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PAK BRUNEI INVESTMENT COMPANY LIMITED

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL
STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2013

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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 2013** and 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: 23 September 2013

Karachi

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2013


(Un-audited) June 30, 2013 ----- (US \$ in '000) -----	(Audited) December 31, 2012		(Un-audited) June 30, 2013 ----- (Rupees in '000) -----	(Audited) December 31, 2012 -----
ASSETS				
552	554	Cash and balances with treasury banks	54,553	54,755
150	3,191	Balances with other banks	14,771	315,314
7,946	-	Lendings to financial institutions	785,020	-
165,835	72,080	Investments	16,384,460	7,121,490
50,206	58,462	Advances	4,960,401	5,776,014
475	551	Operating fixed assets	46,955	54,476
-	135	Deferred tax assets	-	13,302
8,581	7,189	Other assets	847,804	710,260
233,745	142,162		23,093,964	14,045,611
LIABILITIES				
-	-	Bills payable	-	-
102,937	24,465	Borrowings from financial institutions	10,170,197	2,417,139
38,356	28,592	Deposits and other accounts	3,789,531	2,824,924
-	-	Sub-ordinated loans	-	-
-	-	Liabilities against assets subject to finance lease	-	-
42	-	Deferred tax liabilities	4,183	-
12,799	2,257	Other liabilities	1,264,541	223,013
154,134	55,314		15,228,452	5,465,076
79,611	86,848		7,865,512	8,580,535
NET ASSETS				
REPRESENTED BY				
60,729	60,729	Share capital	6,000,000	6,000,000
6,274	5,626	Reserves	619,849	555,884
12,952	20,482	Unappropriated profit	1,279,611	2,023,533
79,955	86,837		7,899,460	8,579,417
(344)	11	(Deficit) / surplus on revaluation of assets - net of tax	(33,948)	1,118
79,611	86,848		7,865,512	8,580,535
CONTINGENCIES AND COMMITMENTS				

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

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Chief Executive


Director


Director


Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED JUNE 30, 2013

Half year ended June 30, 2013 ----- (US \$ in '000) -----	Half year ended June 30, 2012		Quarter ended June 30, 2013 Note	Half year ended June 30, 2013 ----- (Rupees in '000) -----	Quarter ended June 30, 2012	Half year ended June 30, 2012
6,672	16,504	Mark-up / return / interest earned	370,165	659,233	863,924	1,630,636
3,872	12,181	Mark-up / return / interest expensed	247,596	382,589	635,342	1,203,529
<u>2,800</u>	<u>4,323</u>	Net mark-up / interest income	<u>122,569</u>	<u>276,644</u>	<u>228,582</u>	<u>427,107</u>
(1)	(182)	Reversal against non-performing advances	(102)	(102)	(17,813)	(17,933)
242	(191)	Provision / (reversal) for diminution in the value of investments	11,938	23,881	(23,592)	(18,895)
-	-	Bad debts written off directly	-	-	-	-
<u>241</u>	<u>(373)</u>		<u>11,836</u>	<u>23,779</u>	<u>(41,405)</u>	<u>(36,828)</u>
<u>2,559</u>	<u>4,696</u>	Net mark-up / interest income after provisions	<u>110,733</u>	<u>252,865</u>	<u>269,987</u>	<u>463,935</u>
NON MARK-UP/ INTEREST INCOME						
149	278	Fee, commission and brokerage income	11,560	14,691	24,654	27,476
1,439	621	Dividend income	141,571	142,148	21,680	61,341
1,249	688	Gain on sale of securities - net	117,138	123,436	31,186	67,953
-	-	Income from dealing in foreign currencies	-	-	-	-
(12)	(11)	Unrealised loss on revaluation of investments classified as held-for-trading	(1,206)	(1,206)	(504)	(1,044)
164	-	Other income	15,235	16,168	-	-
<u>2,989</u>	<u>1,576</u>	Total non mark-up / interest income	<u>284,298</u>	<u>295,237</u>	<u>77,016</u>	<u>155,726</u>
<u>5,548</u>	<u>6,272</u>		<u>395,031</u>	<u>548,102</u>	<u>347,003</u>	<u>619,661</u>
NON MARK-UP/ INTEREST EXPENSES						
1,037	966	Administrative expenses	57,870	102,413	51,621	95,479
-	-	Other provisions / write offs	-	-	-	-
-	8	Other charges	-	909	767	-
<u>1,037</u>	<u>974</u>	Total non mark-up / interest expenses	<u>57,870</u>	<u>102,413</u>	<u>52,530</u>	<u>96,246</u>
<u>4,511</u>	<u>5,298</u>		<u>337,161</u>	<u>445,689</u>	<u>294,473</u>	<u>523,415</u>
-	-	Extra Ordinary / unusual items	-	-	-	-
<u>4,511</u>	<u>5,298</u>	PROFIT BEFORE TAXATION	<u>337,161</u>	<u>445,689</u>	<u>294,473</u>	<u>523,415</u>
1,047	148	Taxation - Current	70,890	103,448	(57,216)	14,599
-	-	- Prior years	-	-	-	-
225	1,692	- Deferred	22,198	22,198	168,726	167,124
<u>1,272</u>	<u>1,840</u>		<u>93,088</u>	<u>125,646</u>	<u>111,510</u>	<u>181,723</u>
<u>3,239</u>	<u>3,458</u>	PROFIT AFTER TAXATION	<u>244,073</u>	<u>320,043</u>	<u>182,963</u>	<u>341,692</u>
----- (US \$) -----			----- (Rupee) -----			
<u>0.0054</u>	<u>0.0058</u>	Earnings per share - basic and diluted	<u>0.41</u>	<u>0.53</u>	<u>0.30</u>	<u>0.57</u>

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

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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, 2013

Half year ended June 30, 2013 ----- (US \$ in '000) -----	Half year ended June 30, 2012		Quarter ended June 30, 2013	Half year ended June 30, 2013 ----- (Rupees in '000) -----	Quarter ended June 30, 2012	Half year ended June 30, 2012
3,239	3,458	Profit after taxation for the period	244,073	320,043	182,963	341,692
-	-	Other comprehensive income	-	-	-	-
<u>3,239</u>	<u>3,458</u>	Total comprehensive income for the period	<u>244,073</u>	<u>320,043</u>	<u>182,963</u>	<u>341,692</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 19 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, 2013

Half year ended June 30, 2013	Half year ended June 30, 2012		Half year ended June 30, 2013	Half year ended June 30, 2012
----- (US \$ in '000) -----			----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES				
4,511	5,298	Profit before taxation	445,689	523,415
(1,439)	(621)	Less: Dividend income	(142,148)	(61,341)
<u>3,072</u>	<u>4,677</u>		<u>303,541</u>	<u>462,074</u>
Adjustments for non-cash charges and other items:				
78	41	Depreciation	7,657	4,035
6	5	Amortisation	554	466
(1)	(182)	Reversal against non-performing advances	(102)	(17,933)
242	(191)	Provision / (reversal) for diminution in the value of investments	23,881	(18,895)
-	-	Gain on sale of property and equipment	(49)	(1)
12	11	Unrealised loss on revaluation of investments classified as held-for-trading	1,206	1,044
-	8	Unrealised loss on interest rate swap contracts	-	767
<u>337</u>	<u>(308)</u>		<u>33,147</u>	<u>(30,517)</u>
<u>3,409</u>	<u>4,369</u>		<u>336,688</u>	<u>431,557</u>
Decrease / (increase) in operating assets				
(7,946)	6,355	Lendings to financial institutions	(785,020)	627,841
(162)	63,045	Held-for-trading securities	(16,036)	6,228,889
8,255	(5,295)	Advances	815,613	(523,098)
(1,010)	(1,790)	Other assets (excluding current taxation)	(99,829)	(176,892)
<u>(863)</u>	<u>62,315</u>		<u>(85,272)</u>	<u>6,156,740</u>
Increase / (decrease) in operating liabilities				
78,472	(44,511)	Borrowings from financial institutions	7,753,058	(4,397,683)
9,763	23,802	Deposits and other accounts	964,607	2,351,635
10,542	280	Other liabilities (excluding current taxation)	1,041,528	27,694
<u>98,777</u>	<u>(20,429)</u>		<u>9,759,193</u>	<u>(2,018,354)</u>
<u>101,323</u>	<u>46,255</u>		<u>10,010,609</u>	<u>4,569,943</u>
(1,419)	(1,996)	Income tax paid	(140,171)	(197,218)
<u>99,904</u>	<u>44,259</u>	Net cash flows from operating activities	<u>9,870,438</u>	<u>4,372,725</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
(68,396)	(47,134)	Net investments in available-for-sale securities	(6,757,556)	(4,656,826)
464	(4)	Net Investments in held-to-maturity securities	45,843	(396)
(26,316)	-	Net Investment in associate	(2,600,000)	-
1,429	790	Dividend income received	141,156	78,024
(8)	(373)	Investment in operating fixed assets	(756)	(36,852)
1	1	Sale proceeds from disposal of property and equipment	130	58
<u>(92,826)</u>	<u>(46,720)</u>	Net cash used in investing activities	<u>(9,171,183)</u>	<u>(4,615,992)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
(10,121)	(2,024)	Dividend paid	(1,000,000)	(200,000)
<u>(10,121)</u>	<u>(2,024)</u>	Net cash used in financing activities	<u>(1,000,000)</u>	<u>(200,000)</u>
(3,043)	(4,485)	Decrease in cash and cash equivalents	(300,745)	(443,267)
3,745	7,448	Cash and cash equivalents at beginning of the period	370,069	735,892
<u>702</u>	<u>2,963</u>	Cash and cash equivalents at end of the period	<u>69,324</u>	<u>292,625</u>

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

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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, 2013

	Share capital	Statutory reserve	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at December 31, 2011	6,000,000	399,132	1,596,527	7,995,659
Profit after tax for the half year ended June 30, 2012	-	-	341,692	341,692
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	341,692	341,692
Transfer to statutory reserve	-	68,338	(68,338)	-
Final cash dividend for the year ended December 31, 2011 declared subsequent to the year end at Rs.0.33 per share	-	-	(200,000)	(200,000)
Balance as at June 30, 2012	6,000,000	467,470	1,669,881	8,137,351
Profit after tax for the half year ended December 31, 2012	-	-	442,066	442,066
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	442,066	442,066
Transfer to statutory reserve	-	88,414	(88,414)	-
Balance as at December 31, 2012	6,000,000	555,884	2,023,533	8,579,417
Profit after tax for the half year ended June 30, 2013	-	-	320,043	320,043
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	320,043	320,043
Transfer to statutory reserve	-	63,965	(63,965)	-
Final cash dividend for the year ended December 31, 2012 declared subsequent to the year end at Rs.1.67 per share	-	-	(1,000,000)	(1,000,000)
Balance as at June 30, 2013	6,000,000	619,849	1,279,611	7,899,460

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

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 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, 2013

1. STATUS AND NATURE OF BUSINESS

Pak Brunei Investment Company Limited (the Company) was incorporated in Pakistan as an unlisted 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 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, 2012.

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- 2.4 These unconsolidated condensed interim financial statements represent the separate condensed interim financial statements of the Company. The consolidated condensed interim financial statements of the Company and its subsidiary companies are presented separately.
- 2.5 The US dollar amounts shown in the unconsolidated 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 solely for the convenience of readers. For this purpose of conversion to US Dollars, the rate of Rs.98.80 to US Dollars has been used for both 2012 and 2011, as it was the prevalent rate on June 30, 2013.

3. ACCOUNTING POLICIES

The accounting policies adopted in preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended December 31, 2012 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

IAS 1 – Presentation of Financial Statements – Presentation of Items
of Other Comprehensive Income (Amendment)

IAS 19 – Employee Benefits (Revised)

The adoption of the above revision, amendments, improvements and interpretation of the standards did not have any effect on these unconsolidated 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, 2013 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

4. 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, 2012.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

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, 2012.

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	Note	(Un-audited) June 30, 2013	(Audited) December 31, 2012
----- (Rupees in '000) -----			
6. LENDINGS TO FINANCIAL INSTITUTIONS			
Repurchase agreement lendings (Reverse Repo)	6.1	485,020	-
Term Deposit Receipts	6.2	300,000	-
		<u>785,020</u>	<u>-</u>

6.1 This carries mark-up at a rate of 8.55% per annum (2012: Nil) and will mature on July 02, 2013.

6.2 This carry mark-up at the rate of 9.75% per annum (2012: Nil) and will mature on July 22, 2013.

	Note	Held by Company	Given as collateral	Total
----- (Rupees in '000) -----				
7. INVESTMENTS				
Current period (June 30, 2013) - (Un-audited)	7.1	<u>10,073,560</u>	<u>6,310,900</u>	<u>16,384,460</u>
Prior year (December 31, 2012) - (Audited)	7.1	<u>7,121,490</u>	<u>-</u>	<u>7,121,490</u>
Prior year corresponding period (June 30, 2012) - (Un-audited)		<u>7,782,701</u>	<u>16,440,366</u>	<u>24,223,067</u>

	(Un-audited) June 30, 2013			(Audited) December 31, 2012		
	Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total
----- (Rupees in '000) -----						

7.1 Investments by type:

Held-for-trading securities

Market Treasury Bills	-	-	-	-	-	-
Pakistan Investment Bonds	-	-	-	-	-	-
Ordinary shares of listed companies	16,036	-	16,036	-	-	-
	<u>16,036</u>	<u>-</u>	<u>16,036</u>	<u>-</u>	<u>-</u>	<u>-</u>

Available-for-sale securities

Market Treasury Bills	1,602,296	6,173,000	7,775,296	880,117	-	880,117
Pakistan Investment Bonds	-	-	-	-	-	-
Ordinary shares of listed companies	519,076	-	519,076	319,707	-	319,707
Ordinary shares of unlisted companies	124,670	-	124,670	121,375	-	121,375
Term Finance Certificates and Sukuks	2,007,482	127,179	2,134,661	2,511,797	-	2,511,797
Units of mutual funds	28,835	-	28,835	28,835	-	28,835
Preference shares	95,510	-	95,510	85,625	-	85,625
	<u>4,377,869</u>	<u>6,300,179</u>	<u>10,678,048</u>	<u>3,947,456</u>	<u>-</u>	<u>3,947,456</u>

Held-to-maturity securities

Term Finance Certificates and Sukuks	140,037	5,350	145,387	191,230	-	191,230
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Investment in associates

	5,591,544	-	5,591,544	2,991,134	-	2,991,134
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Investment in subsidiary

	250,000	-	250,000	250,000	-	250,000
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Investments at cost

	<u>10,375,486</u>	<u>6,305,529</u>	<u>16,681,015</u>	<u>7,379,820</u>	<u>-</u>	<u>7,379,820</u>
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Less: Provision for diminution in value of Investments

	<u>(260,056)</u>	<u>-</u>	<u>(260,056)</u>	<u>(262,815)</u>	<u>-</u>	<u>(262,815)</u>
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Investments (net of provisions)

	<u>10,115,430</u>	<u>6,305,529</u>	<u>16,420,959</u>	<u>7,117,005</u>	<u>-</u>	<u>7,117,005</u>
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Deficit on revaluation of

held-for-trading securities-net	(1,206)	-	(1,206)	-	-	-
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(Deficit) / surplus on revaluation of

available-for-sale securities - net	<u>(40,664)</u>	<u>5,371</u>	<u>(35,293)</u>	<u>4,485</u>	<u>-</u>	<u>4,485</u>
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Total investments at market value

	<u>10,073,560</u>	<u>6,310,900</u>	<u>16,384,460</u>	<u>7,121,490</u>	<u>-</u>	<u>7,121,490</u>
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Signature

(Un-audited) (Audited)
June 30, December 31,
2013 2012
----- (Rupees in '000) -----

8. ADVANCES

Loans, cash credits, running finances, etc. - In Pakistan	3,520,506	4,292,836
LTFE scheme under State Bank of Pakistan	939,933	936,165
Net investment in finance lease - In Pakistan	502,499	549,651
Advances - gross	<u>4,962,938</u>	<u>5,778,652</u>
Provision for non-performing advances - specific	(2,537)	(2,638)
Provision for non-performing advances - general	-	-
Advances - net of provision	<u>4,960,401</u>	<u>5,776,014</u>

8.1 Advances include Rs.2.537 million (December 31, 2012: Rs.2.638 million), which have been placed under non-performing status as detailed below:

Category of classification	June 30, 2013 (Un-audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	----- (Rupees in '000) -----				
Other assets especially mentioned	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
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>

Category of classification	December 31, 2012 (Audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
	----- (Rupees in '000) -----				
Other assets especially mentioned	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	2,638	-	2,638	2,638	2,638
	<u>2,638</u>	<u>-</u>	<u>2,638</u>	<u>2,638</u>	<u>2,638</u>

9. OPERATING FIXED ASSETS

Additions during the six months period ended June 30, 2013 amounted to Rs.0.772 million (2012: Rs.36.852 million) while disposals had a cost of Rs.0.263 million (2012: Rs.0.087 million) and written down value of Rs.0.082 million (2012: Rs.0.57 million).

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		(Un-audited) June 30, 2013	(Audited) December 31, 2012
	Note	----- (Rupees in '000) -----	
10. OTHER ASSETS			
Income / mark-up accrued in local currency		239,048	278,490
Advisory income accrued		6,000	-
Assets acquired in satisfaction of claims - non-banking assets		-	209,652
Advances, deposits and other prepayments		66,842	73,195
Advance tax (payment less provision)		175,730	139,007
Dividend receivable		60,273	59,281
Receivable from Subsidiary - Primus Investment Management Limited		776	635
Receivable against sale of shares and assets acquired in satisfaction of claims - non-banking assets	10.1	349,135	-
		<u>897,804</u>	<u>760,260</u>
Less: Provision held against advances, deposits and other prepayments		(50,000)	(50,000)
Other assets (net of provisions)		<u>847,804</u>	<u>710,260</u>

10.1 This includes receivable, amounting to Rs.309.247 million, arising on account of deferred sale consideration for sale of certain listed equity securities and properties (which were previously classified under 'assets acquired in satisfaction of claims') at a marked-up price determined in accordance with a sale agreement dated May 30, 2013. The balance outstanding at the end of the current period will be received by the Company as per the terms and conditions of the underlying agreement latest by August 2015. The shares will be released as and when payments are received while the title to the properties will be transferred by the Company only upon receipt of the entire sale consideration as agreed under the above agreement. The above sale agreement resulted in a gain on settlement of Rs.50.960 million and Rs.13.020 million on derecognition of listed equity securities and assets acquired in satisfaction of claims, respectively.

11. BORROWINGS FROM FINANCIAL INSTITUTIONS

Secured

Borrowings from State Bank of Pakistan under LTFF Scheme	11.1	939,933	937,139
Repurchase agreement borrowings (Repo)	11.2	6,110,264	-
Borrowings from banks	11.3	1,850,000	1,100,000
		<u>8,900,197</u>	<u>2,037,139</u>

Unsecured

Letters of placement	11.4	1,270,000	380,000
		<u>10,170,197</u>	<u>2,417,139</u>

11.1 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 7.25% to 9.70% per annum (2012: 7.25% to 9.70% per annum). This is repayable within 7 years (2012: 7 years).

11.2 These represent borrowings from various financial institutions at mark-up rate ranging from 8.60% to 9.00% per annum (2012: Nil) and are repayable within 1 month (2012: Nil).

11.3 These represent borrowings secured against hypothecation of receivables and floating charge over term finance certificates. These carry mark-up at rate ranging from 9.87% to 10.18% per annum (2012: 9.94% to 10.18% per annum) and are repayable within 1 year (2012: 2 years).

11.4 These carry mark-up at rate ranging from 9.45% to 9.75% per annum (2012: 9.40% to 12.00% per annum) and are repayable within 3 months (2012: 2 months).

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(Un-audited)	(Audited)
June 30,	December 31,
2013	2012
----- (Rupees in '000) -----	

12. DEPOSITS AND OTHER ACCOUNTS

Certificates of investment - remunerative	12.1	<u>3,789,531</u>	<u>2,824,924</u>
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12.1 These deposits are placed with the Company at an interest rate of 9.05% to 10.15% per annum (December 31, 2012: 9.70% to 12.00% per annum). These are repayable within 1 month to 24 months (December 31, 2012: 1 month to 11 months).

13. OTHER LIABILITIES

Mark-up / return / interest payable in local currency		91,920	67,096
Accrued expenses		20,076	26,833
Payable against purchase of shares		11,598	-
Brokerage commission payable		5,995	63
Unearned commission		5,601	4,786
Security deposit against lease		102,251	93,688
Dividend payable		1,000,000	-
Others		27,101	30,547
		<u>1,264,542</u>	<u>223,012</u>

14. CONTINGENCIES AND COMMITMENTS**14.1 Transaction related contingent liability**

Letter of credit		<u>152,293</u>	<u>152,293</u>
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14.2 In the year 2009, Burj Bank Limited (formerly Dawood Islamic Bank Limited) filed a legal suit amounting to Rs.200 million for damages against the Company for alleged non performance of underwriting commitment to subscribe 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.

14.3 Commitments in respect of government securities

Purchase (reverse repo)		<u>485,474</u>	-
Sale (repo)		<u>6,136,983</u>	-

14.4 Commitments to extend credit

		<u>722,119</u>	<u>716,013</u>
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14.5 There has been no change in the status of tax contingencies and contingency relating to WWF as disclosed in last annual audited financial statements for the year ended December 31, 2012.

Quarter ended June 30, 2013	Half year ended June 30, 2013	Quarter ended June 30, 2012	Half year ended June 30, 2012
----- (Un-audited) -----			

15. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after tax for the period attributable to Ordinary shareholders (Rupees in '000)	<u>244,073</u>	<u>320,043</u>	<u>182,963</u>	<u>341,692</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>0.41</u>	<u>0.53</u>	<u>0.30</u>	<u>0.57</u>

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16. 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
	----- (Rupees in '000) -----		
June 30, 2013 - Un-audited			
Total income	14,691	665,260	274,519
Total expenses	7,465	361,823	139,493
Net income	7,226	303,437	135,026
Segment assets (gross)	-	18,591,718	4,764,839
Segment non performing advances	-	2,537	-
Investment provided for	-	370,951	-
Segment provision held **	-	262,593	-
Segment liabilities	-	12,121,782	3,106,670
Segment return on assets (ROA) (%)	-	2.73%	5.34%
Segment return on net assets (ROA) (%)	-	9.27%	16.10%
Segment cost of funds (%)	-	7.40%	7.40%
June 30, 2012 - Un-audited			
Total income	27,476	1,459,343	299,543
Total expenses	19,993	1,025,077	217,877
Net income	7,483	434,204	81,666
Segment assets (gross)	-	25,815,906	5,351,362
Segment non performing advances	-	2,779	-
Investment provided for	-	419,618	-
Segment provision held **	-	310,060	-
Segment liabilities	-	18,718,199	3,880,101
Segment return on assets (ROA) (%)	-	3.21%	3.26%
Segment return on net assets (ROA) (%)	-	13.09%	11.86%
Segment cost of funds (%)	-	10.32%	10.32%

17. TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS

The Company has related party relationship with:

- subsidiary company (Primus Investment Management Limited)
- associates (collective investment schemes of Primus Investment Management Limited)
- its defined contribution plan;
- its key management personnel;
- other related parties include Omer Jibrán Engineering Industries Ltd., Nimir Industrial Chemicals Limited and Haq Bahu Sugar Mills (Pvt) Limited and Maple Leaf Cement.

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.

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

	For the half year ended June 30, 2013 (Un-audited)					For the year ended December 31, 2012 (Audited)				
	Key management personnel	Other related parties	Subsidiary	Associates		Key management personnel	Other related parties	Subsidiary	Associates	
Advances	(Rupees in '000)									
At beginning of the period / year	15,520	701,671	-	-	-	23,286	474,000	-	-	-
Maple leaf added	-	87,570	-	-	-	-	-	-	-	-
Ok field removed	-	(300,000)	-	-	-	-	-	-	-	-
Given during the period / year	6,112	-	-	-	-	8,634	300,000	-	-	-
Transfer	-	-	-	-	-	(8,106)	8,106	-	-	-
Repaid during the period / year	(1,411)	(50,701)	-	-	-	(8,294)	(80,435)	-	-	-
At end of the period / year	20,221	438,540	-	-	-	15,520	701,671	-	-	-
Investments										
At beginning of the period / year	-	94,975	250,000	2,991,134	-	-	15,000	250,000	-	-
Maple leaf added	-	340,341	-	-	-	-	-	-	-	-
Investments made during the period / year	-	65,222	-	3,050,000	-	-	98,437	-	3,975,000	-
Transfer	-	-	-	-	-	-	(15,000)	-	-	-
Redemption during the period / year	-	(49,981)	-	(449,589)	-	-	(3,462)	-	(983,866)	-
At end of the period / year	-	450,557	250,000	5,591,545	-	-	94,975	250,000	2,991,134	-
Borrowing										
Opening balance	-	-	-	-	-	-	-	-	-	-
Add: Received during the year	-	-	1,100,000	-	-	-	500,000	-	-	-
Less: Paid during the year	-	-	(550,000)	-	-	-	(500,000)	-	-	-
Closing Balance	-	-	550,000	-	-	-	-	-	-	-

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	For the half year ended June 30, 2013 (Un-audited)				For the half year ended June 30, 2012 (Un-audited)			
	Key management personnel	Other related parties	Subsidiary	Associates	Key management personnel	Other related parties	Subsidiary	Associates
Mark-up / return / interest earned	238	52,531	-	-	297	35,081	-	-
Mark-up / return / interest expensed	-	6,005	-	-	-	-	-	-
Gain on sale of securities-net	-	-	-	2,030	-	-	-	-
Dividend income	-	-	-	146,911	-	-	-	-
Salaries and other benefits	41,974	-	-	-	35,927	-	-	216
Contribution to Provident Fund	1,299	-	-	-	1,474	-	-	-
Reimbursement of expenses	2,166	-	-	-	4,532	-	-	-
Expenses charged to subsidiary company (see note 17.1)	-	-	1,302	-	-	-	-	-

17.1 Group shared services

The transactions with related parties during the year includes costs (administrative expenses) charged by the Company under the cost sharing agreement entered into between the Company and its Subsidiary.

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18. GENERAL

18.1 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 JCR-VIS Credit Rating Agency Limited, SBP approved rating agency. Outlook on the assigned rating is "Stable".

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

18.3 Figures of the profit and loss account for the quarters ended June 30, 2013 and June 30, 2012 have not been subjected to limited scope review by the auditors as they are only required to review half-yearly figures.

19. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on 23-SEPT-2013 by Board of Directors of the Company.

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Chief Executive



Director

Director



Chairman