



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Pak Brunei Investment Company Limited** as of June 30, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity together with notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year ended June 30, 2017. The management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for the quarters ended June 30, 2017 and June 30, 2016 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended June 30, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The condensed interim financial information of the Company for the half year ended June 30, 2016 and the financial statements for the year ended December 31, 2016 were reviewed and audited by another firm of Chartered Accountants who had expressed an unqualified conclusion and opinion thereon vide their reports dated September 05, 2016 and March 23, 2017, respectively.


Chartered Accountants

Engagement Partner: **Salman Hussain**

Dated: October 13, 2017

Karachi


PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

Un-audited June 30, 2017	Un-audited December 31, 2016		Un-audited June 30, 2017	Audited December 31, 2016
----- (US \$ in '000) -----			Note ----- (Rupees in '000) -----	
ASSETS				
679	3,071	Cash and balances with treasury banks	71,224	322,004
14,583	18,473	Balances with other banks	1,529,124	1,936,970
5,722	4,750	Lendings to financial institutions	600,000	498,065
105,196	158,865	Investments	6 11,030,225	16,657,665
154,936	133,480	Advances	7 16,245,677	13,995,942
194	240	Operating fixed assets	8 20,291	25,160
401	1,034	Deferred tax asset - net	42,054	108,371
5,828	8,072	Other assets	9 611,065	846,420
287,539	327,985		30,149,660	34,390,597
LIABILITIES				
-	-	Bills payable	-	-
172,915	195,442	Borrowings from financial institutions	10 18,130,848	20,492,898
9,664	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	-	-
5,668	5,299	Other liabilities	12 594,275	555,655
188,247	228,527		19,738,505	23,962,040
<u>99,292</u>	<u>99,458</u>	NET ASSETS	<u>10,411,155</u>	<u>10,428,557</u>
REPRESENTED BY:				
57,222	57,222	Share capital	6,000,000	6,000,000
12,549	11,995	Reserves	1,315,774	1,257,721
30,186	30,832	Unappropriated profit	3,165,106	3,232,896
99,957	100,049		10,480,880	10,490,617
(665)	(591)	Deficit on revaluation of assets - net of deferred tax	(69,725)	(62,060)
<u>99,292</u>	<u>99,458</u>		<u>10,411,155</u>	<u>10,428,557</u>
CONTINGENCIES AND COMMITMENTS				
			13	

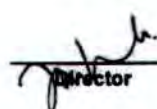
The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

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Chief Financial Officer


Chief Executive Officer


Director


Director

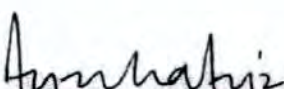



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PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2017

Half year ended			Quarter ended		Half year ended	
June 30, 2017	June 30, 2016		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
(US \$ in '000)		Note	(Rupees in '000)			
7,496	7,955	Mark-up / return / interest earned	385,785	394,228	785,963	834,153
5,045	5,288	Mark-up / return / interest expensed	240,232	253,759	528,952	554,503
2,451	2,667	Net mark-up / return / interest income	145,553	140,469	257,011	279,650
274	449	Provision against non-performing loans and advances - net	23,887	45,885	28,718	47,050
128	273	Provision for diminution in the value of investments	13,285	26,420	13,460	28,587
-	-	Bad debts written off directly	-	-	-	-
402	722		37,172	72,305	42,178	75,637
2,049	1,945	Net mark-up / interest income after provisions	108,381	68,164	214,833	204,013
234	515	Non mark-up / interest income	12,053	10,187	24,512	53,959
187	466	Fee, commission and brokerage income	5,249	38,472	19,617	48,886
-	-	Dividend income	-	-	-	-
3,389	6,262	Income from dealing in foreign currencies	154,205	484,065	355,309	656,581
1	(8)	Gain on sale of securities - net	(1,770)	461	83	(817)
5	10	Unrealised (loss) / gain on revaluation of investments classified as held-for-trading	451	5	547	998
3,816	7,245	Other income	170,188	533,190	400,068	759,607
5,865	9,190	Total non mark-up / interest income	278,569	601,354	614,901	963,620
1,508	1,453	Non mark-up / interest expenses	89,491	81,174	158,134	152,384
-	-	Administrative expenses	-	-	-	-
-	-	Other provisions / write offs	-	-	-	-
1,508	1,453	Other charges	89,491	81,174	158,134	152,384
4,357	7,737	Total non mark-up / interest expenses	189,078	520,180	456,767	811,236
682	2,342	Profit before taxation	12,441	144,884	71,558	245,551
371	352	Taxation - Current	38,923	36,885	38,923	36,885
534	(281)	- Prior years	42,631	(22,664)	56,023	(29,420)
1,587	2,413	- Deferred	93,995	159,105	166,504	253,016
2,770	5,324	Profit after taxation	95,083	361,075	290,263	558,220
(US \$)			(Rupees)			
0.0046	0.0089	Earnings per share - basic and diluted	0.16	0.60	0.48	0.93

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

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 Chief Financial Officer
 
 Chief Executive Officer
 
 Director
 
 Director
 
 Chairman

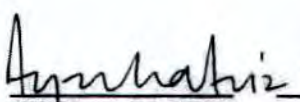
PAK BRUNEI INVESTMENT COMPANY LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2017

Half year ended			Quarter ended		Half year ended	
June 30, 2017	June 30, 2016		June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
(US \$ in '000)			(Rupees in '000)			
2,770	5,324	Profit after taxation for the period	95,083	361,075	290,263	558,220
		Other comprehensive income:				
		<i>Items that will not be reclassified to profit or loss account in subsequent period</i>				
		Other comprehensive income transferred to equity	95,083	361,075	290,263	558,220
		<i>Components of comprehensive income not reflected in equity</i>				
		<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	(27,840)	(207,975)	(7,665)	46,145
		Total comprehensive income for the period	67,243	153,100	282,598	604,365
2,770	3,341					

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 Chief Financial Officer


 Chief Executive Officer


 Director


 Director


 Chairman

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

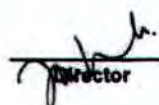
Half year ended		Half year ended	
June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
(US \$ in '000)		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
4,356	7,737	456,767	811,236
(187)	(466)	(19,617)	(48,886)
4,169	7,271	437,150	762,350
Adjustments for non-cash and other items:			
56	76	5,881	7,993
4	5	415	576
54	-	5,712	-
274	449	28,718	47,050
128	273	13,460	28,587
(1)	(10)	(74)	(998)
(862)	-	(90,375)	-
(1)	8	(83)	817
(348)	801	(36,346)	84,025
3,821	8,072	400,804	846,375
(Increase) / decrease in operating assets			
2,366	-	248,065	-
2,404	(12,462)	252,064	(1,306,650)
(21,730)	(11,649)	(2,278,453)	(1,221,415)
771	5,949	80,849	623,800
(16,189)	(18,162)	(1,697,475)	(1,904,265)
Increase / (decrease) in operating liabilities			
(22,527)	(17,592)	(2,362,050)	(1,844,628)
(18,121)	(10,825)	(1,900,105)	(1,135,001)
314	461	32,908	48,324
(40,334)	(27,956)	(4,229,247)	(2,931,305)
(52,702)	(38,046)	(5,525,918)	(3,989,195)
(1,295)	(2,062)	(135,802)	(216,207)
(53,997)	(40,108)	(5,661,720)	(4,205,402)
CASH FLOWS FROM INVESTING ACTIVITIES			
13,683	46,274	1,434,766	4,851,998
(373)	(84)	(39,154)	(8,768)
37,853	(7,986)	3,969,016	(837,328)
2,531	-	265,375	-
233	172	24,444	18,018
(14)	(60)	(1,445)	(6,339)
1	11	92	1,148
53,914	38,327	5,653,094	4,018,729
CASH FLOWS FROM FINANCING ACTIVITIES			
(2,861)	(1,907)	(300,000)	(200,000)
(2,861)	(1,907)	(300,000)	(200,000)
(2,944)	(3,688)	(308,626)	(386,673)
23,928	5,505	2,508,974	577,214
20,984	1,817	2,200,348	190,541

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

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Chief Financial Officer


Chief Executive Officer


Director


Chairman

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

	Share capital	Statutory reserve	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at January 1, 2016	6,000,000	1,065,388	2,659,034	9,724,422
Total comprehensive income for the six months ended June 30, 2016				
Profit after taxation for the period ended June 30, 2016	-	-	558,220	558,220
Other comprehensive income for the period - net of tax	-	-	-	-
	-	-	558,220	558,220
Transfer to statutory reserve	-	111,644	(111,644)	-
Transactions with owners recorded directly in equity for the half year ended June 30, 2016				
Final cash dividend - December 31, 2015 declared subsequent to the year end at Re.0.33 per ordinary share	-	-	(200,000)	(200,000)
Balance as at June 30, 2016	<u>6,000,000</u>	<u>1,177,032</u>	<u>2,905,610</u>	<u>10,082,642</u>
Total comprehensive income for the six months ended December 31, 2016				
Profit after taxation for the period ended December 31, 2016	-	-	403,438	403,438
Other comprehensive income for the period - net of tax	-	-	4,537	4,537
	-	-	407,975	407,975
Transfer to statutory reserve	-	80,689	(80,689)	-
Balance as at January 1, 2017	<u>6,000,000</u>	<u>1,257,721</u>	<u>3,232,896</u>	<u>10,490,617</u>
Total comprehensive income for the six months ended June 30, 2017				
Profit after taxation for the period ended June 30, 2017	-	-	290,263	290,263
Other comprehensive income for the period - net of tax	-	-	-	-
	-	-	290,263	290,263
Transfer to statutory reserve	-	58,053	(58,053)	-
Transactions with owners recorded directly in equity for the half year ended June 30, 2017				
Final cash dividend - December 31, 2016 declared subsequent to the year end at Re.0.50 per ordinary share	-	-	(300,000)	(300,000)
Balance as at June 30, 2017	<u>6,000,000</u>	<u>1,315,774</u>	<u>3,165,106</u>	<u>10,480,880</u>

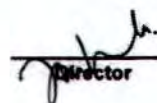
The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

ALL I L


 Chief Financial Officer


 Chief Executive Officer


 Director


 Director


 Chairman

1 STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the 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 Company is a joint venture between the Government of Pakistan (GoP) and the Brunei Investment Agency (BIA). The 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 Company is situated at Horizon Vista, Plot No. Commercial - 10, Block-4, Scheme-5, Clifton, Karachi, Pakistan. The 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 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'.

2 STATEMENT OF COMPLIANCE

2.1 BASIS OF PREPARATION

This condensed 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 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 Company's accounting period beginning on or after January 1, 2009. All banking companies in Pakistan are required to prepare their condensed interim financial information in line with the format prescribed under BSD Circular Letter No. 2 dated May 12, 2004. The management of the 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 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 financial statements and this condensed interim financial information should be read in conjunction with the financial statements of the Company for the year ended December 31, 2016.

2.5 These unconsolidated condensed interim financial statements represents the separate condensed interim financial information of the Company in which subsidiary and associates are stated at cost. The consolidated condensed interim financial information of the Company and its subsidiary are presented separately.

2.6 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 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 interim financial information has been prepared under the historical cost convention, except that certain investments been marked to market and are carried at fair value. 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 interim financial information are measured using the currency of the primary economic environment in which the Company operates. This condensed interim financial information is presented in Pakistani Rupees, which is the Company's functional and presentation currency.

The US dollar amounts shown in the condensed interim statement of financial position, condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement are stated 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 interim financial information are the same as those applied in the preparation of the annual 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 interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2016.

5 FINANCIAL RISK MANAGEMENT

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

6 INVESTMENTS

6.1 Investments by types

Note	Un-audited June 30, 2017			Audited December 31, 2016		
	Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral	Total
----- (Rupees in '000) -----						
Held for trading securities						
	74,227	-	74,227	327,073	-	327,073
Available for sale securities						
	1,821,087	5,338,827	7,159,914	843,353	5,241,975	6,085,328
	469,969	-	469,969	156,822	2,760,267	2,917,089
	795,927	-	795,927	938,022	-	938,022
	221,331	-	221,331	40,581	-	40,581
	1,186,386	-	1,186,386	1,287,273	-	1,287,273
	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
Held to maturity securities						
	39,154	-	39,154	-	-	-
	1,451,002	-	1,451,002	5,420,018	-	5,420,018
	6,062,333	5,338,827	11,401,160	9,016,392	8,002,242	17,018,634
	(289,620)	-	(289,620)	(276,160)	-	(276,160)
	5,772,713	5,338,827	11,111,540	8,740,232	8,002,242	16,742,474
Investments (net of provisions)						
	83	-	83	(782)	-	(782)
	(80,659)	(739)	(81,398)	(21,977)	(62,050)	(84,027)
	5,692,137	5,338,088	11,030,225	8,717,473	7,940,192	16,657,665

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6.2 Investment in related parties

Name of investee company / fund	Note	Percentage of holding %		Number of shares / certificates / units held		Un-audited	Audited
		June 30, 2017	December 31, 2016	2017	2016	Cost as at June 30, 2017	Cost as at December 31, 2016
		----- (Rupees in '000) -----					
Investment in subsidiaries							
- strategic investments							
Listed modaraba							
Awwal Modaraba	6.3	89.80	89.80	89,803,566	89,797,066	898,602	898,530
Unlisted public companies							
Awwal Modaraba Management Limited		100	100	10,500,000	10,500,000	105,000	105,000
AWT Investments Limited (formerly Primus Investment Management Limited)		-	100	-	25,000,000	-	250,000
Less: Investment classified as held for sale	6.4	-	(70)	-	(17,500,000)	-	(175,000)
		-	30	-	7,500,000	-	75,000
Investment in associates							
Unlisted public company							
AWT Investments Limited (formerly Primus Investment Management Limited)		30	-	7,500,000	-	75,000	-
Open-end mutual funds - listed							
PIML Strategic Multi Asset Fund		55.43	81.47	915,900	2,117,878	111,575	258,000
PIML Islamic Equity Fund		24.29	61.91	419,999	1,106,318	60,362	159,000
PIML Value Equity Fund		23.80	66.04	371,393	1,086,164	50,948	149,000
PIML Asset Allocation Fund		45.05	84.63	1,410,138	9,473,285	149,515	1,000,000
PIML Income Fund		-	66.37	-	26,269,494	-	2,675,488
PIML Daily Reserve Fund		-	14.91	-	1,282,380	-	100,000
						372,400	4,341,488
						1,451,002	5,420,018

- 6.3 During the current period, the Company has obtained clarification from the Securities and Exchange Commission of Pakistan with respect to categorisation of investment in Awwal Modaraba. In accordance with the clarification, the Company has retrospectively changed categorisation of its investment in Awwal Modaraba from associate to subsidiary. This change does not have any financial impact in this condensed interim financial information as both investment in associates and subsidiaries are stated at cost. The related party transactions have also been presented in line with the above and comparative information has been restated (refer note 16).
- 6.4 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 and has recognised a gain amounting to Rs 90.375 million in the profit and loss account.

7 ADVANCES	Note	Un-audited	Audited
		June 30, 2017	December 31, 2016
----- (Rupees in '000) -----			
Loans, cash credits, running finances, etc. - In Pakistan		11,265,111	9,584,579
Advances under State Bank of Pakistan:			
- Long-Term Finance Facility Scheme		3,229,881	2,626,917
- Power Plants Using Renewable Energy Scheme		252,946	171,778
- 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
Advances - gross		16,510,485	14,232,032
Provision against advances			
- Specific	7.1	(263,834)	(235,191)
- General	7.2	(974)	(899)
		(264,808)	(236,090)
Advances - net of provision		16,245,677	13,995,942

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- 7.1 Advances include Rs.758.759 million (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)			Provision required	Provision held
	Classified advances				
	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
	<u>758,759</u>	<u>-</u>	<u>758,759</u>	<u>263,834</u>	<u>263,834</u>

Category of classification	December 31, 2016 (Audited)			Provision required	Provision held
	Classified advances				
	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
	<u>451,407</u>	<u>-</u>	<u>451,407</u>	<u>235,191</u>	<u>235,191</u>

- 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.

8 OPERATING FIXED ASSETS	Un-audited	Audited
	June 30, 2017	December 31, 2016
	(Rupees in '000)	
Capital work-in-progress	2,009	1,344
Property and equipment	17,099	22,218
Intangible assets	1,183	1,598
	<u>20,291</u>	<u>25,160</u>

- 8.1 Additions during the six months period ended June 30, 2017 amounted to Rs.1.445 million (June 30, 2016: Rs.6.339 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).

9 OTHER ASSETS	Note	Un-audited	Audited
		June 30, 2017	December 31, 2016
		(Rupees in '000)	
Income / mark-up accrued in local currency		183,409	229,124
Advances, deposits and other prepayments		21,296	42,303
Advance tax (payments less provisions)		223,675	198,354
Non-banking asset acquired in satisfaction of claim		145,260	-
Investment in AWT Investments Limited (formerly Primus Investment Management Limited) - classified as held for sale	6.3	-	175,000
Dividend receivable		50	4,877
Receivable from Primus Leasing Limited (related party)		9,747	1,533
Receivable from AWT Investments Limited (formerly Primus Investment Management Limited) (associated company)		1,721	1,924
Receivable from defined benefit plan		11,383	6,481
Receivable from Awwal Modaraba Management Limited (subsidiary company)		14,524	13,726
Receivable from PIML Asset Allocation Fund		-	178
Receivable against sale of shares		-	172,920
		<u>611,065</u>	<u>846,420</u>

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	Note	Un-audited June 30, 2017 ----- (Rupees in '000) -----	Audited December 31, 2016
10 BORROWINGS FROM FINANCIAL INSTITUTIONS			
Secured			
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>
Unsecured			
Letters of placement		4,700,000	5,749,726
		<u>18,130,848</u>	<u>20,492,898</u>
11 DEPOSITS AND OTHER ACCOUNTS			
Certificates of investment - remunerative	11.1	<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	Audited December 31, 2016
		----- (Rupees in '000) -----	
12 OTHER LIABILITIES			
Mark-up / return / interest payable in local currency		95,535	97,577
Accrued expenses		20,438	35,726
Brokerage / commission payable		7,426	7,706
Unearned commission		16,300	13,290
Security deposit against advances		321,349	313,637
Payable to Awwal Modaraba - related party		1,044	6,551
Payable against purchase of shares		41,516	-
Sindh workers' welfare fund payable		74,997	69,285
Others		15,670	11,883
		<u>594,275</u>	<u>555,655</u>
13 CONTINGENCIES AND COMMITMENTS			
13.1 Transaction-related contingent liabilities			
Letters of credit		<u>1,772,191</u>	<u>1,125,660</u>
13.2 Commitments in respect of repo transactions			
Repurchase of government securities		<u>5,340,742</u>	<u>7,592,065</u>
13.3 Commitments to extend credit		<u>4,497,243</u>	<u>5,466,485</u>
13.4 Other commitments in respect of:			
- Government securities		-	1,558,062
- Shares		-	329,712
13.5 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 Company for alleged non performance of underwriting commitment to issue shares at a premium. Legal advisors of the Company are of the opinion that the possibility of the Company being subject to any liability in relation to the suit is negligible.			

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- 13.6 Commencing from the tax year 2008 up to tax year 2014, the assessment orders filed by the 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 Company is contesting these demands and appeals have been filed by the Company against the same which are pending adjudication at various appellate forums including the Honorable Sindh High Court.

	Quarter ended		Half year ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
14 EARNINGS PER SHARE - BASIC AND DILUTED	----- (Rupees in '000) -----			
Profit after tax	95,083	361,075	290,263	558,220
Weighted average number of ordinary shares (in '000)	600,000	600,000	600,000	600,000
Basic earnings per share (Rupee)	0.16	0.60	0.48	0.93

- 14.1 There were no convertible dilutive potential ordinary shares outstanding as on June 30, 2017 and 2016.

15 SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate Finance	Trading & Sales	Commercial Banking	Total
----- Rupees '000 -----				
June 30, 2017 (un-audited)				
Total income	24,512	710,311	451,208	1,186,031
Total expenses	3,268	431,972	294,024	729,264
Net income	21,244	278,339	157,184	456,767
Segment assets (gross)	-	13,947,180	16,756,908	30,704,088
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	19,738,505
Segment return on assets (ROA) (%)	-	3.03%	2.18%	
Segment return on net assets (ROA) (%)	-	11.65%	5.45%	
Segment cost of funds (%)	-	5.48%	5.48%	
----- Rupees '000 -----				
June 30, 2016 (un-audited)				
Total income	53,960	1,120,333	419,467	1,593,760
Total expenses	23,932	525,706	232,886	782,524
Net income	30,028	594,627	186,581	811,236
December 31, 2016 - (audited)				
Segment assets (gross)	-	22,755,244	12,147,603	34,902,847
Segment non performing advances	-	3,691	447,716	451,407
Non-performing investments	-	348,772	-	348,772
Segment provision held *	-	277,429	234,821	512,250
Segment liabilities	-	15,630,505	8,331,535	23,962,040
Segment return on assets (ROA) (%)	-	4.55%	2.92%	
Segment return on net assets (ROA) (%)	-	14.41%	9.43%	
Segment cost of funds (%)	-	5.94%	5.94%	

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

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16 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 (audited) (Restated)				
	Key management personnel	Other related parties	State controlled entities	Subsidiary company	Associates	Key management personnel	Other related parties	State controlled entities	Subsidiary companies	Associates
(Rupees in '000)										
Advances										
At beginning of the period / year	55,380	359,808	89,962	-	-	61,644	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>80,335</u>	<u>629,682</u>	<u>82,631</u>	<u>-</u>	<u>-</u>	<u>55,380</u>	<u>359,808</u>	<u>89,962</u>	<u>-</u>	<u>-</u>
Investments										
At beginning of the period / year	-	19,250	9,241,789	1,078,530	4,341,488	-	187,309	7,063,565	355,000	5,996,273
Additions / Investments made during the period / year	-	41,210	9,875,136	72	650,000	-	289,424	61,523,795	898,530	22,183,394
Redemption during the period / year	-	(60,460)	(11,364,999)	-	(4,619,088)	-	(457,483)	(59,345,571)	(175,000)	(23,838,179)
Transfer in / (out)	-	-	-	(75,000)	75,000	-	-	-	-	-
At end of the period / year	<u>-</u>	<u>-</u>	<u>7,751,926</u>	<u>1,003,602</u>	<u>447,400</u>	<u>-</u>	<u>19,250</u>	<u>9,241,789</u>	<u>1,078,530</u>	<u>4,341,488</u>
Placements										
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>	<u>-</u>	<u>-</u>
Borrowings										
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>-</u>	<u>9,284,119</u>	<u>-</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) (Restated)				
	Key management personnel	Other related parties	State controlled entities	Subsidiary company	Associates	Key management personnel	Other related parties	State controlled entities	Subsidiary companies	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
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 companies	-	-	-	6,460	5,844	-	-	-	37,495	-
Contribution to provident fund	1,887	-	-	-	-	1,661	-	-	-	-
Contribution to gratuity fund	1,337	-	-	-	-	1,477	-	-	-	-

16.1 Group shared services

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

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	Un-audited June 30, 2017	Audited December 31, 2016
	----- (Rupees in '000) -----	
17 CASH AND CASH EQUIVALENTS		
Cash and balances with treasury banks	71,224	322,004
Balances with other banks	1,529,124	1,936,970
Term deposit receipts (maturity within 3 months)	600,000	250,000
	<u>2,200,348</u>	<u>2,508,974</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 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 Company's assets:

Recurring fair value measurements	June 30, 2017 (un-audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees '000 -----			
Held-for-trading				
Ordinary shares of listed companies	74,310	-	-	74,310
Available-for-sale securities				
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
	December 31, 2016 (audited)			
Recurring fair value measurements	Level 1	Level 2	Level 3	Total
	----- Rupees '000 -----			
Held-for-trading				
Ordinary shares of listed companies	326,291	-	-	326,291
Derivative liability	(2,978)	-	-	(2,978)
Available-for-sale securities				
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 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 Company to exercise such transfers. There were no transfers between levels 1 and 2 during the year.

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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 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.

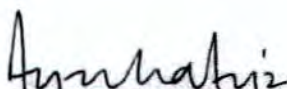
19.2 Figures have been rounded off to the nearest thousand rupees unless other wise stated.

20 DATE OF AUTHORISATION FOR ISSUE


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

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Chief Financial Officer


Chief Executive Officer


Director


Director


Chairman