



PAK BRUNEI INVESTMENT COMPANY LTD.

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2010


PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2010

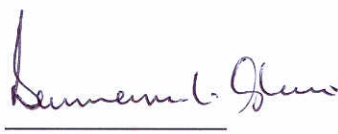
		September 30, 2010 (Un-audited)	December 31, 2009 (Audited)
	Note	----- (Rupees in '000') -----	
ASSETS			
Cash and balances with treasury banks		21,887	23,869
Balances with other banks		159,564	191,915
Lendings to financial institutions	6	622,444	1,507,910
Investments	7	9,642,958	8,415,996
Advances	8	2,287,536	1,732,493
Operating fixed assets		21,812	37,614
Deferred tax assets-net		2,338	-
Other assets		516,081	221,182
		13,274,620	12,130,979
LIABILITIES			
Bills payable		-	-
Borrowings		5,044,363	5,296,808
Deposits and other accounts		882,000	395,000
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	16,273
Deferred tax liabilities-net		-	2,343
Other liabilities		240,977	114,576
		6,167,340	5,825,000
NET ASSETS		7,107,280	6,305,979
REPRESENTED BY			
Share capital	9	6,000,000	5,000,000
Reserves		242,594	162,093
Unappropriated profit		970,374	648,369
		7,212,968	5,810,462
Deficit on revaluation of securities-net of tax		(105,688)	(4,483)
Advance against equity		-	500,000
		7,107,280	6,305,979

CONTINGENCIES AND COMMITMENTS

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


Chief Executive


Director


Director


Chairperson


PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED SEPTEMBER 30, 2010

Note	Quarter Ended September 30, 2010	Period Ended September 30, 2010	Quarter Ended September 30, 2009	Period Ended September 30, 2009
	----- (Rupees in '000') -----			
Mark-up / Return / Interest earned	431,590	1,231,319	248,415	645,648
Mark-up / Return / Interest expensed	207,608	581,102	53,773	70,877
Net mark-up / Interest income	<u>223,982</u>	<u>650,217</u>	<u>194,642</u>	<u>574,771</u>
Provision against non-performing loans and advances	-	1,147	11,250	11,250
Provision for diminution in the value of investments	-	75,733	20,212	104,362
Bad debts written off directly	-	-	-	-
	<u>-</u>	<u>76,880</u>	<u>31,462</u>	<u>115,612</u>
Net mark-up / interest income after provisions	<u>223,982</u>	<u>573,337</u>	<u>163,180</u>	<u>459,159</u>
NON MARK-UP/ INTEREST INCOME				
Fee, commission and brokerage income	10,731	52,308	9,671	18,360
Dividend income	3,088	4,231	10,413	13,310
Gain on sale of securities	26,387	91,388	88,496	201,518
Unrealized gain / (loss) on revaluation of investments classified as held for trading	-	-	789	-
Other income	(2,974)	(2,831)	3,176	3,178
Total non-mark-up / interest income	<u>37,232</u>	<u>145,096</u>	<u>112,545</u>	<u>236,366</u>
	<u>261,214</u>	<u>718,433</u>	<u>275,725</u>	<u>695,525</u>
NON MARK-UP/ INTEREST EXPENSES				
Administrative expenses	39,619	126,761	33,554	99,861
Other provisions / write offs	-	-	-	25,000
Other charges	(202)	-	850	900
Total non-mark-up / interest expenses	<u>39,417</u>	<u>126,761</u>	<u>34,404</u>	<u>125,761</u>
	<u>221,797</u>	<u>591,672</u>	<u>241,321</u>	<u>569,764</u>
Extra ordinary items	-	-	-	-
PROFIT BEFORE TAXATION	<u>221,797</u>	<u>591,672</u>	<u>241,321</u>	<u>569,764</u>
Taxation - Current	56,731	191,743	52,781	170,234
- Prior years	-	-	-	-
- Deferred	2,502	(2,577)	26,203	10,137
	<u>59,233</u>	<u>189,166</u>	<u>78,984</u>	<u>180,371</u>
PROFIT AFTER TAXATION	<u>162,564</u>	<u>402,506</u>	<u>162,337</u>	<u>389,393</u>
Unappropriated profit brought forward	888,311	648,369	517,463	290,407
Profit available for appropriation	<u>1,050,875</u>	<u>1,050,875</u>	<u>679,800</u>	<u>679,800</u>
Earnings per share - Basic and diluted (in Rupees)	<u>0.27</u>	<u>0.68</u>	<u>0.32</u>	<u>0.78</u>

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


 Chief Executive


 Director


 Director


 Chairperson

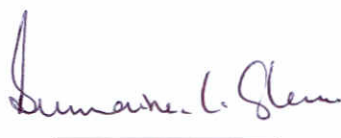
PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED SEPTEMBER 30, 2010

	Quarter Ended September 30, 2010	Period Ended September 30, 2010	Quarter Ended September 30, 2009	Period Ended September 30, 2009
	----- (Rupees in '000) -----			
Profit after taxation for the period	162,564	402,506	162,337	389,393
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u><u>162,564</u></u>	<u><u>402,506</u></u>	<u><u>162,337</u></u>	<u><u>389,393</u></u>

Deficit on revaluation of assets has been reported in a separate account below equity in accordance with the requirements of BSD Circular Letter No. 07 of 2010 issued by the State Bank of Pakistan.

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


 Chief Executive


 Director


 Director

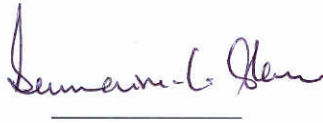

 Chairperson

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2010

	Period Ended September 30, 2010	Period Ended September 30, 2009
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	591,672	569,764
Less: Dividend Income	4,231	13,310
	<u>587,441</u>	<u>556,454</u>
Adjustments for non-cash charges		
Depreciation	6,725	7,510
Amortization	1,825	1,581
Provision against Non Performing Loans & Advances	1,147	11,250
Provision for diminution in value of investments	75,733	104,362
Provision against other assets	-	25,000
Transfer from fixed assets to staff loans	10,788	-
Loss/(Gain) on sale of fixed assets	(518)	-
Unrealized loss/(Gain) on interest rate swap	3,441	-
Finance charges on leased assets	1,113	1,854
	<u>100,254</u>	<u>151,557</u>
	687,695	708,011
(Increase) / decrease in operating assets		
Lendings to financial institutions	885,466	520,775
Held -for-trading securities	15,671	-
Advances	(566,978)	(362,854)
Other assets	(226,794)	(711,282)
	<u>107,365</u>	<u>(553,361)</u>
Increase in operating liabilities		
Borrowings	(252,445)	2,777,986
Deposits and other accounts	487,000	677,000
Other liabilities (excluding current taxation)	156,888	16,223
	<u>391,443</u>	<u>3,471,209</u>
	1,186,503	3,625,859
Financial charges paid	(1,268)	(1,888)
Income tax paid	(284,755)	(114,379)
	<u>900,480</u>	<u>3,509,592</u>
Net cash used in operating activities	900,480	3,509,592
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(1,416,565)	(3,479,507)
Dividend income received	1,451	13,310
Investments in operating fixed assets	(5,031)	(5,224)
Proceeds from disposal of fixed assets	1,605	-
Net cash used in investing activities	<u>(1,418,540)</u>	<u>(3,471,421)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of lease obligations	(16,273)	(3,466)
Proceeds from issue of share capital	500,000	-
Net cash flows from financing activities	<u>483,727</u>	<u>(3,466)</u>
Increase in cash and cash equivalents	<u>(34,333)</u>	34,705
Cash and cash equivalents at beginning of the period	215,784	19,137
Cash and cash equivalents at end of the period	<u>181,451</u>	<u>53,842</u>

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


Chief Executive


Director


Director


Chairperson

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2010

	Share capital	Statutory reserve	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at January 01, 2009	5,000,000	72,602	290,407	5,363,009
Issue of Share Capital	-	-	-	-
Transfer to statutory reserve		77,879	(77,879)	-
Profit after taxation for the period ended September 30, 2009	-	-	389,393	389,393
Total recognised income and expense for the period	-	-	389,393	389,393
Balance as at September 30, 2009	5,000,000	72,602	679,800	5,752,402
Balance as at October 01, 2009	5,000,000	72,602	679,800	5,752,402
Issue of share capital	-	-	-	-
Profit after taxation for the quarter ended December 31, 2009	-	-	58,060	58,060
Total recognised income and expense for the period		-	737,860	5,810,462
Transfer to statutory reserve	-	89,491	(89,491)	-
Balance as at December 31, 2009	5,000,000	162,093	648,369	5,810,462
Balance as at January 01, 2010	5,000,000	162,093	648,369	5,810,462
Issue of Share Capital	1,000,000	-	-	1,000,000
Profit after taxation for the period ended September 30, 2010	-	-	402,506	402,506
Total recognised income and expense for the period	-	-	402,506	402,506
Transfer to statutory reserve	-	80,501	(80,501)	-
Balance as at September 30, 2010	6,000,000	242,594	970,374	7,212,968

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


 Chief Executive


 Director


 Director


 Chairperson

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2010

1. STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) was 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 objective 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 making of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the Company is situated at Khadija Towers, Plot No. 11/5, Block No. 2, Scheme No. 5, Clifton, Karachi, Pakistan.

2. STATEMENT OF COMPLIANCE

- 2.1** These condensed interim financial statements of the Company for the period ended September 30, 2010 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 and directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 2.2** The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Non Banking Financial Institutions in Pakistan vide BSD Circular Letter number 11 dated September 11, 2002, till further instructions. Further, according to the notification of SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks and NBFCs. Therefore, it is also not applicable on the Company as it follows the same format of reporting as made applicable on banks by the SBP and accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.
- 2.3** The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated May 12, 2004 and International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2009.
- 2.4** During the period, following new / revised standards, amendments and interpretations to accounting standards became effective:
- IAS 27 - Consolidated and Separate Financial Statements (Amendments).
 - IFRS 2 - Share Based Payments : Amendments relating to Group Cash-settled share-based Payment Transaction.
 - IFRS 3 - Business Combinations (Revised).
 - IFRIC 17 - Distributions of Non-cash Assets to owners.

Adoption of the above standards, amendments and interpretations did not affect the accounting policies of the Company as disclosed in the annual financial statements for the year ended December 31, 2009.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2009.

	September 30, 2010 (Un-audited)	December 31, 2009 (Audited)
Note	----- (Rupees in '000) -----	-----

6. LENDINGS TO FINANCIAL INSTITUTIONS

Repurchase agreement lendings	6.2	622,444	-
Certificate of Investments (COIs)/Term deposit receipts (TDRs)	6.3	-	1,507,910
		<u>622,444</u>	<u>1,507,910</u>

6.1 All lendings of the Company are in local currency.

6.2 These are short-term lendings to various financial institutions against government securities. These carry mark-up @ 11.00% (December 31, 2009: NIL) per annum and maturing October 01, 2010.

6.3 The profit rate on these COIs and TDRs is NIL (December 31, 2009: 12.8% to 16.1%). All TDRs are due to maturity within NIL (December 31, 2009: 2 to 3 years).

7. INVESTMENTS

		Held by Bank	Given as collateral	Total
.....Rupees in '000'.....				
Current period (September 30, 2010) - Un-audited	7.1	<u>5,132,716</u>	<u>4,510,242</u>	<u>9,642,958</u>
Prior year - Audited (December 31, 2009)	7.1	<u>4,477,990</u>	<u>3,938,006</u>	<u>8,415,996</u>
Prior year corresponding period - Un-Audited (September 30, 2009)		<u>3,646,251</u>	<u>2,452,222</u>	<u>6,098,473</u>

September 30, 2010 (Un-audited)			December 31, 2009 (Audited)		
Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
----- (Rupees in '000) -----			----- (Rupees in '000) -----		

7.1 Investments by type:

Held-for-trading securities

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

Market Treasury Bills	568,929	4,523,033	5,091,962	195,356	3,918,484	4,113,840
Pakistan Investment Bonds	242,554	-	242,554	95,008	-	95,008
Ordinary shares of listed companies	705,821	-	705,821	580,428	-	580,428
Term Finance Certificates and SUKUK	3,894,964	-	3,894,964	3,835,960	-	3,835,960
Mutual funds	128,840	-	128,840	28,840	-	28,840
Preference shares	6,500	-	6,500	-	-	-
	<u>5,547,608</u>	<u>4,523,033</u>	<u>10,070,641</u>	<u>4,735,592</u>	<u>3,918,484</u>	<u>8,654,076</u>
Investment at cost	5,547,608	4,523,033	10,070,641	4,751,263	3,918,484	8,669,747
Less: Provision for diminution in value of Investments	(319,064)	-	(319,064)	(249,338)	-	(249,338)
Investments (net of provisions)	5,228,544	4,523,033	9,751,577	4,501,925	3,918,484	8,420,409
Deficit on revaluation of held-for-trading securities	-	-	-	898	-	898
Deficit on revaluation of available-for-sale securities	(95,828)	(12,791)	(108,619)	(24,833)	19,522	(5,311)
Total investments (Net of Provision)	5,132,716	4,510,242	9,642,958	4,477,990	3,938,006	8,415,996

September 30, 2010 (Un-audited) ----- (Rupees in '000) -----
December 31, 2009 (Audited) -----

8. ADVANCES

Loans, cash credits, running finances, etc. in Pakistan	2,056,243	1,700,571
Net investment in finance lease - inPakistan	233,607	57,053
Advances - gross	2,289,850	1,757,624
Less: Provision for non-performing advances - specific	(2,314)	(16,131)
Provision for non-performing advances - general	-	(9,000)
	(2,314)	(25,131)
Advances - net of provision	2,287,536	1,732,493

8.1 Advances include Rs. 7.9 million (December 31, 2009 : Rs. 282.065 million) which have been placed under non-performing status as detailed below:

Category of Classification	Domestic	Overseas	Total	Provision Required	Provision Held
	----- (Rupees in '000) -----				
Substandard	7,997	-	7,997	1,999	2,314
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	7,997	-	7,997	1,999	2,314

8.2 Movement of Provision

	September 30, 2010			December 31, 2009		
	Specific	General	Total	Specific	General	Total
	----- (Rupees in '000) -----					
Opening balance	16,131	9,000	25,131	-	-	-
Charge for the period	11,982	-	11,982	16,131	9,000	25,131
Reversals	(25,799)	(9,000)	(34,799)	-	-	-
Closing Balance	2,314	-	2,314	16,131	9,000	25,131

9. SHARE CAPITAL

Authorized Capital

600,000,000 (2009: 600,000,000) Ordinary shares of Rs. 10 each

September 30, 2010 (Un-audited) ----- (Rupees in '000) -----
December 31, 2009 (Audited) -----

6,000,000 6,000,000

Issued, subscribed and paid up Capital

600,000,000 (2009: 500,000,000) Ordinary shares of Rs. 10 each fully paid in cash

6,000,000 5,000,000

September 30, December 31,
2010 2009
(Un-audited) (Audited)
----- (Rupees in '000) -----

10. CONTINGENCIES AND COMMITMENTS

10.1 Transaction-related Contingent liability

Standby letter of credit	425,000	438,745
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10.2 Dawood Islamic Bank Limited filed a legal suit for damages against the Company for alleged non performance of underwriting commitment to issue shares at a premium. Legal advisors of the Company have opined that the possibility of the company being subjected to any liability in relation to the suit is negligible.

10.3 Commitments for the acquisition of fixed assets	1,629	1,187
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10.4 Commitments to extend credit	476,250	150,000
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10.5 Commitments for investment in TFCs	399,920	-
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11. BASIC AND DILUTED EARNINGS PER SHARE

	Quarter Ended September 30, 2010 (Un-audited)	Period Ended September 30, 2010 (Un-audited)	Quarter Ended September 30, 2009 (Un-audited)	Period Ended September 30, 2009 (Un-audited)
Profit after taxation for the period attributable to ordinary shareholders (Rupees in '000)	162,564	402,506	162,337	389,393
Weighted average number of ordinary shares outstanding during the period (in '000)	600,000	588,645	500,000	500,000
Basic and diluted earnings per share (Rupees)	0.27	0.68	0.32	0.78

12. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its associated undertakings, employee contribution plans, and its key management personnel (including their associates). There are no transactions with key management personnel other than under the terms of employment.

Details of transactions with related parties during the period, are as follows:

	For the period ended September 30, 2010 (Un-audited)		For the year ended December 31, 2009 (Audited)	
	Key management personnel	Other related parties	Key management personnel	Other related parties
----- (Rupees in '000) -----				
Advances				
At beginning of the period / year	28,389	-	25,465	-
Given during the period / year	11,516	-	6,789	-
Repaid during the period / year	(7,068)	-	(3,865)	-
At end of the period / year	<u>32,837</u>	<u>-</u>	<u>28,389</u>	<u>-</u>
Borrowings				
At beginning of the period / year	-	-	-	-
Given during the period / year	-	633,445	-	200,000
Repaid during the period / year	-	(633,445)	-	(200,000)
At end of the period / year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Placements				
At beginning of the period / year	-	7	-	325,042
Made during the period / year	-	693,338	-	126,236
Matured during the period / year	-	(693,345)	-	(451,271)
At end of the period / year	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
	For the period ended September 30, 2010 (Un-audited)		For the period ended September 30, 2009 (Un-audited)	
	Key management personnel	Other related parties	Key management personnel	Other related parties
----- (Rupees in '000) -----				
Mark-up / return / interest earned	<u>947</u>	<u>300</u>	<u>993</u>	<u>8,147</u>
Mark-up / return / interest expensed	<u>-</u>	<u>209</u>	<u>-</u>	<u>8,857</u>
Salaries and other benefits	<u>37,498</u>	<u>-</u>	<u>34,102</u>	<u>-</u>
Contribution to Provident Fund	<u>1,730</u>	<u>924</u>	<u>1,384</u>	<u>666</u>
Re-imburement of expenses	<u>3,167</u>	<u>-</u>	<u>2,380</u>	<u>-</u>

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **October 15, 2010** by Board of Directors of the Company.

14. GENERAL

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


Chief Executive


Director


Director


Chairperson