrowings		5,489,097	5,296,808
Deposits and other accounts		779,800	395,000
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		15,390	16,273
Deferred tax liabilities-net		4,025	2,343
Other liabilities		144,304	114,576
		6,432,616	5,825,000
NET ASSETS		6,917,010	6,305,979
REPRESENTED BY			
Share capital	9	6,000,000	5,000,000
Reserves		189,558	162,093
Unappropriated profit		758,230	648,369
		6,947,788	5,810,462
Deficit on revaluation of securities-net of tax		(30,778)	(4,483)
Advance against equity		-	500,000
		6,917,010	6,305,979

CONTINGENCIES AND COMMITMENTS


10

The annexed notes 1 to 14 form an integral part of these financial statements.


Chief Executive


Director


Director


Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE QUARTER / PERIOD ENDED MARCH 31, 2010

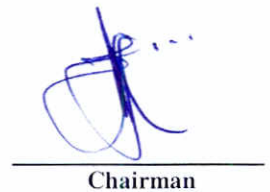
	Note	Quarter	Period	Quarter	Period
		Ended March 31, 2010	Ended March 31, 2010	Ended March 31, 2009	Ended March 31, 2009
----- (Rupees in '000') -----					
Mark-up / Return / Interest earned		395,337	395,337	201,576	201,576
Mark-up / Return / Interest expensed		184,350	184,350	3,800	3,800
Net mark-up / Interest income		210,987	210,987	197,776	197,776
Provision against non-performing loans and advances		11,982	11,982	-	-
Provision for diminution in the value of investments		(1,445)	(1,445)	23,065	23,065
Bad debts written off directly		-	-	-	-
		10,537	10,537	23,065	23,065
Net mark-up / interest income after provisions		200,450	200,450	174,711	174,711
NON MARK-UP/ INTEREST INCOME					
Fee, commission and brokerage income		3,477	3,477	2,263	2,263
Dividend income		1,125	1,125	945	945
Income from dealing in foreign currencies		-	-	-	-
Gain on sale of securities		49,691	49,691	52,103	52,103
Unrealized gain / (loss) on revaluation of investments classified as held for trading		(893)	(893)	677	677
Other income		(539)	(539)	-	-
Total non-mark-up / interest income		52,861	52,861	55,988	55,988
		253,311	253,311	230,699	230,699
NON MARK-UP/ INTEREST EXPENSES					
Administrative expenses		42,167	42,167	32,185	32,185
Other provisions / write offs		-	-	6,250	6,250
Other charges		-	-	-	-
Total non-mark-up / interest expenses		42,167	42,167	38,435	38,435
		211,144	211,144	192,264	192,264
Extra ordinary items		-	-	-	-
PROFIT BEFORE TAXATION		211,144	211,144	192,264	192,264
Taxation - Current		71,882	71,882	66,314	66,314
- Prior years		-	-	-	-
- Deferred		1,936	1,936	(265)	(265)
		73,818	73,818	66,049	66,049
PROFIT AFTER TAXATION		137,326	137,326	126,215	126,215
Unappropriated profit brought forward		648,369	648,369	290,407	290,407
Profit available for appropriation		785,695	785,695	416,622	416,622
Earnings per share - Basic and diluted (in Rupees)	11	0.24	0.24	0.25	0.25

The annexed notes 1 to 14 form an integral part of these financial statements.


 Chief Executive


 Director


 Director


 Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER/PERIOD ENDED MARCH 31, 2010

	Quarter Ended March 31, 2010	Period Ended March 31, 2010	Quarter Ended March 31, 2009	Period Ended March 31, 2009
----- Rupees in '000 -----				
Profit after taxation for the period	137,326	137,326	126,215	126,215
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u><u>137,326</u></u>	<u><u>137,326</u></u>	<u><u>126,215</u></u>	<u><u>126,215</u></u>

The annexed notes 1 to 14 form an integral part of these financial statements.


 Chief Executive


 Director


 Director

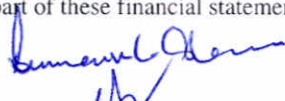

 Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2010

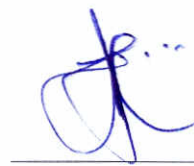
Note	Period Ended March 31, 2010	Period Ended March 31, 2009
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	211,144	192,264
Less: Dividend Income	1,125	945
	<u>210,019</u>	<u>191,319</u>
Adjustments for non-cash charges		
Depreciation	2,659	2,352
Amortization	574	504
Provision against non-performing advances	11,982	
Provision for diminution in value of investments	(1,445)	23,065
Provision against other assets	-	6,250
Unrealized loss/(Gain) on revaluation of HFT	893	(677)
Loss/(Gain) on sale of fixed assets	7	-
Finance charges on leased assets	495	673
	<u>15,165</u>	<u>32,167</u>
	225,184	223,486
(Increase) / decrease in operating assets		
Lendings to financial institutions	831,260	581,502
Held -for-trading securities	5,696	(55,138)
Advances	(367,176)	(9,587)
Other assets	2,941	8,892
	<u>472,721</u>	<u>525,669</u>
Increase in operating liabilities		
Borrowings	192,289	(186,154)
Deposits and other accounts	384,800	-
Other liabilities (excluding current taxation)	17,195	(995)
	<u>594,284</u>	<u>(187,149)</u>
	1,292,189	562,006
Financial charges paid	(489)	(703)
Income tax paid	(59,356)	(48,592)
Net cash used in operating activities	<u>1,232,344</u>	<u>512,711</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(1,838,656)	(334,644)
Dividend income received	-	-
Investments in operating fixed assets	(1,209)	(1,066)
Proceeds from disposal of fixed assets	637	-
Net cash used in investing activities	<u>(1,839,228)</u>	<u>(335,710)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of lease obligations	(883)	(799)
Advance against equity	(500,000)	
Proceeds from issue of share capital	1,000,000	-
Net cash flows from financing activities	<u>499,117</u>	<u>(799)</u>
Increase in cash and cash equivalents	<u>(107,767)</u>	<u>176,202</u>
Cash and cash equivalents at beginning of the period	215,784	19,137
Cash and cash equivalents at end of the period	<u><u>108,017</u></u>	<u><u>195,339</u></u>

The annexed notes 1 to 14 form an integral part of these financial statements.


 Chief Executive


 Director


 Director


 Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2010

	Share capital	Statutory reserve	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at January 01, 2009	5,000,000	72,602	290,407	5,363,009
Issue of Share Capital	-	-	-	-
Transfer to statutory reserve		25,243	(25,243)	-
Profit after taxation for the period ended March 31, 2009	-	-	126,215	126,215
Total recognised income and expense for the period	-	-	126,215	126,215
Balance as at March 31, 2009	5,000,000	97,845	391,379	5,489,224
Balance as at April 01, 2009	5,000,000	97,845	391,379	5,489,224
Issue of share capital	-	-	-	-
Profit after taxation for the period ended December 31, 2009	-	-	321,238	321,238
Total recognised income and expense for the period	-	-	712,617	5,810,462
Transfer to statutory reserve	-	64,248	(64,248)	-
Balance as at December 31, 2009	5,000,000	162,093	648,369	5,810,462
Balance as at January 01, 2010	5,000,000	162,093	648,369	5,810,462
Issue of Share Capital	1,000,000	-	-	1,000,000
Profit after taxation for the period ended March 31, 2010	-	-	137,326	137,326
Total recognised income and expense for the period	-	-	137,326	137,326
Transfer to statutory reserve	-	27,465	(27,465)	-
Balance as at March 31, 2010	6,000,000	189,558	758,230	6,947,788

The annexed notes 1 to 14 form an integral part of these financial statements.


 Chief Executive


 Director


 Director


 Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2010

1. STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) is incorporated 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 interlia 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-2, Scheme-5, Clifton, Karachi-Pakistan.

2. STATEMENT OF COMPLIANCE

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirements of the said directives prevail.

2.2 The SECP has approved the adoption of International Accounting Standard 39, "Financial Instruments: Recognition and Measurement" and International Accounting Standard 40, "Investment Property". The requirements of these standards have not been taken into account for the purpose of these financial statements as the implementation of the said standards has been deferred by SBP, vide BSD circular letter number 11 dated September 11, 2002, for Non Banking Financial Institutions in Pakistan till further instructions. 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 financial statements have, however been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular Letter No. 2 dated May 12, 2004

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4. ESTIMATES

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

The significant judgements made by the management in applying the accounting policies and the key sources of estimating uncertainty were the same as those applied to financial statements for the year ended December 31, 2009.

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, 2009.

	March 31, 2010 (Un-audited)	December 31, 2009 (Audited)
Note	-----	-----

6. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings	6.2	468,740	-
Certificate of Investments (COIs)/Term deposit receipts (TDRs)	6.3	207,910	1,507,910
		<u>676,650</u>	<u>1,507,910</u>

6.1 All lendings of the Company are in local currency.

6.2 These are short-term lendings to various financial institutions against government securities. These carry mark-up of 12.15% (December 31, 2009: NIL) per annum and maturing July 09, 2010.

6.3 The profit rate on these COIs and TDRs ranges between from 11.00% to 12.80% (December 31, 2009: 12.80% to 16.10%) per annum and maturing on various dates, latest by October 08, 2012.

7. INVESTMENTS

		Held by Bank	Given as collateral	Total
.....Rupees in '000'.....				
Current period (March 31, 2010) - Un-audited	7.1	<u>5,609,128</u>	<u>4,613,832</u>	<u>10,222,960</u>
Prior year - Audited (December 31, 2009)	7.1	<u>4,477,990</u>	<u>3,938,006</u>	<u>8,415,996</u>
Prior year corresponding period - Un-Audited (March 31, 2009)		<u>3,085,268</u>	-	<u>3,085,268</u>

March 31, 2010 (Un-audited)			December 31, 2009 (Audited)		
Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
----- (Rupees in '000) -----			----- (Rupees in '000) -----		

7.1 Investments by type:

Held-for-trading securities

Ordinary shares of listed companies	9,975	-	9,975	15,671	-	15,671
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Available- for- sale securities

Market Treasury Bills	2,052,698	4,418,280	6,470,978	195,356	3,918,484	4,113,840
Pakistan Investment Bonds	46,990	194,795	241,785	95,008	-	95,008
Ordinary shares of listed companies	193,749	-	193,749	580,428	-	580,428
Term Finance Certificates and SUKUK	3,551,372	-	3,551,372	3,835,960	-	3,835,960
Mutual funds	28,840	-	28,840	28,840	-	28,840
	<u>5,873,649</u>	<u>4,613,075</u>	<u>10,486,724</u>	<u>4,735,592</u>	<u>3,918,484</u>	<u>8,654,076</u>
Investment at cost	5,883,624	4,613,075	10,496,699	4,751,263	3,918,484	8,669,747
Less: Provision for diminution in value of Investments	(241,885)	-	(241,885)	(249,338)	-	(249,338)
Investments (net of provisions)	5,641,739	4,613,075	10,254,814	4,501,925	3,918,484	8,420,409
Deficit on revaluation of held-for-trading securities	5	-	5	898	-	898
Deficit on revaluation of available-for-sale securities	(32,616)	757	(31,859)	(24,833)	19,522	(5,311)
Total investments (Net of Provision)	5,609,128	4,613,832	10,222,960	4,477,990	3,938,006	8,415,996

March 31, 2010 (Un-audited)	December 31, 2009 (Audited)
----- (Rupees in '000') -----	

7.2 Movement of Provision

Opening balance	249,338	108,921
Charge for the quarter	-	167,787
Reversals	(7,453)	(27,370)
Closing Balance	<u>241,885</u>	<u>249,338</u>

March 31, **December 31,**
2010 **2009**
(Un-audited) **(Audited)**
----- (Rupees in '000) -----

8. ADVANCES

Loans, cash credits, running finances, etc. in Pakistan	2,067,767	1,700,571
Net investment in finance lease - inPakistan	57,033	57,053
Advances - gross	2,124,800	1,757,624
Less: Provision for non-performing advances - specific	(28,113)	(16,131)
Provision for non-performing advances - general	(9,000)	(9,000)
	(37,113)	(25,131)
Advances - net of provision	2,087,687	1,732,493

8.1 Advances include Rs. 266.596 million (December 31, 2009 : Rs. 282.065 million) which have been placed under non-performing status as detailed below:

Category of Classification	Domestic	Overseas	Total	Provision Required	Provision Held
	----- (Rupees in '000) -----				
Substandard	16,596	-	16,596	4,149	4,149
Doubtful	250,000	-	250,000	23,964	23,964
Loss	-	-	-	-	-
	266,596	-	266,596	28,113	28,113

8.2 Movement of Provision

	March 31, 2010			December 31, 2009		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	16,131	9,000	25,131	-	-	-
Charge for the quarter	11,982	-	11,982	16,131	9,000	25,131
Reversals	-	-	-	-	-	-
Closing Balance	28,113	9,000	37,113	16,131	9,000	25,131

9. SHARE CAPITAL

	March 31,	December 31,
	2010	2009
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
Authorized Capital		
600,000,000 (2009: 600,000,000) Ordinary shares of Rs. 10 each	6,000,000	6,000,000
Issued, subscribed and paid up		
600,000,000 (2009: 500,000,000) Ordinary shares of Rs. 10 each fully paid in cash	6,000,000	5,000,000

March 31, 2010 (Un-audited) ----- (Rupees in '000) -----	December 31, 2009 (Audited)
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10. CONTINGENCIES AND COMMITMENTS

10.1 Transaction-related Contingent liability

Standby letter of credit	437,964	438,745
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10.2 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 have opined that the possibility of the company being subjected to any liability in relation to the suit is negligible.

10.3 Commitments for the acquisition of Software	560	560
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10.4 Commitments to extend credit	565,530	691,801
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10.5 Commitments to underwriting of shares	10,000	10,000
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11. BASIC AND DILUTED EARNINGS PER SHARE

	Quarter Ended March 31, 2010 (Un-audited)	Period Ended March 31, 2010 (Un-audited)	Quarter Ended March 31, 2009 (Un-audited)	Period Ended March 31, 2009 (Un-audited)
Profit after taxation for the period attributable to ordinary shareholders (Rupees in '000)	137,326	137,326	126,215	126,215
Weighted average number of ordinary shares outstanding during the period (in '000)	565,556	565,556	500,000	500,000
Basic and diluted earnings per share (Rupees)	0.24	0.24	0.25	0.25

12. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its employee defined contribution plans and its key management personnel. Transactions between the Company and its related parties are carried out as per terms of employment. Details of transactions with related parties during the period, are as follows:

	For the period ended March 31, 2010 (Un-Audited)		For the year ended December 31, 2009 (Audited)	
	Key management personnel	Other related parties	Key management personnel	Other related parties
.....Rupees in '000'.....				
Advances				
Opening balance	28,389	-	25,465	-
Given during the period	4,950	-	6,789	-
Repaid during the period	(2,300)	-	(3,865)	-
	<u>31,039</u>	<u>-</u>	<u>28,389</u>	<u>-</u>
Borrowings				
As at beginning of the period	-	-	-	-
Given during the period	-	633,445	-	200,000
Repaid during the period	-	(633,445)	-	(200,000)
As at end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Placements made during the year	-	693,339	-	126,236
Placements matured during the year	-	(693,345)	-	451,271
Mark-up / return / interest earned	328	300	1,343	8,147
Mark-up / return / interest expensed	-	-	-	6,705
Reimbursement of expenses	988	-	3,388	-

13. GENERAL

13.1 Credit Rating


The Company has been assigned credit rating of 'AA' (Double A) in the medium to long term and A1+ (A One Plus) in the short-term by The Pakistan Credit Rating Agency Limited (PACRA), a SBP-approved rating agency. These ratings indicate a low expectation of credit risk emerging from strong capacity of the Company to discharge financial obligations.

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

14. DATE OF AUTHORIZATION FOR ISSUE

The interim condensed financial statements were authorized for issue on April 15, 2010 by the Board of Directors of the Company.


Chief Executive


Director


Director


Chairman