



**PAK BRUNEI INVESTMENT COMPANY LTD.**

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

**FOR THE HALF YEAR ENDED JUNE 30, 2014**

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - (UN-AUDITED)**  
**AS AT JUNE 30, 2014**

June 30, 2014 (Un-audited) ----- (US \$ in '000) -----	December 31, 2013 (Audited)		June 30, 2014 (Un-audited) ----- (Rupees in '000) -----	December 31, 2013 (Audited)
<b>ASSETS</b>				
939	975	Cash and balances with treasury banks	92,694	96,317
7,218	2,386	Balances with other banks	712,811	235,581
-	-	Lendings to financial institutions	-	-
224,159	277,640	Investments - net	7	22,135,661
62,564	68,881	Advances - net	8	6,178,156
448	528	Operating fixed assets	9	44,219
1	-	Deferred tax assets - net	-	70
13,655	9,036	Other assets	10	1,348,454
<b>308,983</b>	<b>359,446</b>		<b>30,512,065</b>	<b>35,495,332</b>
<b>LIABILITIES</b>				
-	-	Bills payable	-	-
176,858	267,261	Borrowings from financial institutions	11	17,464,755
41,798	5,742	Deposits and other accounts	12	4,127,589
-	-	Sub-ordinated loans	-	-
-	-	Liabilities against assets subject to finance lease	-	-
214	150	Deferred tax liabilities - net	-	21,177
5,320	2,985	Other liabilities	-	525,310
<b>224,191</b>	<b>276,138</b>		<b>22,138,831</b>	<b>27,268,667</b>
<b>84,792</b>	<b>83,308</b>	<b>NET ASSETS</b>	<b>8,373,234</b>	<b>8,226,665</b>
<b>REPRESENTED BY</b>				
60,759	60,759	Share capital	13	6,000,000
7,819	7,058	Reserves	-	772,169
17,135	15,882	Unappropriated profit	-	1,692,066
<b>85,714</b>	<b>83,700</b>		<b>8,464,235</b>	<b>8,265,411</b>
(922)	(392)	Deficit on revaluation of assets - net of deferred tax	-	(91,001)
<b>84,792</b>	<b>83,308</b>		<b>8,373,234</b>	<b>8,226,665</b>
<b>CONTINGENCIES AND COMMITMENTS</b>				
			14	

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.

  
**Chief Executive**

  
**Director**

  
**Chairman**

  
**Director**

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (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) -----			Note ----- (Rupees in '000) -----				
11,952	6,677	Mark-up / return / interest earned	662,960	1,180,285	370,224	659,400	
10,035	3,874	Mark-up / return / interest expensed	552,914	990,954	247,596	382,589	
1,917	2,803	Net mark-up / interest income	110,046	189,331	122,628	276,811	
(0)	(1)	(Reversal)/provision against non-performing loans and 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	-	-	-	-	
(35)	241		(257)	(3,443)	11,836	23,779	
1,952	2,562	Net mark-up / interest income after provisions	110,303	192,774	110,792	253,032	
<b>NON MARK-UP/ INTEREST INCOME</b>							
492	371	Fee, commission and brokerage income	23,771	48,611	23,241	36,590	
169	1,439	Dividend income	3,649	16,659	141,571	142,148	
1,343	1,254	Gain on sale of securities - net	101,708	132,615	117,519	123,817	
-	-	Unrealized gain on revaluation of					
(6)	(12)	investments classified as held for trading	4,734	(632)	(1,206)	(1,206)	
23	165	Other income	1,581	2,234	15,275	16,259	
2,020	3,216	Total non-markup / interest income	135,443	199,487	296,400	317,608	
3,972	5,779		245,746	392,261	407,192	570,640	
<b>NON MARK-UP/ INTEREST EXPENSES</b>							
1,541	1,210	Administrative expenses	83,849	152,197	67,593	119,525	
-	-	Other provisions / write offs	-	-	-	-	
-	1	Other charges	-	-	49	109	
1,541	1,211	Total non-markup / interest expenses	83,849	152,197	67,642	119,634	
2,431	4,567		161,897	240,064	339,550	451,006	
2,127	-	Share of profit/(loss) of associates	97,084	210,054	(60,415)	(6,962)	
4,558	4,567	<b>PROFIT BEFORE TAXATION</b>	258,981	450,118	279,135	444,044	
334	1,064	Taxation - Current	(8,668)	32,964	71,651	105,077	
-	-	- Prior years	-	-	-	-	
186	229	- Deferred	18,330	18,330	22,198	22,590	
519	1,293		9,662	51,294	93,849	127,667	
4,039	3,274	<b>PROFIT AFTER TAXATION</b>	249,319	398,824	185,286	316,377	
-----US Dollar-----			-----Rupees-----				
0.0067	0.0053	Earnings Per Share - Basic and Diluted (Rupees)	15	0.42	0.66	0.31	0.53

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.

  
**Chief Executive**

  
**Director**

  
**Chairman**

  
**Director**


PAK BRUNEI INVESTMENT COMPANY LIMITED  
 CONSOLIDATED 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) -----			
4,039	3,274	Profit after taxation for the period	249,319	398,824	185,286	316,377
-	-	Other comprehensive income	-	-	-	-
<u>4,039</u>	<u>3,274</u>	<b>Total comprehensive income for the period</b>	<u>249,319</u>	<u>398,824</u>	<u>185,286</u>	<u>316,377</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 19 form an integral part of these consolidated condensed interim financial statements.

  
 Chief Executive

  
 Director

  
 Chairman

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 Director



**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED 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  
 ----- (US \$ in '000) -----

Half year ended June 30, 2014  
 Half year ended June 30, 2013  
 ----- (Rupees in '000) -----

**CASH FLOWS FROM OPERATING ACTIVITIES**

Half Year Ended June 30, 2014	Half Year Ended June 30, 2013		Half year ended June 30, 2014	Half year ended June 30, 2013
4,321	4,567	Profit before taxation	426,731	451,006
(169)	(1,439)	Less: Dividend income	(16,659)	(142,148)
<b>4,153</b>	<b>3,128</b>		<b>410,072</b>	<b>308,858</b>
<b>Adjustments for non-cash charges</b>				
82	83	Depreciation	8,062	8,156
14	12	Amortization	1,379	1,211
(0)	(1)	Provision against non performing advances	(42)	(102)
(34)	242	Provision for diminution in the value of investments	(3,401)	23,881
-	-	Gain on sale of investments	-	-
(1.28)	(0.50)	Gain on sale of property & equipment	(126)	(49)
-	-	Interest income on investments	-	-
-	-	Return on bank balance	-	-
6	12	Unrealized gain on revaluation of investments classified as held for trading	632	1,206
-	-	Unrealized loss on interest rate swap contracts	-	-
-	-	Finance charges on leased assets	-	-
<b>66</b>	<b>347</b>		<b>6,504</b>	<b>34,303</b>
<b>4,218</b>	<b>3,475</b>		<b>416,576</b>	<b>343,161</b>
<b>(Increase) / decrease in operating assets</b>				
-	(7,950)	lendings to financial institutions	-	(785,020)
-	(162)	Held-for-trading securities	-	(16,036)
6,339	8,272	Advances	625,951	816,849
(3,122)	(1,029)	Other assets (excluding advance taxation)	(308,293)	(101,580)
<b>3,217</b>	<b>(869)</b>		<b>317,658</b>	<b>(85,787)</b>
<b>Increase in operating liabilities</b>				
(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
2,342	10,549	Other liabilities (excluding current taxation)	231,224	1,041,756
<b>(52,005)</b>	<b>98,830</b>		<b>(5,135,497)</b>	<b>9,759,421</b>
<b>(44,570)</b>	<b>101,436</b>		<b>(4,401,263)</b>	<b>10,016,795</b>
-	-	Financial charges paid	-	-
(800)	(1,441)	Income tax paid	(79,022)	(142,253)
<b>(45,370)</b>	<b>99,995</b>		<b>(4,480,285)</b>	<b>9,874,542</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

41,110	(68,452)	Net investments in available-for-sale securities	4,059,648	(6,759,605)
-	464	Net investments in held-to-maturity securities	-	45,843
9,767	(26,329)	Net Investment in Associates	964,493	(2,600,000)
-	-	Return on bank balance	-	-
1,321	1,429	Dividend income received	130,479	141,156
(9)	(37)	Investment in operating fixed assets	(866)	(3,625)
1	1	Sale proceeds from disposal of property and equipment	137	130
<b>52,191</b>	<b>(92,923)</b>		<b>5,153,891</b>	<b>(9,176,101)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

-	-	Payments of lease obligations	-	-
(2,025)	(10,127)	Dividend paid	(200,000)	(1,000,000)
<b>(2,025)</b>	<b>(10,127)</b>		<b>(200,000)</b>	<b>(1,000,000)</b>
4,796	(3,054)	<b>Increase / (decrease) in cash and cash equivalents</b>	<b>473,606</b>	<b>(301,559)</b>
3,361	3,767	Cash and cash equivalents at beginning of the period	331,899	371,985
<b>8,157</b>	<b>713</b>	Cash and cash equivalents at end of the period	<b>805,505</b>	<b>70,426</b>

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.

  
 Chief Executive

  
 Director

  
 Chairman

Director

**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) -----				
<b>Balance as at January 01, 2013</b>	6,000,000	555,884	2,022,531	8,578,415
<b>Comprehensive income</b> - 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)
<b>Balance as at June 30, 2013</b>	<b>6,000,000</b>	<b>619,849</b>	<b>1,274,943</b>	<b>7,894,792</b>
<b>Comprehensive income</b> - Profit after taxation for the six months ended December 31, 2013	-	-	370,619	370,619
Transfer to statutory reserve	-	77,177	(77,177)	-
<b>Balance as at December 31, 2013</b>	<b>6,000,000</b>	<b>697,026</b>	<b>1,568,385</b>	<b>8,265,411</b>
<b>Comprehensive income</b> - Profit after taxation for the six months ended June 30, 2014	-	-	398,824	398,824
Transfer to statutory reserve	-	73,618	(73,618)	-
Transfer to general reserve		1,525	(1,525)	
Final cash dividend for the year ended December 31, 2013 declared subsequent to the year end at Re. 0.33 per share			(200,000)	(200,000)
<b>Balance as at June 30, 2014</b>	<b>6,000,000</b>	<b>772,169</b>	<b>1,692,066</b>	<b>8,464,235</b>

The annexed notes 1 to 19 form an integral part of these consolidated condensed interim financial statements.

  
 Chief Executive

  
 Director

  
 Chairman

  
 Director



**PAK BRUNEI INVESTMENT COMPANY LIMITED**

**NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED JUNE 30, 2014**

**1. STATUS AND NATURE OF BUSINESS**

The Group comprises of Pak Brunei Investment Company Limited (the "holding company" or "parent" ) and its subsidiaries, Primus Investment Management Ltd. and Awwal Modaraba Management Ltd. 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 Companies**

**Primus Investment Management Limited**

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.

**Awwal Modaraba Management Limited**

Awwal Modaraba Management Limited is a public unlisted company incorporated in Pakistan on June 05, 2014 under the Companies Ordinance, 1984. The registered office of the Company is situated at 6th Floor, Horizon Vista, Plot No. Commercial-10, Block No. 4, Scheme No. 5, Clifton, Karachi, Pakistan. The objectives of the Company is to carry on the business of modaraba floatation and management in Pakistan and to initiate, sponsor, promote, float, organize, manage, administer and operate modaraba companies, modaraba funds, multipurpose and specific purpose modaraba and modarabas of all types and description as per Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980.

**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 companies for the period ended June 30, 2014. The accounting policies used by the subsidiaries in preparation of their financial statements are consistent with that of the holding company, wherever possible.

**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. 98.75 to US Dollars has been used for both 2013 and 2014, as it was the prevalent rate as on June 30, 2014.

### **3. STATEMENT OF COMPLIANCE**

**3.1** These consolidated condensed interim financial statements of the Company for the period ended June 30, 2014 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, 2013.

### **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, 2013.

### **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, 2013.

### **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, 2013.



## 7. INVESTMENTS - net

	Note	Held by Company	Given as collateral (Rupees in '000)	Total
Current period (June 30, 2014) - Un-audited	7.1	9,014,057	13,121,604	22,135,661
Prior year (December 31, 2013) - Audited	7.1	9,801,481	17,615,481	27,416,962
Prior year corresponding period (June 30, 2013) - Un-audited		10,059,621	6,310,900	16,370,521

June 30, 2014 (Un-audited)			December 31, 2013 (Audited)		
Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total
(Rupees in '000)			(Rupees in '000)		

### 7.1 Investments by type:

#### Held-for-trading securities

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

#### Available- for- sale securities

Market Treasury Bills	1,128,928	6,430,519	7,559,447	1,156,667	16,787,541	17,944,208
Pakistan Investment Bonds	30,445	6,714,729	6,745,174	364,311	758,049	1,122,360
Ordinary shares of listed companies	802,101	-	802,101	312,981	-	312,981
Ordinary shares of un-listed companies	124,670	-	124,670	124,670	-	124,670
Term Finance Certificates and Sukuks	2,258,586	-	2,258,586	2,155,934	84,960	2,240,894
Mutual Funds	273,497	-	273,497	28,835	-	28,835
Preference Shares	95,510	-	95,510	95,510	-	95,510
	4,713,737	13,145,248	17,858,985	4,238,908	17,630,550	21,869,458

#### Held-to-maturity securities

Term Finance Certificates and Sukuks	-	-	-	-	-	-
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#### Investment in associates

	4,624,249	-	4,624,249	5,837,921	-	5,837,921
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#### Investments at cost

	9,337,986	13,145,248	22,483,234	10,076,829	17,630,550	27,707,379
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#### Less: Provision for diminution in value of Investments

	(240,565)	-	(240,565)	(243,965)	-	(243,965)
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#### Investments (net of provisions)

	9,097,421	13,145,248	22,242,669	9,832,864	17,630,550	27,463,414
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#### Surplus on revaluation of held-for-trading securities

	-	-	-	-	-	-
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#### (Deficit) / surplus on revaluation of available-for-sale securities - net

	(83,364)	(23,644)	(107,008)	(31,383)	(15,069)	(46,452)
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#### Total investments at market value

	9,014,057	13,121,604	22,135,661	9,801,481	17,615,481	27,416,962
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June 30,      December 31,  
2014              2013  
(Un-audited)      (Audited)  
----- (Rupees in '000) -----

Note

**8. ADVANCES - net**

Loans, cash credits, running finances, etc. - In Pakistan		4,181,339	5,125,325
LTFF scheme under State Bank of Pakistan		1,080,456	805,659
Net investment in finance lease - in Pakistan		919,187	873,903
Advances - gross		6,180,982	6,804,887
Provision for non-performing advances - Specific	8.1	(2,537)	(2,537)
Provision for non-performing advances - General		(289)	(331)
		(2,826)	(2,868)
Advances - net of provision		6,178,156	6,802,019

**8.1** Advances include Rs. 2,537 million (December 31, 2013: Rs. 2,537 million), which have been placed under non-performing status as detailed below:

June 30, 2014 (Un-audited)					
Rupees in '000					
<u>Category of Classification</u>	Non-performing loans			Provision Required	Provision Held
	Domestic	Overseas	Total		
Other assets especially mentioned	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	2,537	-	2,537	2,537	2,537
	2,537	-	2,537	2,537	2,537

December 31, 2013 (Audited)					
Rupees in '000					
<u>Category of Classification</u>	Non-performing loans			Provision Required	Provision Held
	Domestic	Overseas	Total		
Other assets especially mentioned	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	2,537	-	2,537	2,537	2,537
	2,537	-	2,537	2,537	2,537

## 9. OPERATING FIXED ASSETS

Additions during the six months period ended June 30, 2014 amounted to Rs.0.613 million (2013: Rs.3.641 million) while disposals had a cost of Rs.1.510 million (2013: Rs.0.263 million) and written down value of Rs.0.011 million (2013: Rs.0.082 million).

	Note	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
----- (Rupees in '000) -----			
<b>10. OTHER ASSETS</b>			
Income / mark-up accrued in local currency		546,170	287,749
Advances, deposits and other prepayments		67,738	74,649
Advance tax (payment less provision)		308,190	262,133
Dividend receivable		100,542	660
Receivable from subsidiaries		-	-
Receivable against sale of assets	10.1	165,023	26,689
Receivable from associates		23,311	13,688
Receivable against sale of assets and non-banking assets acquired in satisfaction of claims		187,480	276,727
Others		-	16
		<u>1,398,454</u>	<u>942,311</u>
Less: Provision held against advances, deposits and other prepayments		(50,000)	(50,000)
Other assets (net of provision)		<u>1,348,454</u>	<u>892,311</u>

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

## 11. BORROWINGS FROM FINANCIAL INSTITUTIONS

### Secured

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

### Unsecured

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

## 12. DEPOSITS AND OTHER ACCOUNTS

Certificate of investment - remunerative	12.1	<u>3,330,653</u>	<u>567,070</u>
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12.1 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).



June 30,      December 31,  
2014              2013  
(Un-audited)      (Audited)

13. SHARE CAPITAL

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

June 30, 2014 (Un-audited)	December 31, 2013 (Audited)		June 30, 2014 (Un-audited)	December 31, 2013 (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>
		11.1		

13.1 The Ministry of Finance and Secretary Economic Affairs Division holds 299,996,000 and 4,001 shares (December 31, 2013: 299,996,000 and 4,001 shares ) respectively on behalf of Government of Pakistan and remaining 300,000,000 shares (December 31, 2013: 300,000,000 shares) are held by Brunei Investment Agency.

14. 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:

	June 30, 2014 (Un-audited)	December 31, 2013 (Audited)
	----- (Rupees in '000) -----	
14.1 Commitments for trading in government securities Sale (repo)	<u>13,223,003</u>	<u>17,542,178</u>
14.2 Commitments to extend credit	<u>4,326,433</u>	<u>2,080,355</u>
14.3 Other commitments Receivable againts sale of shares	<u>34,026</u>	<u>-</u>

15. EARNINGS PER SHARE - BASIC AND DILUTED

	Quarter Ended June 30, 2014	Half Year Ended June 30, 2014	Quarter Ended June 30, 2013	Half Year Ended June 30, 2013
	----- (Un-audited) -----			
Profit after taxation for the period attributable to ordinary shareholders (Rupees in '000)	<u>249,319</u>	<u>398,824</u>	<u>185,286</u>	<u>316,377</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>0.42</u>	<u>0.66</u>	<u>0.31</u>	<u>0.53</u>

16. 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) -----		
<b>June 30, 2014 - Un-audited</b>			
Total income	48,611	1,135,826	382,072
Total expenses	36,090	824,396	278,467
Net income	12,521	311,430	103,605
Segment assets (gross)	-	24,971,057	6,049,147
Segment non performing loans	-	2,537	-
Investment provided for	-	344,533	-
Segment provision held	-	243,102	-
Segment liabilities	-	17,784,374	4,355,600
Segment Return on Assets (ROA) (%)	-	2.37%	3.22%
Segment Return on net Assets (ROA) (%)	-	9.30%	6.37%
Segment cost of funds (%)	-	9.45%	9.45%
<b>June 30, 2013 - Un-audited</b>			
Total income	6,651,383	665,260	274,519
Total expenses	318,895	369,274	139,493
Net income	6,332,488	295,986	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) (%)	-	0.00%	5.34%
Segment Return on net Assets (ROA) (%)	-	0.00%	16.10%
Segment cost of funds (%)	-	7.40%	7.40%

## 17. RELATED PARTY TRANSACTIONS

The Company has related party relationship with:

- subsidiary companies (Primus Investment Management Ltd. and Awwal Modaraba Management Ltd.)
- 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, 2014 (Un-audited)				For the year ended December 31, 2013 (Audited)			
	Key management personnel	Other related parties	State controlled entities	Associates	Key management personnel	Other related parties	State controlled entities	Associates
<b>Advances</b>								
At beginning of the period / year	36,726	415,723	127,852	-	23,626	693,565	153,423	-
Given during the period	3,168	297,916	18,068	-	20,137	117,570	-	-
Deleted during the period	-	-	-	-	(1,949)	(300,000)	-	-
Repaid during the period	(7,743)	(68,148)	(15,622)	-	(5,088)	(95,412)	(25,571)	-
At end of the period	32,151	645,491	130,298	-	36,726	415,723	127,852	-
<b>Borrowings</b>								
At beginning of the period	-	-	13,263,851	575,000	-	-	2,909,539	-
Received during the period	-	-	243,243,900	3,585,000	-	500,000	150,837,364	5,715,000
Redemption during the period	-	-	(237,126,911)	(3,860,000)	-	(500,000)	(140,483,052)	(5,140,000)
At end of the period	-	-	19,380,840	300,000	-	-	13,263,851	575,000
<b>Placements</b>								
At beginning of the period	-	-	-	-	-	-	-	-
Placements made during the period	-	-	1,112,410	-	-	-	27,896,197	-
Placements matured during the period	-	-	(1,112,410)	-	-	-	(27,896,197)	-
At end of the period	-	-	-	-	-	-	-	-
<b>Investments</b>								
At beginning of the period	-	335,984	29,676	5,823,211	-	334,965	21,366	3,241,144
Investments made during the period	-	506,441	31,957,398	5,510,219	-	233,830	1,640,767	10,942,881
Redemption during the period	-	(174,173)	(17,437,867)	(6,446,427)	-	(232,811)	(1,632,457)	(8,360,814)
At end of the period	-	668,252	14,549,207	4,887,003	-	335,984	29,676	5,823,211

(Rupees in '000)



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	Associates	Key management personnel	Other related parties	State controlled entities	Associates
Mark-up / return / interest earned	559	68,130	8,658	-	238	28,443	-	-
Mark-up / return / interest expensed	-	-	364,512	28,423	-	24,088	-	-
Gain on sale of securities - net	-	22,181	12,960	60,960	-	-	-	2,030
Dividend Income	-	-	3,764	186,666	-	-	-	146,911
Salaries and other benefits	43,239	-	-	-	49,260	-	-	-
Contribution to Provident Fund	2,185	-	-	-	1,299	-	-	-
Re-imbursment of expenses	2,331	-	-	-	2,166	-	-	-

(Rupees in '000)

18. GENERAL

18.1 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".

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

19. DATE OF AUTHORIZATION FOR ISSUE

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

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director