

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2017**

Un-audited June 30, 2017      Audited December 31, 2016

Un-audited June 30, 2017      Un-audited December 31, 2016  
 (Restated)

----- (US \$ in '000) -----		ASSETS	Note	----- (Rupees in '000) -----	
679	3,071	Cash and balances with treasury banks		71,224	322,011
17,117	22,251	Balances with other banks		1,794,793	2,333,055
6,199	4,750	Lendings to financial institutions		650,000	498,065
96,799	149,477	Investments	6	10,149,724	15,673,268
161,490	138,548	Advances	7	16,932,830	14,527,306
227	252	Operating fixed assets	8	23,798	26,384
401	965	Deferred tax asset - net		42,054	101,224
6,551	10,375	Other assets	9	686,850	1,087,910
<u>289,463</u>	<u>329,689</u>			<u>30,351,273</u>	<u>34,569,222</u>
<b>LIABILITIES</b>					
-	-	Bills payable		-	-
172,915	195,442	Borrowings from financial institutions	10	18,130,848	20,492,898
9,665	27,786	Deposits and other accounts	11	1,013,382	2,913,487
-	-	Sub-ordinated loans		-	-
-	-	Liabilities against assets subject to finance lease		-	-
-	-	Deferred tax liability - net		-	-
5,944	5,908	Other liabilities	12	623,182	619,458
<u>188,524</u>	<u>229,136</u>			<u>19,767,412</u>	<u>24,025,843</u>
<u>100,939</u>	<u>100,553</u>	<b>NET ASSETS</b>		<u>10,583,861</u>	<u>10,543,379</u>
<b>REPRESENTED BY:</b>					
57,222	57,222	Share capital		6,000,000	6,000,000
12,898	12,204	Reserves		1,352,390	1,279,652
31,482	31,699	Unappropriated profit		3,300,975	3,323,666
101,602	101,125			10,653,365	10,603,318
21	20	Non controlling interest		2,164	2,121
(684)	(592)	Deficit on revaluation of assets - net of deferred tax		(71,668)	(62,060)
<u>100,939</u>	<u>100,553</u>			<u>10,583,861</u>	<u>10,543,379</u>
<b>CONTINGENCIES AND COMMITMENTS</b>					

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The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

  
 Chief Financial Officer

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2017**

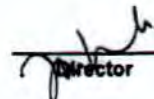
Half year ended			Half year ended	
June 30,	June 30,		June 30,	June 30,
2017	2016		2017	2016
(US \$ in '000)			(Rupees in '000)	
7,935	8,337	Mark-up / return / interest earned	831,976	874,201
5,045	5,288	Mark-up / return / interest expensed	528,964	554,513
2,890	3,049	Net mark-up / return / interest income	303,012	319,688
274	449	Provision against non-performing loans and advances - net	28,718	47,050
128	273	Provision for diminution in the value of investments	13,460	28,587
-	-	Bad debts written off directly	-	-
402	722		42,178	75,637
2,488	2,327	Net mark-up / interest income after provisions	260,834	244,051
878	1,162	<b>Non mark-up / interest income</b>	92,012	121,888
113	170	Fee, commission and brokerage income	11,817	17,874
-	4,202	Dividend income	-	440,629
2,400	-	Income from dealing in foreign currencies	251,629	-
1	(1)	Gain on sale of securities - net	83	(130)
5	12	Unrealised (loss) / gain on revaluation of investments classified as held-for-trading	547	1,243
3,397	5,545	Other income	356,088	581,504
5,885	7,872	Total non mark-up / interest income	616,922	825,555
1,850	2,276	<b>Non mark-up / interest expenses</b>	193,931	238,669
1	-	Administrative expenses	90	-
-	-	Other provisions / write offs	-	-
1,851	2,276	Other charges	-	-
4,034	5,596	Total non mark-up / interest expenses	194,021	238,669
883	2,524	Share of profit of associates	422,901	586,886
4,917	8,120	Profit before taxation from continuing operations	92,620	264,639
697	2,377	Taxation - Current	73,090	249,226
371	352	- Prior years	38,923	36,885
534	(286)	- Deferred	56,023	(29,976)
1,602	2,443		168,036	255,135
3,315	5,677	Profit after taxation for the period from continuing operations	347,485	595,390
25	-	<b>Discontinued operations</b>	2,667	-
3,339	5,678	Profit after taxation for the period from discontinued operations	350,152	595,390
1	1	<b>Attributable to:</b>	110	82
3,338	5,677	Non-Controlling Interest	350,042	595,308
		Equity shareholders of the holding company		
(US \$)			(Rupees)	
0.0056	0.0095	Earnings per share - basic and diluted	0.58	0.99

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

  
Chief Financial Officer

  
Chief Executive Officer

Director

  
Director

  
Chairman



**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2017**

Half year ended			Half year ended	
June 30, 2017	June 30, 2016		June 30, 2017	June 30, 2016 (Restated)
(US \$ in '000)			(Rupees in '000)	
3,315	5,677	Profit after taxation for the period	350,152	595,390
		<b>Other comprehensive income:</b>		
		<i>Items that will not to be reclassified to profit or loss account in subsequent period</i>		
-	-		-	-
<u>3,315</u>	<u>5,677</u>	<b>Other comprehensive income transferred to equity</b>	<u>350,152</u>	<u>595,390</u>
		<b>Components of comprehensive income not reflected in equity</b>		
		<i>Items that may be reclassified to profit or loss account in subsequent period</i>		
		(Deficit) / surplus on revaluation of investments classified as "available-for-sale securities" - net of tax	(7,665)	46,145
(73)	(1,983)			
(19)	-	Share of other comprehensive loss from associate	(1,943)	-
<u>3,223</u>	<u>3,694</u>	<b>Total comprehensive income for the period</b>	<u>340,544</u>	<u>641,535</u>

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 Chief Financial Officer

  
 Chief Executive Officer

Director

  
 Director

  
 Chairman

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2017**

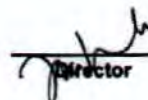
Half year ended			Half year ended	
June 30, 2017	June 30, 2016		June 30, 2017	June 30, 2016
(US \$ in '000)			(Rupees in '000)	
		<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
4,942	8,121	Profit before taxation	518,188	851,524
(113)	(170)	Less: Dividend income	(11,817)	(17,874)
4,829	7,951		506,371	833,650
		<b>Adjustments for non-cash and other items:</b>		
60	102	Depreciation	6,246	10,696
4	7	Amortisation	437	736
70	-	Workers' welfare fund	7,296	-
274	449	Provision against non-performing loans and advances - net	28,718	47,050
128	273	Provision for diminution the value of investments - net	13,460	28,587
(1)	(12)	Gain on sale of operating fixed assets	(74)	(1,228)
(25)	-	Profit from discontinued operations	(2,667)	-
(885)	-	Share of profit of associates	(92,820)	-
(1)	1	Unrealised (gain) / loss on revaluation of investments classified as held-for-trading	(83)	130
(376)	820		(39,287)	85,971
4,453	8,771		467,084	919,621
		<b>(Increase) / decrease in operating assets</b>		
1,889	-	Lendings to financial institutions	198,065	-
2,404	(12,331)	Held for trading securities	252,064	(1,292,905)
(22,942)	(12,437)	Advances	(2,405,524)	(1,304,037)
644	6,444	Other assets	67,486	675,725
(18,005)	(18,324)		(1,887,909)	(1,921,217)
		<b>Increase / (decrease) in operating liabilities</b>		
(22,527)	(17,592)	Borrowings from financial institutions	(2,362,050)	(1,844,628)
(18,121)	(10,825)	Deposits and other accounts	(1,900,105)	(1,135,001)
465	306	Other liabilities	48,757	32,133
(40,183)	(28,111)		(4,213,398)	(2,947,496)
(53,735)	(37,664)	Income tax paid	(5,634,223)	(3,949,092)
(1,305)	(2,138)	Net cash used in operating activities	(136,842)	(224,161)
(55,040)	(39,802)		(5,771,065)	(4,173,253)
		<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
13,683	44,145	Net investments in available-for-sale securities	1,434,766	4,628,764
(373)	(91)	Net investments in held-to-maturity securities	(39,154)	(9,508)
37,727	(6,738)	Net investment in Associates	3,955,797	(706,465)
2,531	-	Proceeds from disposal of investment classified held for sale	265,375	-
159	179	Dividend income received	16,644	18,805
(39)	(95)	Investment in operating fixed assets	(4,115)	(9,937)
1	17	Sale proceeds from disposal of operating fixed assets	92	1,792
53,689	37,417	Net cash generated from investing activities	5,629,405	3,923,451
		<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(2,861)	(1,907)	Dividend paid	(300,000)	(200,000)
-	9,539	Proceeds from issuance of certificate capital	-	1,000,000
(2,861)	7,632	Net cash used in financing activities	(300,000)	800,000
(4,212)	5,247	<b>Decrease in cash and cash equivalents</b>	(441,660)	550,198
27,731	5,629	Cash and cash equivalents at the beginning of the period	2,907,677	590,192
23,519	10,876	Cash and cash equivalents at the end of the period	2,466,017	1,140,390

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

  
**Chief Financial Officer**

  
**Chief Executive Officer**

  
**Director**

  
**Director**

  
**Chairman**


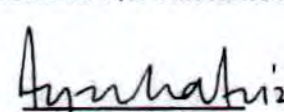
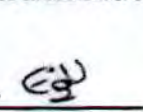
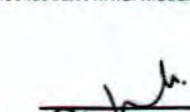



**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2017**

	Share capital	Statutory reserve	Unappropriated profit	Non controlling interest (NCI)	Total
	(Rupees in '000)				
Balance as at January 1, 2016	8,000,000	1,065,388	2,716,198	-	9,781,586
Initial carrying amount of NCI	-	-	-	8,318	8,318
<b>Total comprehensive income for the six months ended June 30, 2016</b>					
Profit after taxation for the period ended June 30, 2016	-	-	595,308	82	595,390
Other comprehensive income for the period - net of tax	-	-	-	-	-
	-	-	595,308	82	595,390
Transfer to statutory reserve	-	117,333	(117,333)	-	-
<b>Transactions with owners recorded directly in equity for the half year ended June 30, 2016</b>					
Final cash dividend - December 31, 2015 declared subsequent to the year end at Re.0.33 per ordinary share	-	-	(200,000)	-	(200,000)
Further acquisition of shares	-	-	(474)	(5,432)	(5,906)
<b>Balance as at June 30, 2016</b>	<b>8,000,000</b>	<b>1,182,721</b>	<b>2,903,689</b>	<b>2,968</b>	<b>10,179,388</b>
<b>Total comprehensive income for the six months ended December 31, 2016</b>					
Profit after taxation for the period ended December 31, 2016	-	-	422,352	162	422,514
Other comprehensive income for the period - net of tax	-	-	4,537	-	4,537
	-	-	426,889	162	427,051
Transfer to statutory reserve	-	96,931	(96,931)	-	-
Transfer with owners, recorded directly in equity	-	-	-	-	-
<b>Transactions with owners recorded directly in equity for the six months ended December 31, 2016</b>					
Final cash dividend - June 30, 2016 declared subsequent to period ended at Re. 0.227 per certificate	-	-	-	(57)	(57)
Further acquisition of shares	-	-	9	(952)	(943)
<b>Balance as at January 1, 2017</b>	<b>8,000,000</b>	<b>1,279,652</b>	<b>3,323,666</b>	<b>2,121</b>	<b>10,605,439</b>
<b>Total comprehensive income for the six months ended June 30, 2017</b>					
Profit after taxation for the period ended June 30, 2017	-	-	350,042	110	350,152
Other comprehensive income for the period - net of tax	-	-	-	-	-
	-	-	350,042	110	350,152
Transfer to statutory reserve	-	72,738	(72,738)	-	-
<b>Transactions with owners recorded directly in equity for the half year ended June 30, 2017</b>					
Final cash dividend - December 31, 2016 declared subsequent to the year end at Re.0.50 per ordinary share	-	-	(300,000)	-	(300,000)
Further acquisition of shares	-	-	5	(67)	(62)
<b>Balance as at June 30, 2017</b>	<b>8,000,000</b>	<b>1,352,390</b>	<b>3,300,975</b>	<b>2,164</b>	<b>10,655,529</b>

The annexed notes 1 to 20 form an integral part of this condensed consolidated interim financial information.

\* Figures of June 30, 2016 and December 31, 2016 has been restated on account of consolidation Awwal Modaraba.

 Chief Financial Officer	 Chief Executive Officer	 Director	 Director	 Chairman
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**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2017**

**1 STATUS AND NATURE OF BUSINESS**

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

**Holding Company**

Pak Brunei Investment Company Limited (the holding company) is a Development Finance Institution (DFI) which was incorporated in Pakistan as an un-listed public limited company under the Companies Ordinance, 1984 on November 28, 2006. The State Bank of Pakistan (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 (GoP) and the Brunei Investment Agency (BIA). The holding company's objectives inter alia 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 marketing of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the holding company is situated at Horizon Vista, Plot No. Commercial - 10, Block-4, Scheme-5, Clifton, Karachi, Pakistan. The holding Company is in operation with 2 offices (December 31, 2016: 2) as at June 30, 2017 which includes Karachi and Lahore Offices.

Based on the financial statements of the holding company for the year ended December 31, 2016, the JCR -VIS Credit Rating Agency has maintained the Company's long term rating as AA+ and short term rating as A-1+ on June 2, 2017 with 'stable outlook'.

**Awwal Modaraba Management Limited**

Awwal Modaraba Management Limited (the Company) was incorporated in Pakistan on June 05, 2014 as unlisted public company under the Companies Ordinance 1984. Subsequently, it was registered as a Modaraba Management Company with the Registrar of Modaraba Companies and Modarabas under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980. The principal activity of the Company is to engage in the business of floatation of Modarabas and to function as a Modaraba Company within the meaning of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980.

The Company is a wholly owned subsidiary of Pak Brunei Investment Company Limited (the Holding Company). The registered office of the Company is situated at Horizon Vista, Commercial-10, Block-4, Scheme-5, Clifton, Karachi, Pakistan.

**Awwal Modaraba**

Awwal Modaraba (the Modaraba) has been floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder. The Modaraba is managed by the Awwal Modaraba Management Limited, a company wholly owned by Pak Brunei Investment Company Limited. After receiving certificate of minimum subscription, the Modaraba commenced its business operations with effect from February 10, 2016. The registered office is situated at 6th Floor, Horizon Vista, Plot Commercial No. 10, Block No. 4, Scheme No. 5, Clifton, Karachi.

Awwal Modaraba is a perpetual, multi purpose and multi dimensional Modaraba and is primarily engaged in providing Working Capital, Term Finance, Ijarah, Musharika, Morabaha and other Shari'ah compliant investment / instrument to credit worthy customers. The Modaraba is listed on Pakistan Stock Exchange Limited.

**1.1 Sale of substantial shareholding in Primus Investment Management Limited**

During the period, the holding company has divested 70% shareholding (representing 17,500,000 shares out of 25,000,000 shares) in its subsidiary namely AWT Investments Limited (formerly Primus Investment Management Limited) to Army Welfare Trust at a sale consideration of Rs. 265.275 million. The transaction has been completed in March 2017, when the net assets of the subsidiary were at Rs. 294.939 million. Further, the holding company had retained 30% shares (representing 7,500,000 shares out of 25,000,000 shares) resulting in change of status of the subsidiary into associate company.



## **2 STATEMENT OF COMPLIANCE**

### **2.1 BASIS OF PREPARATION**

This condensed consolidated interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, the requirements of the Banking Companies Ordinance, 1962, or the directives issued by the Securities & Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP). Wherever the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the directives issued by the SECP and the SBP differ with the requirements of IFRSs, the requirements of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 or the requirements of the said directives issued by the SECP and the SBP prevail.

- 2.2** The SBP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002 till further instructions. Further, the SECP has also deferred the applicability of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through its S.R.O. 633(I)/2014 dated July 10, 2014. Accordingly, the requirements of these standards have not been considered in the preparation of this condensed interim consolidated financial information. However, investments have been classified and valued in accordance with the requirements prescribed by the SBP through various circulars.
- 2.3** IFRS 8, 'Operating Segments' is effective for the holding company's accounting period beginning on or after January 1, 2009. All banking companies in Pakistan are required to prepare their condensed consolidated interim financial information in line with the format prescribed under BSD Circular Letter No. 2 dated May 12, 2004. The management of the holding company believes that as the SBP has defined the segment categorisation in the above mentioned circular, the SBP's requirements prevail over the requirements specified in IFRS 8. Accordingly, segment information disclosed in this condensed consolidated interim financial information is based on the requirements laid down by the SBP.
- 2.4** The disclosures made in this condensed interim financial information have been limited based on the format prescribed by the State Bank of Pakistan through BSD Circular Letter No. 2 dated May 12, 2004 and the requirements of International Accounting Standard 34, "Interim Financial Reporting". They do not include all of the information required for the full annual consolidated financial statements and this condensed consolidated interim financial information should be read in conjunction with the consolidated financial statements of the holding company for the year ended December 31, 2016.
- 2.5** The Companies Ordinance, 1984 has been repealed as a result of the enactment of the Companies Act, 2017. However, as directed by the Securities and Exchange Commission of Pakistan vide circular no. 17 of 2017, dated July 20, 2017, this condensed consolidated interim financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

## **3 BASIS OF MEASUREMENT**

### **3.1 Accounting convention**

This condensed consolidated interim financial information has been prepared under the historical cost convention, except that certain investments been marked to market. Investments in associates are measured at carrying amount based on the equity method of accounting. In addition, obligation in respect of staff retirement benefits is carried at present value.

### **3.2 Functional and presentation currency**

Items included in this condensed consolidated interim financial information are measured using the currency of the primary economic environment in which the holding company operates. This condensed consolidated interim financial information is presented in Pakistani Rupees, which is the holding company's functional and presentation currency.



The US dollar amounts shown in the condensed consolidated interim statement of financial position, condensed consolidated interim profit and loss account, condensed consolidated interim statement of comprehensive income and condensed consolidated interim cash flow statement are stated as additional information solely for the convenience of readers and are not audited. For this purpose of conversion to US Dollars, the rate of Rs.104.854 to US Dollars has been used for both 2017 and 2016, as it was the prevalent rate on June 30, 2017.

### 3.3 Critical accounting estimates and assumptions

The basis and the methods used for critical accounting estimates and judgements adopted in this condensed consolidated interim financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Company for the year ended December 31, 2016.

### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation used in the preparation of this condensed consolidated interim financial information are the same as those applied in the preparation of the annual consolidated financial statements of the Company for the year ended December 31, 2016.

### 5 FINANCIAL RISK MANAGEMENT

The holding company's Financial Risk Management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the holding company for the year ended December 31, 2016.

### 6 INVESTMENTS

#### 6.1 Investments by types

Note	Un-audited June 30, 2017			Un-audited December 31, 2016			
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total	
(Rupees in '000) ----- (Restated) -----							
<b>Held for trading securities</b>							
Ordinary shares of listed companies	74,227	-	74,227	327,073	-	327,073	
<b>Available for sale securities</b>							
Market Treasury Bills	1,821,087	5,338,827	7,159,914	843,353	5,241,975	6,085,328	
Pakistan Investment Bonds	469,969	-	469,969	156,822	2,760,267	2,917,089	
Ordinary shares of listed companies	795,927	-	795,927	938,022	-	938,022	
Ordinary shares of unlisted companies	221,331	-	221,331	40,581	-	40,581	
Term finance certificates and sukuk	1,186,386	-	1,186,386	1,287,273	-	1,287,273	
Preference shares	3,250	-	3,250	3,250	-	3,250	
	4,497,950	5,338,827	9,836,777	3,269,301	8,002,242	11,271,543	
<b>Held to maturity securities</b>							
Commercial paper	39,154	-	39,154	-	-	-	
Corporate Sukuk	100,000	-	100,000	100,000	-	100,000	
<b>Investment in associates</b>	6.2	470,501	-	470,501	4,335,621	-	4,335,621
<b>Investments at cost</b>		5,181,832	5,338,827	10,520,659	8,031,995	8,002,242	16,034,237
Less: Provision for diminution in value of investments		(289,620)	-	(289,620)	(276,160)	-	(276,160)
<b>Investments (net of provisions)</b>		4,892,212	5,338,827	10,231,039	7,755,835	8,002,242	15,758,077
Surplus / (deficit) on revaluation of investments classified as held for trading securities - net		83	-	83	(782)	-	(782)
Deficit on revaluation of investments classified as available-for-sale securities - net		(80,659)	(739)	(81,398)	(21,977)	(62,050)	(84,027)
<b>Total investments - net</b>		<u>4,811,636</u>	<u>5,338,088</u>	<u>10,149,724</u>	<u>7,733,076</u>	<u>7,940,192</u>	<u>15,673,268</u>



## 6.2 Investment in related parties

Name of investee company / fund	Note	Percentage of holding		Number of shares / certificates / units held		Un-audited	Un-audited
		June 30, 2017	December 31, 2016 (Restated)	2017	2016 (Restated)	Carrying amount as at June 30, 2017	Carrying amount as at December 31, (Restated)
<b>Investment in associates</b>							
<b>Unlisted public company</b>							
AWT Investments Limited (formerly Primus Investment Management Limited)	6.3	30	-	7,500,000	-	108,821	-
<b>Open-end mutual funds - listed</b>							
PIML Strategic Multi Asset Fund		55.43	81.47	915,900	2,117,878	109,353	258,106
PIML Islamic Equity Fund		24.29	61.91	419,999	1,106,318	57,430	158,546
PIML Value Equity Fund		23.80	66.04	371,393	1,086,164	48,865	148,848
PIML Asset Allocation Fund		45.05	84.63	1,410,138	9,473,285	146,032	998,200
PIML Income Fund		-	66.37	-	26,269,494	-	2,671,870
PIML Daily Reserve Fund		-	14.91	-	1,282,380	-	100,051
						361,680	4,335,621
						470,501	4,335,621

6.3 On December 14, 2016, the Company entered into an agreement with Army Welfare Trust (AWT) for sale of 17.5 million shares representing 70% shares of AWT Investments Limited (formerly Primus Investment Management Limited). During the current period, the sale transaction for these shares has been executed after obtaining necessary regulatory approvals. In this respect, the Company has received consideration of Rs 265.375 million.

	Note	Un-audited June 30, 2017	Un-audited December 31, 2016 (Restated)
<b>7 ADVANCES</b>			
<b>Loans, cash credits, running finances, etc. - In Pakistan</b>			
Advances under State Bank of Pakistan:		11,269,040	9,585,370
- Long-Term Finance Facility Scheme		3,229,881	2,671,917
- Power Plants Using Renewable Energy Scheme		252,946	126,778
- Financing for Storage of Agriculture Produce Scheme		386,887	410,115
		3,869,714	3,208,810
Net investment in finance lease - In Pakistan		1,375,660	1,438,643
Islamic financing and related assets		683,223	530,573
<b>Advances - gross</b>		17,197,638	14,763,396
<b>Provision against advances</b>			
- Specific	7.1	(263,834)	(235,191)
- General	7.2	(974)	(899)
		(264,808)	(236,090)
<b>Advances - net of provision</b>		16,932,830	14,527,306

7.1 Advances include Rs.758,759 (December 31, 2016: Rs.451,407 million), which have been placed under non-performing status as detailed below:

Category of classification	June 30, 2017 (Un-audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	(Rupees in '000)				
Other assets especially mentioned	1,125	-	1,125	113	113
Substandard	309,918	-	309,918	24,635	24,635
Doubtful	17,059	-	17,059	8,529	8,529
Loss	430,657	-	430,657	230,557	230,557
	758,759	-	758,759	263,834	263,834
	<b>December 31, 2016 (Un-audited)</b>				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	(Rupees in '000)				
Other assets especially mentioned	3,691	-	3,691	369	369
Substandard	17,059	-	17,059	4,264	4,264
Doubtful	118,950	-	118,950	59,475	59,475
Loss	311,707	-	311,707	171,083	171,083
	451,407	-	451,407	235,191	235,191



- 7.2 The general provision represents provision made in respect of general reserves against small enterprise portfolio in accordance with the prudential regulations issued by SBP at 1% of fully secured portfolio.
- 7.3 The company has availed the benefit of Forced Sale Value (FSV) of certain mortgaged properties held as collateral against non-performing advances as allowed under BSD Circular 1 of 2011. Had the benefit under the said circular not been taken, the specific provision against non-performing advances would have been higher by Rs. 252.945 million (December 31, 2016: Rs. 140.625 million). The FSV benefit availed - net of tax is not available for the distribution of cash or stock dividend to shareholders.

	Un-audited June 30, 2017	Un-audited December 31, 2016 (Restated)
<b>8 OPERATING FIXED ASSETS</b>	----- (Rupees in '000) -----	
Capital work-in-progress	2,009	21,180
Property and equipment	20,207	3,860
Intangible assets	1,582	1,344
	<u>23,798</u>	<u>26,384</u>
<b>8.1</b>	Additions during the six months period ended June 30, 2017 amounted to Rs.4.115 million (June 30, 2016: Rs.9.654 million) while disposals had a cost of Rs. 3.050 million (June 30, 2016: Rs.1.437 million) and written down value of Rs.0.018 million (June 30, 2016: Rs.0.150 million).	
	Un-audited June 30, 2017	Un-audited December 31, 2016 (Restated)
<b>9 OTHER ASSETS</b>	----- (Rupees in '000) -----	
Income / mark-up accrued in local currency	183,469	229,189
Advances, deposits and other prepayments	36,742	51,015
Advance tax (payments less provisions)	227,357	202,528
Non-banking asset acquired in satisfaction of claim	145,260	-
Dividend receivable	50	4,877
Receivable from PIML Assets Allocation Fund	9,747	178
Receivable from AWT Investments Limited (formerly Primus Investment Management Limited) (associated company)	1,721	
Receivable from defined benefit plan	11,383	6,481
Long term deposits	75	75
Receivable against advisory fee	71,046	38,108
Receivables against sale of shares	-	172,919
Others	-	28,328
Assets directly associated with AWT Investments Limited (formerly Primus Investment Management Limited) - classified as held for sale	-	354,212
	<u>686,850</u>	<u>1,087,910</u>
<b>10 BORROWINGS FROM FINANCIAL INSTITUTIONS</b>		
<b>Secured</b>		
Borrowings from State Bank of Pakistan under:		
- Long-Term Finance Facility Scheme	3,214,369	2,586,388
- Power Plants Using Renewable Energy Scheme	242,862	162,026
- Financing for Storage of Agriculture Produce Scheme	386,887	410,115
	3,844,118	3,158,529
Repurchase agreement borrowings	5,337,230	7,835,143
Borrowings from banks	4,249,500	3,749,500
	<u>13,430,848</u>	<u>14,743,172</u>
<b>Unsecured</b>		
Letters of placement	4,700,000	5,749,726
	<u>18,130,848</u>	<u>20,492,898</u>
<b>11 DEPOSITS AND OTHER ACCOUNTS</b>		
Certificates of investment - remunerative	<u>1,013,382</u>	<u>2,913,487</u>



- 11.1 These carry mark-up at rates ranging from 6.00% to 6.20% per annum (December 31, 2016: 6.00% to 6.40% per annum) and are repayable within 1 month to 5 months (December 31, 2016: 2 months to 11 months).

	Un-audited June 30, 2017	Un-audited December 31, 2016 (Restated)
	----- (Rupees in '000) -----	
<b>12 OTHER LIABILITIES</b>		
Mark-up / return / interest payable in local currency	95,535	97,577
Accrued expenses	39,196	54,936
Brokerage / commission payable	7,426	7,706
Unearned commission	16,300	13,290
Security deposit against advances	321,349	313,637
Payable against purchase of shares	41,516	-
Sindh workers' welfare fund payable	74,997	69,285
Payable to defined benefit plan	-	554
Profit distribution payable	-	6
Others	26,863	11,722
Liabilities directly associated with AWT Investments Limited (formerly Primus Investment Management Limited) - classified as held for sale	-	50,745
	<u>623,182</u>	<u>619,458</u>
<b>13 CONTINGENCIES AND COMMITMENTS</b>		
<b>13.1 Transaction-related contingent liabilities</b>		
Letters of credit	<u>1,772,191</u>	<u>1,125,660</u>
<b>13.2 Commitments in respect of repo transactions</b>		
Repurchase of government securities	<u>5,340,742</u>	<u>7,592,065</u>
<b>13.3 Commitments to extend credit</b>	<u>4,497,243</u>	<u>5,466,485</u>
<b>13.4 Other commitments in respect of:</b>		
- Government securities	<u>-</u>	<u>1,558,062</u>
- Shares	<u>-</u>	<u>329,712</u>
<b>13.5</b> In the year 2009, Al Baraka Bank (Pakistan) Limited (formerly Burj Bank Limited) filed a legal suit amounting to Rs. 200 million for damages against the holding company for alleged non performance of underwriting commitment to issue shares at a premium. Legal advisors of the holding company are of the opinion that the possibility of the holding company being subject to any liability in relation to the suit is negligible.		
<b>13.6</b> Commencing from the tax year 2008 up to tax year 2014, the assessment orders filed by the holding company have been revised and tax demands have been raised to the tune of Rs. 229.115 million against which an aggregate amount of Rs.113.871 million has been paid. The matters which have been raised in these demands mainly include allocation of common expenses, taxation of discount income, additions on account of concessional loans to employees and deletion of the charge pertaining to the Workers' Welfare Fund. The holding company is contesting these demands and appeals have been filed by the holding company against the same which are pending adjudication at various appellate forums including the Honorable Sindh High Court.		
	<b>Half year ended</b>	
	<b>June 30,</b>	<b>June 30,</b>
	<b>2017</b>	<b>2016</b>
		<b>(Restated)</b>
	----- (Rupees in '000) -----	
<b>14 EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit after tax	<u>350,152</u>	<u>595,390</u>
Weighted average number of ordinary shares (in '000)	<u>600,000</u>	<u>600,000</u>
Basic earnings per share (Rupee)	<u>0.58</u>	<u>0.99</u>
<b>14.1</b> There were no convertible dilutive potential ordinary shares outstanding as on June 30, 2017 and 2016.		



## 15 TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS

The Company has related party relationship with subsidiary company, associates, employee defined benefit plan and contribution plan, key management personnel, state controlled entities and other related parties mainly on account of common directorship.

All transactions between the company and its related parties / associated undertakings are carried out under normal course of business except employee staff loans that are as per terms of employment

Details of transaction with related parties during the period, other than those which have been disclosed elsewhere in these condensed interim financial information are as follows:

	As at June 30, 2017 (Un-audited)				As at December 31, 2016 (un-audited)			
	Key management personnel	Other related parties	State controlled entities	Associates	Key management personnel	Other related parties	State controlled entities	Associates
(Rupees in '000)								
<b>Advances</b>								
At beginning of the period / year	61,719	359,808	89,962	-	67,983	540,232	53,466	-
Disbursements during the period / year	28,722	465,959	-	-	7,717	292,465	62,454	-
Removal from related party	-	(191,250)	-	-	-	(400,200)	-	-
Repaid during the period / year	(3,767)	(4,835)	(7,331)	-	(13,981)	(72,689)	(25,958)	-
At end of the period / year	<u>86,674</u>	<u>629,682</u>	<u>82,631</u>	<u>-</u>	<u>61,719</u>	<u>359,808</u>	<u>89,962</u>	<u>-</u>
<b>Investments</b>								
At beginning of the period / year	-	19,250	9,241,789	5,420,999	-	187,309	7,063,565	6,872,342
Additions / Investments made during the period / year	-	41,210	9,875,136	650,072	-	289,424	61,523,795	23,156,924
Redemption during the period / year	-	(60,460)	(11,364,999)	(4,619,088)	-	(457,483)	(59,345,571)	(24,608,267)
Transfer in / (out)	-	-	-	75,000	-	-	-	-
At end of the period / year	<u>-</u>	<u>-</u>	<u>7,751,926</u>	<u>1,526,983</u>	<u>-</u>	<u>19,250</u>	<u>9,241,789</u>	<u>5,420,999</u>
<b>Placements</b>								
At beginning of the period / year	-	-	-	-	-	-	-	-
Placements made during the period / year	-	-	-	-	-	-	3,092,084	-
Placements matured during the period / year	-	-	-	-	-	-	(3,092,084)	-
At end of the period / year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Borrowings</b>								
At beginning of the period / year	-	-	9,284,119	-	-	-	6,605,818	630,000
Add: received during the year	-	-	244,912,760	-	-	-	420,637,891	900,000
Less: paid during the year	-	-	(250,102,761)	-	-	-	(417,959,590)	(1,530,000)
At end of the period / year	<u>-</u>	<u>-</u>	<u>4,094,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,284,119</u>	<u>-</u>
(Rupees in '000)								
	For the half year ended June 30, 2017 (Un-audited)				For the half year ended June 30, 2016 (Un-audited)			
	Key management personnel	Other related parties	State controlled entities	Associates	Key management personnel	Other related parties	State controlled entities	Associates
(Rupees in '000)								
Mark-up / return / interest earned	1,214	14,374	277,388	-	739	7,840	322,168	-
Gain on sale of securities - net	-	21,665	40,988	97,596	-	8,035	460,636	224,879
Dividend income	-	80	2,365	7,800	-	-	4,970	31,801
Fee Income	-	-	-	-	-	-	-	-
Mark-up / return / interest expensed	-	-	141,727	-	-	-	132,030	18,912
Salaries and other benefits	51,060	-	-	-	42,740	-	-	-
Reimbursement of expenses	2,187	-	-	-	2,443	-	-	-
Expenses charged to group	-	-	-	10,671	-	-	-	20,445
Contribution to provident fund	1,887	-	-	-	1,661	-	-	-
Contribution to gratuity fund	1,337	-	-	-	1,477	-	-	-

### 15.1 Group shared services

The transactions with related parties during the year includes costs (administrative expenses) charged by the holding company under the cost sharing agreement with AWT Investments Limited (formerly Primus Investment Management Limited).



## 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	Modaraba Management	Modaraba	Asset Management (discontinued)	Total
----- Rupees '000 -----							
<b>June 30, 2017 (un-audited)</b>							
Total income	24,512	710,311	451,208	18,133	113,142	-	1,317,306
Total expenses	3,268	431,972	294,024	13,704	39,957	-	782,925
Net income	<u>21,244</u>	<u>278,339</u>	<u>157,184</u>	<u>4,429</u>	<u>73,185</u>	<u>-</u>	<u>534,381</u>
Segment assets (gross)	-	13,947,180	16,756,908	124,710	1,183,941	-	32,012,739
Segment non performing advances	-	3,184	755,575	-	-	-	758,759
Non-performing investments	-	349,265	-	-	-	-	349,265
Segment provision held *	-	291,221	263,207	-	-	-	554,428
Segment liabilities	-	8,940,340	10,798,165	22,964	23,800	-	19,785,269
Segment return on assets (ROA) (%)	<u>-</u>	<u>3.03%</u>	<u>2.18%</u>	<u>3.55%</u>	<u>6.18%</u>	<u>-</u>	
Segment return on net assets (ROA) (%)	<u>-</u>	<u>11.65%</u>	<u>5.45%</u>	<u>4.35%</u>	<u>6.31%</u>	<u>-</u>	
Segment cost of funds (%)	<u>-</u>	<u>5.48%</u>	<u>5.48%</u>	<u>0.00%</u>	<u>0.05%</u>	<u>-</u>	
<b>June 30, 2016 (un-audited)</b>							
Total income	102,180	1,137,320	419,467	3,609	61,924	61,593	1,786,093
Total expenses	(66,783)	(539,501)	(232,886)	(8,849)	(33,481)	(48,099)	(929,599)
Net income	<u>35,397</u>	<u>597,819</u>	<u>186,581</u>	<u>(5,240)</u>	<u>28,443</u>	<u>13,494</u>	<u>856,494</u>
<b>December 31, 2016 - (un-audited)</b>							
Segment assets (gross)	-	22,760,367	12,147,603	125,651	1,100,965	354,212	36,488,798
Segment non performing advances	-	3,691	447,716	-	-	-	451,407
Non-performing investments	-	348,772	-	-	-	-	348,772
Segment provision held *	-	277,426	234,824	-	-	-	512,250
Segment liabilities	-	15,624,796	8,331,535	21,902	14,010	50,745	24,042,988
Segment return on assets (ROA) (%)	<u>-</u>	<u>4.55%</u>	<u>2.92%</u>	<u>-9.44%</u>	<u>2.58%</u>	<u>7.22%</u>	
Segment return on net assets (ROA) (%)	<u>-</u>	<u>14.41%</u>	<u>9.43%</u>	<u>-11.43%</u>	<u>2.62%</u>	<u>8.42%</u>	
Segment cost of funds (%)	<u>-</u>	<u>5.94%</u>	<u>5.94%</u>	<u>-</u>	<u>0.00%</u>	<u>-</u>	

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



	Un-audited June 30, 2017	Un-audited December 31, 2016 (Restated)
	----- (Rupees in '000) -----	
<b>17 CASH AND CASH EQUIVALENTS</b>		
Cash and balances with treasury banks	71,224	322,011
Balances with other banks	1,794,793	2,333,055
Term deposit receipts (maturity within 3 months)	600,000	250,000
Cash and bank balances pertaining to discontinued operations	-	2,611
	<u>2,466,017</u>	<u>2,907,677</u>

## 18 FAIR VALUE DISCLOSURES

The fair values of the traded investments are based on quoted market prices. The fair values of unquoted equity investments, other than investments in associates are estimated using break-up value of the investee company.

The fair values of loans and advances, other assets and other liabilities cannot be calculated with sufficient reliability due to the absence of a current and active market for such assets and liabilities and reliable data regarding market rates for similar investments.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since they are either short-term in nature or, in the case of customer advances and deposits, are frequently repriced.

### 18.1 Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

**Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the holding company's assets:

Recurring fair value measurements	June 30, 2017 (un-audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees '000 -----			
<b>Held-for-trading</b>				
Ordinary shares of listed companies	74,310	-	-	74,310
<b>Available-for-sale securities</b>				
Ordinary shares of listed companies	670,946	-	-	670,946
Market Treasury Bills	-	7,158,484	-	7,158,484
Pakistan Investment Bonds	-	474,969	-	474,969
Term finance certificates and sukuks	-	958,110	-	958,110
Recurring fair value measurements	December 31, 2016 (un-audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees '000 -----			
<b>Held-for-trading</b>				
Ordinary shares of listed companies	326,291	-	-	326,291
Derivative liability	(2,978)	-	-	(2,978)
<b>Available-for-sale securities</b>				
Ordinary shares of listed companies	885,885	-	-	885,885
Market Treasury Bills	-	6,079,913	-	6,079,913
Pakistan Investment Bonds	-	2,860,087	-	2,860,087
Term finance certificates and sukuks	-	1,066,221	-	1,066,221

The holding company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date when the event or change in circumstances require holding company to exercise such transfers. There were no transfers between levels 1 and 2 during the year.



**Valuation techniques used in determination of fair values within level 2**


Item	Valuation approach and input used
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Treasury Bills are derived using the PKRV rates.
Term Finance Certificates and Sukuk Certificates	Fair values of quoted TFCs and Sukuk Certificates are determined on the basis of rates announced by the Pakistan Stock Exchange.


**19 GENERAL**


- 19.1 Comparative information has been re-classified, re-arranged or additionally incorporated in these condensed condensed interim financial information, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period. No major reclassifications were made during the period.
- 19.2 The comparative figures for the period ended June 30, 2016 and December 31, 2016 have been restated on account of consolidation of Awwal Modaraba in the said financial statements
- 19.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.

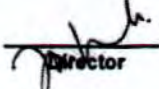
**20 DATE OF AUTHORISATION FOR ISSUE**


This condensed consolidated interim financial information was authorised for issue on OCTOBER 13, 2017 by the Board of Directors of the holding company.

  
 Chief Financial Officer

  
 Chief Executive Officer

  
 Director

  
 Director

  
 Chairman



