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**PAK BRUNEI INVESTMENT COMPANY LIMITED**

**UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS**

**FOR THE HALF YEAR ENDED 30 JUNE 2015**

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Chartered Accountants  
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## AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### *Introduction*

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Pak Brunei Investment Company Limited** (the Company) as at **30 June 2015**, the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this 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 interim financial information based on our review.

### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of 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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



**Chartered Accountants**

**Engagement Partner: Shabbir Yunus**

**Date: 22 September 2015**

**Karachi**

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2015**

(Un-audited) June 30, 2015 ----- (US \$ in '000) -----	(Audited) December 31, 2014		(Un-audited) June 30, 2015 ----- (Rupees in '000) -----	(Audited) December 31, 2014 -----
<b>ASSETS</b>				
1,130	1,211	Cash and balances with treasury banks	114,873	123,151
1,820	755	Balances with other banks	185,041	76,759
9,154	-	Lendings to financial institutions	930,959	-
153,761	238,416	Investments	15,637,535	24,246,894
87,760	72,622	Advances	8,925,196	7,385,691
354	318	Operating fixed assets	36,021	32,318
-	-	Deferred tax assets	-	-
7,392	10,186	Other assets	751,781	1,035,959
<u>261,371</u>	<u>323,508</u>		<u>26,581,406</u>	<u>32,900,772</u>
<b>LIABILITIES</b>				
-	-	Bills payable	-	-
80,375	177,875	Borrowings from financial institutions	8,174,125	18,089,905
81,352	50,779	Deposits and other accounts	8,273,450	5,164,230
-	-	Sub-ordinated loans	-	-
-	-	Liabilities against assets subject to finance lease	-	-
164	1,307	Deferred tax liabilities	16,633	132,921
4,736	3,682	Other liabilities	481,609	374,410
<u>166,627</u>	<u>233,643</u>		<u>16,945,817</u>	<u>23,761,466</u>
<u>94,744</u>	<u>89,865</u>	<b>NET ASSETS</b>	<u>9,635,589</u>	<u>9,139,306</u>
<b>REPRESENTED BY</b>				
58,097	58,997	Share capital	6,000,000	6,000,000
10,090	8,633	Reserves	1,026,426	878,000
24,626	20,753	Unappropriated profit	2,504,332	2,110,627
<u>93,713</u>	<u>88,383</u>		<u>9,530,758</u>	<u>8,988,627</u>
1,031	1,482	Deficit on revaluation of assets - net of tax	104,831	150,679
<u>94,744</u>	<u>89,865</u>		<u>9,635,589</u>	<u>9,139,306</u>
<b>CONTINGENCIES AND COMMITMENTS</b>				

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

*Signature*

*Signature*  
Chief Executive

*Signature*  
Director

*Signature*  
Director

*Signature*  
Chairman


**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2015**


Half year ended June 30, 2015 ---- (US \$ in '000) ----	Half year ended June 30, 2014		Quarter ended June 30, 2015	Half year ended June 30, 2015	Quarter ended June 30, 2014	Half year ended June 30, 2014
		Note	----- (Rupees in '000) -----			
10,459	11,604	Mark-up / return / interest earned	468,064	1,063,703	662,879	1,180,143
7,370	9,744	Mark-up / return / interest expensed	327,414	749,493	552,914	990,954
<u>3,089</u>	<u>1,860</u>	Net mark-up / interest income	<u>140,650</u>	<u>314,210</u>	<u>109,965</u>	<u>189,189</u>
693	-	Provision / (reversal) against non-performing advances	70,353	70,455	(21)	(42)
(2)	(33)	(Reversal) / provision for diminution in the value of investments	684	(191)	(236)	(3,401)
-	-	Bad debts written off directly	-	-	-	-
<u>691</u>	<u>(33)</u>		<u>71,037</u>	<u>70,264</u>	<u>(257)</u>	<u>(3,443)</u>
<u>2,398</u>	<u>1,893</u>	Net mark-up / interest income after provisions	<u>69,613</u>	<u>243,946</u>	<u>110,222</u>	<u>192,632</u>
<b>NON MARK-UP/ INTEREST INCOME</b>						
86	151	Fee, commission and brokerage income	337	8,715	6,830	15,330
1,123	1,999	Dividend income	98,869	114,249	105,260	203,290
7,422	1,258	Gain on sale of securities - net	302,877	754,797	95,070	127,897
-	-	Income from dealing in foreign currencies	-	-	-	-
(135)	(6)	Unrealised loss on revaluation of investments classified as held-for-trading	100	(13,740)	4,734	(632)
1	21	Other income	51	51	1,569	2,106
<u>8,497</u>	<u>3,423</u>	Total non mark-up / interest income	<u>402,234</u>	<u>864,072</u>	<u>213,463</u>	<u>347,991</u>
<u>10,895</u>	<u>5,316</u>		<u>471,847</u>	<u>1,108,018</u>	<u>323,685</u>	<u>540,623</u>
<b>NON MARK-UP/ INTEREST EXPENSES</b>						
1,562	1,207	Administrative expenses	80,900	158,880	66,282	122,800
-	-	Other provisions / write offs	-	-	-	-
-	-	Other charges	-	-	-	-
<u>1,562</u>	<u>1,207</u>	Total non mark-up / interest expenses	<u>80,900</u>	<u>158,880</u>	<u>66,282</u>	<u>122,800</u>
<u>9,333</u>	<u>4,109</u>		<u>390,947</u>	<u>949,138</u>	<u>257,403</u>	<u>417,823</u>
-	-	Extra Ordinary / unusual items	-	-	-	-
<u>9,333</u>	<u>4,109</u>	<b>PROFIT BEFORE TAXATION</b>	<u>390,947</u>	<u>949,138</u>	<u>257,403</u>	<u>417,823</u>
2,664	308	Taxation - Current	183,918	270,957	(8,788)	31,317
238	-	- Prior years	24,248	24,248	-	-
(867)	181	- Deferred	(88,198)	(88,198)	18,416	18,416
<u>2,035</u>	<u>489</u>		<u>119,968</u>	<u>207,007</u>	<u>9,628</u>	<u>49,733</u>
<u>7,298</u>	<u>3,620</u>	<b>PROFIT AFTER TAXATION</b>	<u>270,979</u>	<u>742,131</u>	<u>247,775</u>	<u>368,090</u>
----- (US \$) -----						
<u>0.0122</u>	<u>0.0052</u>	Earnings per share - basic and diluted	----- (Rupee) -----			
			<u>0.45</u>	<u>1.24</u>	<u>0.41</u>	<u>0.53</u>

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

  
Chief Executive

  
Director

  
Director

  
Chairman

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM**  
**STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2015**


Half year ended June 30, 2015 ----- (US \$ in '000) -----	Half year ended June 30, 2014		Quarter ended June 30, 2015 ----- (Rupees in '000) -----	Half year ended June 30, 2015	Quarter ended June 30, 2014	Half year ended June 30, 2014
7,298	3,620	Profit after taxation for the period	270,979	742,131	247,775	368,090
-	-	Other comprehensive income	-	-	-	-
<u>7,298</u>	<u>3,620</u>	<b>Total comprehensive income for the period</b>	<u>270,979</u>	<u>742,131</u>	<u>247,775</u>	<u>368,090</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 from 1 to 18 form an integral part of these unconsolidated condensed interim financial statements.

  
 Chief Executive

  
 Director

  
 Director

  
 Chairman

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2015**

Half year ended June 30, 2015 ----- (US \$ in '000) -----	Half year ended June 30, 2014		Half year ended June 30, 2015 ----- (Rupees in '000) -----	Half year ended June 30, 2014 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
9,333	4,109	Profit before taxation	949,138	417,823
(1,123)	(1,999)	Less: Dividend income	(114,249)	(203,290)
<u>8,210</u>	<u>2,110</u>		<u>834,889</u>	<u>214,533</u>
<b>Adjustments for non-cash charges and other items:</b>				
73	70	Depreciation	7,432	7,166
6	6	Amortisation	575	624
693	-	Provision against non-performing advances (Reversal) / provision for diminution the value of investments	70,455	(42)
(2)	(33)	Gain on sale of property and equipment	(191)	(3,401)
-	(1.00)	Unrealised loss on revaluation of investments classified as held-for-trading	(15)	(126)
135	6		13,740	632
<u>905</u>	<u>48</u>		<u>91,996</u>	<u>4,853</u>
<u>9,115</u>	<u>2,158</u>		<u>926,885</u>	<u>219,386</u>
<b>Decrease / (increase) in operating assets</b>				
(9,154)	-	Lendings to financial institutions	(930,959)	-
(2,527)	-	Held-for-trading securities	(256,965)	-
(15,830)	6,155	Advances	(1,609,960)	625,951
1,350	(2,974)	Other assets (excluding current taxation)	137,300	(302,444)
<u>(26,161)</u>	<u>3,181</u>		<u>(2,660,584)</u>	<u>323,507</u>
<b>(Decrease) / increase in operating liabilities</b>				
(97,500)	(87,780)	Borrowings from financial institutions	(9,915,780)	(8,927,240)
30,572	35,010	Deposits and other accounts	3,109,220	3,560,519
1,061	2,205	Other liabilities (excluding current taxation)	107,903	224,248
<u>(65,867)</u>	<u>(50,565)</u>		<u>(6,698,657)</u>	<u>(5,142,473)</u>
<u>(82,913)</u>	<u>(45,226)</u>		<u>(8,432,356)</u>	<u>(4,599,580)</u>
<u>(1,251)</u>	<u>(748)</u>	Income tax paid	<u>(127,193)</u>	<u>(76,044)</u>
<u>(84,164)</u>	<u>(45,974)</u>	Net cash (used in) / generated from operating activities	<u>(8,559,549)</u>	<u>(4,675,624)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
77,956	41,840	Net investments in available-for-sale securities	7,928,083	4,255,133
-	-	Net Investments in held-to-maturity securities	-	-
8,342	9,484	Net Investment in associate	848,344	964,493
-	(1,032)	Investment in subsidiary	-	(105,000)
932	1,283	Dividend income received	94,820	130,444
(132)	(6)	Investment in operating fixed assets	(13,447)	(591)
17	1	Sale proceeds from disposal of property and equipment	1,753	137
<u>87,115</u>	<u>51,570</u>	Net cash generated from / (used in) investing activities	<u>8,859,553</u>	<u>5,244,616</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
(1,967)	(1,967)	Dividend paid	(200,000)	(200,000)
<u>(1,967)</u>	<u>(1,967)</u>	Net cash used in financing activities	<u>(200,000)</u>	<u>(200,000)</u>
984	3,629	<b>Decrease in cash and cash equivalents</b>	100,004	368,992
1,966	3,246	Cash and cash equivalents at the beginning of the period	199,910	330,224
<u>2,950</u>	<u>6,875</u>	Cash and cash equivalents at the end of the period	<u>299,914</u>	<u>699,216</u>

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

  
Chief Executive

  
Director

  
Director

  
Chairman

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2015**

	Share capital	Statutory reserve	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at January 01, 2014	6,000,000	697,026	1,588,100	8,285,126
Profit for the half year ended June 30, 2014	-	-	368,090	368,090
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	368,090	368,090
Transfer to statutory reserve	-	73,618	(73,618)	-
Final cash dividend for the year ended December 31, 2013 declared subsequent to the year end at Re.0.33 per ordinary share	-	-	(200,000)	(200,000)
<b>Balance as at June 30, 2014</b>	<b>6,000,000</b>	<b>770,644</b>	<b>1,682,572</b>	<b>8,453,216</b>
Profit for the half year ended December 31, 2014	-	-	536,777	536,777
Other comprehensive income	-	-	(1,366)	(1,366)
Total comprehensive income for the period	-	-	535,411	535,411
Transfer to statutory reserve	-	107,356	(107,356)	-
<b>Balance as at January 01, 2015</b>	<b>6,000,000</b>	<b>878,000</b>	<b>2,110,627</b>	<b>8,988,627</b>
Profit for the half year ended June 30, 2015	-	-	742,131	742,131
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	742,131	742,131
Transfer to statutory reserve	-	148,426	(148,426)	-
Final cash dividend for the year ended December 31, 2014 declared subsequent to the year end at Re.0.33 per ordinary share	-	-	(200,000)	(200,000)
<b>Balance as at June 30, 2015</b>	<b>6,000,000</b>	<b>1,026,426</b>	<b>2,504,332</b>	<b>9,530,758</b>

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

  
 Chief Executive

  
 Director

  
 Director

  
 Chairman

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2015**

**1. STATUS AND NATURE OF BUSINESS**

Pak Brunei Investment Company Limited (the Company) is a Development Finance Institution (DFI) incorporated in Pakistan as an un-listed public limited company under the Companies Ordinance 1984. The State Bank of Pakistan (SBP) granted the approval for commencement of business with effect from August 20, 2007. The Company is a joint venture between the Government of Pakistan and the Brunei Investment Agency. The Company's objectives inter alia includes making investments in the industrial and agri based industrial fields in Pakistan on commercial basis through carrying out of industrial and agri based industrial projects and 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.

**2. STATEMENT OF COMPLIANCE**

- 2.1 These unconsolidated condensed interim financial statements of the Company have been prepared in accordance with the requirements of International Accounting Standard 34, Interim Financial Reporting, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the SBP. In case requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 2.2 The SBP vide BSD Circular Letter No. 10, dated August 26, 2002 has deferred the applicability of International Accounting Standard 39, Financial Instruments: Recognition and Measurement and International Accounting Standard 40, Investment Property for banking companies till further instructions. Further, according to the notification of the SECP issued vide SRO 411(I)/2008 dated April 28, 2008, International Financial Reporting Standard (IFRS) 7 Financial Instruments: Disclosures has not been made applicable for banks / DFIs. 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 the SBP.
- 2.3 The disclosures made in these unconsolidated condensed interim financial statements have been limited based on a format prescribed by the SBP vide BSD Circular Letter No. 2 dated May 12, 2004 and International Accounting Standard 34, Interim Financial Reporting. They do not include all the disclosures required for annual financial statements, and these unconsolidated condensed interim financial statements should be read in conjunction with the unconsolidated annual financial statements of the Company for the year ended December 31, 2014.





- 2.4 These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Company in which investment in subsidiaries and associates is stated at cost. The consolidated condensed interim financial statements of the Company and its subsidiaries are presented separately.
- 2.5 The US dollar amounts shown in the unconsolidated condensed interim statement of financial position, unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim cash flow statement are stated solely for the convenience of readers and are not audited. For this purpose of conversion to US Dollars, the rate of Rs.101.70 to US Dollars has been used for both 2015 and 2014, as it was the prevalent rate on June 30, 2015.

### 3. ACCOUNTING POLICIES

- 3.1 The accounting policies adopted in preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended December 31, 2014 except as follows:

#### **New standards, interpretations and amendments thereof adopted by the Company**

The Company has adopted the following amended IFRS which became effective during the period:

#### **Standard or interpretation**

IFRS 10 - Consolidated Financial Statements

IFRS 10 - Consolidated Financial Statements - (Amendment)

IFRS 11 - Joint Arrangements

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 13 - Fair Value Measurement

IAS 19 - Employee Benefits - (Amendment) -  
Defined Benefit Plans : Employee Contributions

The adoption of above standards and amendments, except for IFRS 10, does not have any material impact on these condensed interim financial statements.

The adoption of IFRS 10 - Consolidated Financial Statements and its amendment, has resulted in a change in accounting for investment in associates, as fully disclosed in note 3.2 to these condensed interim financial statements.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after January 01, 2015 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

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### 3.2 Change in accounting policy

During the year, the Company has adopted IFRS 10- Consolidated Financial Statements, as directed by the SECP under SRO 633 (I)/2014, wherein an entity is required to assess whether it is a parent by assessing whether it controls the investee. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consequently, in light of technical opinion issued by ICAP, where the Company's investment in mutual funds managed by its wholly owned subsidiary - Primus Investment Management Limited (PIML) is 20% or more, then the management believes that Company's exposure to variability of returns from the activities of the fund is of such significance that it meets the criteria laid down by IFRS 10 for establishment of control. Hence, the Company has accounted for its investment in open end funds as investment in subsidiaries where the Company's holding of units exceeds 20% of total units in issue at the reporting date and has continued to measure the same at cost. Previously, such investment in mutual funds was classified as 'investment in associates' and valued at cost in the standalone financial statements of the Company.

Following the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) and IFRS 10.C2A, this change has been applied retrospectively commencing from the annual period immediately preceding January 01, 2015 (date of initial application).

Had the above change not been made, the following would have been the impacts as of December 31, 2014 and June 30, 2015:

	Amount in Rupees
<b>As of December 31, 2014:</b>	
<b>Notes to the financial statements</b>	
- Investment in subsidiaries would have been lower by:	4,704,763
- Investment in associates would have been higher by:	4,704,763
<b>As of June 30, 2015:</b>	
<b>Notes to the financial statements</b>	
- Investment in subsidiaries would have been lower by:	3,728,378
- Investment in associates would have been higher by:	3,728,378

The Company being the ultimate parent to the entities disclosed in note 6.1 produces consolidated financial statements that are available for public use and comply with IFRSs.

## 4. FINANCIAL RISK MANAGEMENT

The 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, 2014.

## 5. ACCOUNTING ESTIMATES AND JUDGMENTS

The estimates / judgments and associated assumptions used in the preparation of these unconsolidated 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, 2014.

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## 6. INVESTMENTS

Note	(Un-audited) June 30, 2015			Restated (Audited) December 31, 2014			
	Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total	
	(Rupees in '000)			(Rupees in '000)			
<b>Investments by type:</b>							
<b>Held-for-trading securities</b>							
	285,509	-	285,509	28,544	-	28,544	
<b>Available-for-sale securities</b>							
Market Treasury Bills	939,108	-	939,108	1,298,579	8,062,491	9,361,070	
Pakistan Investment Bonds	3,555,012	2,237,659	5,792,671	243,327	5,776,186	6,019,513	
Ordinary shares of listed companies	1,397,671	-	1,397,671	745,250	-	745,250	
Ordinary shares of unlisted companies	124,670	-	124,670	124,670	-	124,670	
Term finance certificates and Sukuks	2,736,666	-	2,736,666	2,789,859	-	2,789,859	
Commercial paper	124,118	-	124,118	-	-	-	
Units of mutual funds	29,835	-	29,835	29,835	-	29,835	
Preference shares	92,260	-	92,260	93,885	-	93,885	
	8,999,340	2,237,659	11,236,999	5,325,405	13,838,677	19,164,082	
<b>Investment in subsidiaries</b>	6.1	4,083,377	-	4,083,377	5,059,763	-	5,059,763
<b>Investment in associate</b>	6.2	127,041	-	127,041	-	-	-
<b>Investments at cost</b>		13,495,267	2,237,659	15,732,926	10,413,712	13,838,677	24,252,389
Less: Provision for diminution in value of Investments		(240,112)	-	(240,112)	(240,304)	-	(240,304)
<b>Investments (net of provisions)</b>		13,255,155	2,237,659	15,492,814	10,173,408	13,838,677	24,012,085
Deficit on revaluation of held-for-trading securities-net		(13,036)	-	(13,036)	3,114	-	3,114
Surplus / (deficit) on revaluation of available-for-sale securities - net		157,757	-	157,757	(15,747)	247,442	231,695
<b>Total investments at market value</b>		13,399,876	2,237,659	15,637,535	10,160,775	14,086,119	24,246,894

## 6.1 Investment in subsidiaries

Name of Investee Company / Fund	Note	Percentage of holding		Number of units held		(Un-audited) Cost as at June 30, 2015	Audited Cost as at December 31, 2014 Restated
		%				2015	31, 2014
		2015	2014	2015	2014	(Rupees in '000)	
<b>Unlisted public companies - strategic investment</b>							
Primus Investment Management Limited		100.00	100.00	24,999,997	24,999,997	250,000	250,000
Awwal Modaraba Management Limited		100.00	100.00	10,499,995	10,499,995	105,000	105,000
						355,000	355,000
<b>Open-end mutual funds - listed</b>							
PIML Income Fund	6.1.1	69.39	69.39	31,861,385	26,540,083	3,329,444	2,852,983
PIML Daily Reserve Fund (Formerly Primus Daily Reserve Fund)	6.2	-	45.43	-	15,295,200	-	1,603,512
PIML Strategic Multi Asset Fund		74.90	51.30	1,650,015	697,267	173,956	73,956
PIML Islamic Equity Fund		65.11	60.26	769,153	700,000	70,665	70,000
PIML Islamic Money Market Fund		97.82	88.13	1,043,125	1,043,125	104,312	104,312
PIML Value Equity Fund		42.26	-	511,652	-	50,000	-
						3,728,377	4,704,763
						4,083,377	5,059,763

6.1.1 As per the requirements and guidelines of IFRS 10 - Consolidated Financial Statements, the Company controls the above referred mutual funds and is accordingly their Parent. Due to the open end nature of these investment entities, the status of the Company as a parent and respective holding fluctuates at each reporting date.

## 6.2 Investment in associate

Name of Investee Company / Fund	Note	Percentage of holding		Number of units held		(Un-audited) Cost as at June 30, 2015	Audited Cost as at December 31, 2014 Restated
		%				2015	31, 2014
		2015	2014	2015	2014	(Rupees in '000)	
PIML Daily Reserve Fund (Formerly Primus Daily Reserve Fund)		10.38	-	1,257,447	-	127,041	-

(Un-audited) (Audited)  
June 30, December 31,  
2015 2014  
----- (Rupees in '000) -----

## 7. ADVANCES

Loans, cash credits, running finances, etc. - In Pakistan	6,154,068	5,052,248
Advances under State Bank of Pakistan (SBP):		
- Long-Term Finance Facility (LTFF) Scheme	1,468,618	1,248,827
- Power Plants Using Renewable Energy (PPRE) Scheme	134,291	45,000
- Financing for Storage of Agriculture Produce (FFSAP) Scheme	17,672	-
Net investment in finance lease - In Pakistan	1,223,866	1,042,480
Advances - gross	<u>8,998,515</u>	<u>7,388,555</u>
Provision for non-performing advances - specific	(72,850)	(2,537)
Provision for non-performing advances - general	(469)	(327)
	<u>(73,319)</u>	<u>(2,864)</u>
Advances - net of provision	<u>8,925,196</u>	<u>7,385,691</u>

7.1 Advances include Rs.283.787 million (December 31, 2014: Rs.2.537 million), which have been placed under non-performing status as detailed below:

Category of classification	June 30, 2015 (Un-audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	----- (Rupees in '000) -----				
Loss	2,537	-	2,537	2,537	2,537
Substandard	281,250	-	281,250	70,313	70,313
	<u>283,787</u>	<u>-</u>	<u>283,787</u>	<u>72,850</u>	<u>72,850</u>

Category of classification	December 31, 2014 (Audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	----- (Rupees in '000) -----				
Loss	2,537	-	2,537	2,537	2,537
	<u>2,537</u>	<u>-</u>	<u>2,537</u>	<u>2,537</u>	<u>2,537</u>

## 8. OPERATING FIXED ASSETS

Additions during the six months period ended June 30, 2015 amounted to Rs.13.373 million (June 30, 2014: Rs.0.591 million) while disposals had a cost of Rs.7.960 million (June 30, 2014: Rs.1.510 million) and written down value of Rs.1.738 million (June 30, 2014: Rs.0.011 million).

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9. OTHER ASSETS	Note	(Un-audited)	(Audited)
		June 30, 2015	December 31, 2014
		----- (Rupees in '000) -----	
Income / mark-up accrued in local currency		468,940	513,757
Advances, deposits and other prepayments		97,794	117,237
Advance tax (payment less provision)		103,461	271,474
Dividend receivable		19,680	250
Receivable from Subsidiary companies - Primus Investment Management Limited		1,347	1,597
Awwal Modaraba Management Limited		-	964
Receivable against sale of shares and non-banking assets acquired in satisfaction of claims	9.1	110,559	180,680
		<u>801,781.</u>	<u>1,085,959</u>
Less: Provision held against advances, deposits and other prepayments		(50,000)	(50,000)
Other assets (net of provisions)		<u>751,781</u>	<u>1,035,959</u>

9.1 Included herein is receivable amounting to Rs.48.537 million (December 31, 2014: Rs.147.812 million) arising on account of deferred sale consideration for sale of certain listed equity securities and properties. The terms and conditions of the transaction are the same as disclosed in the unconsolidated annual financial statements of the Company for the year ended December 31, 2014.

## 10. BORROWINGS FROM FINANCIAL INSTITUTIONS

### Secured

Borrowings from State Bank of Pakistan under:

- Long-Term Finance Facility (LTFF) Scheme	10.1	1,362,162	1,248,827
- Power Plants Using Renewable Energy (PPRE) Scheme	10.2	179,291	45,000
- Financing for Storage of Agriculture Produce (FFSAP) Scheme	10.3	17,672	-
Repurchase agreement borrowings (Repo)	10.4	2,140,000	13,944,322
Borrowings from banks	10.5	2,500,000	750,000
		<u>6,199,125</u>	<u>15,988,149</u>

### Unsecured

Letters of placement	10.6	1,975,000	2,101,756
		<u>8,174,125</u>	<u>18,089,905</u>

10.1 The Company has entered into agreements for financing with the SBP for Long-Term Financing under Export Oriented Projects to customers. The rate of return ranges from 4.50% to 9.70% per annum (December 31, 2014: 6.00% to 9.70% per annum). This is repayable within 6 years (December 31, 2014: 5 years).

10.2 The Company has entered into agreements for financing with the SBP for Power Plants Using Renewable Energy Projects to customers. The rate of return ranges from 4.50% to 8.40% per annum (December 31, 2014: 8.40 % to 8.40 % per annum). This is repayable within 6 years.

10.3 The Company has entered into agreements for financing with the SBP for Storage of Agriculture Produce to customers. The rate of return ranges from 4.00% to 4.00% per annum (December 31, 2014: Nil % to Nil % per annum). This is repayable within 6 years.

10.4 These represent borrowings from various financial institutions at mark-up rate ranging from 6.35% to 6.60% per annum (December 31, 2014: 9.50% to 10.00%) and are repayable within 1 week (December 31, 2014: 1 week).

10.5 These represent borrowings secured against hypothecation of receivables and floating charge over term finance certificates. These carry mark-up at rate ranging from 6.60% to 8.49% per annum (December 31, 2014: 10.61% per annum) and are repayable within 3 years (December 31, 2014: 2 years).

10.6 These carry mark-up at rate ranging from 6.90% to 8.35% per annum (December 31, 2014: 9.50% to 10.50% per annum) and are repayable within 3 months (December 31, 2014: 3 months).

	Note	(Un-audited) June 30, 2015	(Audited) December 31, 2014
----- (Rupees in '000) -----			
<b>11. DEPOSITS AND OTHER ACCOUNTS</b>			
Certificates of investment - remunerative	11.1	<u>8,273,450</u>	<u>5,164,230</u>
11.1 These deposits are placed with the Company at an interest rate of 7.25% to 10.20% per annum (December 31, 2014: 7.25% to 10.50% per annum). These are repayable within 1 months to 6 months (December 31, 2014: 1 month to 10 months).			
<b>12. OTHER LIABILITIES</b>			
Mark-up / return / interest payable in local currency		152,392	125,886
Accrued expenses		27,588	33,183
Brokerage commission payable		4,939	2,540
Payable against purchase of shares		44,830	-
Unearned commission		8,398	9,924
Security deposit against lease		229,504	196,198
Payable to defined benefit plan		4,638	2,039
Others		9,320	4,640
		<u>481,609</u>	<u>374,410</u>

**13. 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, 2014, except as follows:

**13.1 Commitments in respect of government securities**

Purchase (reverse repo)	<u>931,316</u>	<u>1,106,995</u>
Sale (repo)	<u>2,142,702</u>	<u>13,952,913</u>

**13.2 Commitments to extend credit**

<u>1,591,456</u>	<u>2,350,945</u>
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**13.3 Other commitments**

Commitments for sale of shares	<u>304,034</u>	<u>-</u>
Borrowings	<u>700,000</u>	<u>-</u>

**14. EARNINGS PER SHARE - BASIC AND DILUTED**

	Quarter ended June 30, 2015	Half year ended June 30, 2015	Quarter ended June 30, 2014	Half year ended June 30, 2014
----- (Un-audited) -----				
Profit after tax	<u>270,979</u>	<u>742,131</u>	<u>247,775</u>	<u>368,090</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 (Rupee)	<u>0.45</u>	<u>1.24</u>	<u>0.41</u>	<u>0.61</u>

## 15. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate finance	Trading and sales	Commercial banking
<b>June 30, 2015 (un-audited)</b>			
Total income	8,715	1,570,689	348,372
Total expenses	4,107	810,376	164,154
Net income	4,608	760,313	184,218
Segment assets (gross)	-	18,382,212	8,512,156
Segment non performing advances	-	283,787	-
Investment provided for	-	324,767	-
Segment provision held *	-	313,431	-
Segment liabilities	-	11,565,149	5,380,668
Segment return on assets (ROA) (%)	-	7.70%	5.06%
Segment return on net assets (ROA) (%)	-	12.52%	6.03%
Segment cost of funds (%)	-	8.91%	8.91%
<b>June 30, 2014 (un-audited)</b>			
Total income	15,330	1,130,732	382,072
Total expenses	11,171	820,673	278,467
Net income	4,159	310,059	103,605
Segment assets (gross)	-	24,679,841	6,049,147
Segment non performing advances	-	2,537	-
Investment provided for	-	344,533	-
Segment provision held *	-	243,102	-
Segment liabilities	-	17,770,381	4,355,600
Segment return on assets (ROA) (%)	-	2.31%	3.22%
Segment return on net assets (ROA) (%)	-	9.34%	6.37%
Segment cost of funds (%)	-	9.45%	9.45%
<b>December 31, 2014 (audited)</b>			
Segment assets (gross)	-	26,275,168	6,868,445
Segment non performing advances	-	2,537	-
Investment provided for	-	331,485	-
Segment provision held *	-	242,841	-
Segment liabilities	-	18,837,595	4,923,871
Segment return on assets (ROA) (%)	-	3.12%	3.34%
Segment return on net assets (ROA) (%)	-	12.83%	13.04%
Segment cost of funds (%)	-	9.61%	9.61%

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

## 16. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS

The Company has related party relationship with:

- the subsidiary companies (refer to note 6.1 to these condensed interim financial statements);
- the associate (PIML Daily Reserve Fund);
- its employees defined benefit plan and contribution plan;
- its key management personnel;
- state controlled entities i.e. the entities which are owned and / or controlled by the Government of Pakistan and the Government of Brunei or where these governments may exercise significant influence; and
- other related parties include Omer Jibrani Engineering Industries Ltd., Nimir Industrial Chemicals Limited, Haq Bahu Sugar Mills (Pvt) Limited and Maple Leaf Cement Factory Limited due to 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 transactions with related parties during the period are as follows:

	For the half year ended June 30, 2015 (Un-audited)				For the year ended December 31, 2014 (Audited)				
	Key management personnel	Other related parties	State controlled entities	Subsidiary companies	Associates	Key management personnel	Other related parties	State controlled entities	Subsidiary Associates
<b>Advances</b>									
At beginning of the period / year	41,922	566,259	160,825	-	-	29,194	423,829	127,852	-
Advances made	10,872	23,009	9,514	-	-	17,385	297,918	66,982	-
Deleted during the period / year	-	-	-	-	-	-	-	-	-
Repaid during the period / year	(2,582)	(67,918)	(18,322)	-	-	(4,657)	(155,488)	(34,009)	-
At end of the period / year	50,212	521,350	152,017	-	-	41,922	566,259	160,825	-
<b>Investments</b>									
At beginning of the period / year	-	338,989	15,508,620	5,059,763	-	-	94,994	29,676	5,851,811
Addition/Investments made during the period / year	-	600,240	16,234,294	11,636,005	127,041	-	723,034	74,493,435	12,245,664
Redemption during the period / year	-	(632,401)	(24,574,793)	(12,612,391)	-	-	(479,039)	(59,014,491)	(13,037,712)
At end of the period / year	-	306,828	7,168,121	4,083,377	127,041	-	338,989	15,508,620	5,059,763
<b>Placements</b>									
At beginning of the period / year	-	-	-	-	-	-	-	-	-
Placements made during the period / year	-	-	3,316,261	-	-	-	-	2,613,974	-
Placements matured during the period / year	-	-	(3,316,261)	-	-	-	-	(2,613,974)	-
At end of the period / year	-	-	-	-	-	-	-	-	-
<b>Borrowings</b>									
At beginning of the period / year	-	-	15,880,124	-	690,000	-	-	13,263,851	-
Add: Received during the year	-	-	130,451,690	-	1,615,000	-	-	460,721,602	-
Less: Paid during the year	-	-	(143,672,689)	-	(1,730,000)	-	-	(458,105,329)	-
Closing Balance	-	-	2,659,125	-	675,000	-	-	15,880,124	-



For the half year ended June 30, 2015  
(Un-audited)For the half year ended June 30, 2014  
(Un-audited)

	Key management personnel	Other related parties	State controlled entities	Subsidiaries	Associates	Key management personnel	Other related parties	State controlled entities	Subsidiaries	Associates
	(Rupees in '000)									
Mark-up / return / interest earned	980	28,165	527,795	-	-	431	68,130	8,658	-	-
Mark-up / return / interest expensed	-	-	290,507	28,283	-	-	-	364,512	28,423	-
Gain / (loss) on sale of securities - net	-	16,979	492,276	270,896	(9,517)	-	17,865	12,960	60,960	-
Dividend income	-	899	7,572	86,540	-	-	-	3,764	186,666	-
Salaries and other benefits	47,253	-	-	-	-	32,513	-	-	-	-
Contribution to Provident Fund	1,916	-	-	-	-	1,560	-	-	-	-
Contribution to Gratuity Fund	1,594	-	-	-	-	-	-	-	-	-
Reimbursement of expenses	2,264	-	-	-	-	2,331	-	-	-	-
Expenses charged to subsidiary companies (see note 16.1)	-	-	-	2,678	-	-	-	-	2,219	-

**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 Primus Investment Management Limited and Awwal Modaraba Management Limited (subsidiary companies).

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## 17. GENERAL

## 17.1 Credit rating

The 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 The Pakistan Credit Rating Agency Limited (PACRA) in June 2015. Outlook on the assigned rating is "Stable".

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

17.3 Figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended June 30, 2015 and June 30, 2014 have not been subjected to limited scope review by the auditors as they are only required to review half-yearly figures.


## 18. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on 22-SEPTEMBER-2015 by Board of Directors of the Company.

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Chief Executive

  
Director

  
Director

  
Chairman