

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

Un-audited September 30, 2017	Audited December 31, 2016		Un-audited September 30, 2017	Audited December 31, 2016 (Restated)
----- (US \$ in '000) -----		ASSETS	Note	----- (Rupees in '000) -----
552	3,054	Cash and balances with treasury banks		58,217
13,621	22,125	Balances with other banks		1,436,282
4,742	4,723	Lendings to financial institutions		500,000
36,498	148,632	Investments	6	3,848,748
165,879	137,765	Advances	7	17,491,914
228	250	Operating fixed assets		24,035
840	960	Deferred tax asset - net		88,570
6,757	10,317	Other assets		712,408
<u>229,117</u>	<u>327,826</u>			<u>24,160,174</u>
				<u>34,569,223</u>
		LIABILITIES		
-	-	Bills payable		-
87,183	194,338	Borrowings from financial institutions		9,193,444
35,315	27,629	Deposits and other accounts		3,723,938
-	-	Sub-ordinated loans		-
-	-	Liabilities against assets subject to finance lease		-
-	-	Deferred tax liability - net		-
8,148	7,414	Other liabilities		859,114
<u>130,646</u>	<u>229,381</u>			<u>13,776,496</u>
				<u>24,188,213</u>
<u><u>98,471</u></u>	<u><u>98,445</u></u>	NET ASSETS		<u><u>10,383,678</u></u>
				<u><u>10,381,010</u></u>
		REPRESENTED BY:		
56,899	56,899	Share capital		6,000,000
12,948	12,135	Reserves		1,365,382
30,269	29,980	Unappropriated profit		3,191,847
<u>100,116</u>	<u>99,014</u>			<u>10,557,229</u>
22	20	Non controlling interest		2,272
(1,667)	(589)	Deficit on revaluation of assets - net of deferred tax		(175,823)
<u><u>98,471</u></u>	<u><u>98,445</u></u>			<u><u>10,383,678</u></u>
				<u><u>10,381,010</u></u>
		CONTINGENCIES AND COMMITMENTS	8	

The annexed notes 1 to 12 form an integral part of this condensed consolidated interim financial information.

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED SEPTEMBER 30, 2017

Period ended			Period ended	
September 30, 2017	September 30, 2016		September 30, 2017	September 30, 2016 (Restated)
----- (US \$ in '000) -----			Note ----- (Rupees in '000) -----	
11,652	11,007	Mark-up / return / interest earned	1,228,719	1,160,706
6,934	7,372	Mark-up / return / interest expensed	731,158	777,358
4,718	3,635	Net mark-up / return / interest income	497,561	383,348
548	790	Provision against non-performing loans and advances - net	57,820	83,269
134	(156)	Provision for diminution in the value of investments	14,079	(16,446)
-	-	Bad debts written off directly	-	-
682	634		71,899	66,823
4,036	3,001	Net mark-up / interest income after provisions	425,662	316,525
		Non mark-up / interest income		
1,042	1,513	Fee, commission and brokerage income	109,903	159,508
138	221	Dividend income	14,580	23,333
-	-	Income from dealing in foreign currencies	-	-
1,575	4,947	Gain on sale of securities - net	166,073	521,712
3	(18)	Unrealised (loss) / gain on revaluation of investments classified as held-for-trading	310	(1,848)
5	12	Other income	558	1,244
2,763	6,675	Total non mark-up / interest income	291,424	703,949
6,799	9,676		717,086	1,020,474
		Non mark-up / interest expenses		
2,781	2,947	Administrative expenses	293,251	310,709
-	-	Other provisions / write offs	-	-
-	-	Other charges	-	-
2,781	2,947	Total non mark-up / interest expenses	293,251	310,709
			423,835	709,765
1,783	3,073	Share of profit of associates	188,034	323,997
5,801	9,802	Profit before taxation from continuing operations	611,869	1,033,762
		Taxation - Current		
1,380	2,842	Taxation - Current	145,517	299,717
369	461	- Prior years	38,923	48,605
133	(293)	- Deferred	14,022	(30,949)
1,882	3,010		198,462	317,373
3,919	6,792	Profit after taxation for the period from continuing operations	413,407	716,389
		Discontinued operations		
29	-	Profit after taxation for the period from discontinued operations	3,024	-
3,948	6,792		416,431	716,389
		Attributable to:		
1	1	Non-Controlling Interest	151	82
3,948	6,793	Equity shareholders of the holding company	416,280	716,307
----- (US \$) -----			----- (Rupees) -----	
0.0066	0.0113	Earnings per share - basic and diluted	9 0.69	1.19

The annexed notes 1 to 12 form an integral part of this condensed consolidated interim financial information.

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED SEPTEMBER 30, 2017

Period ended			Period ended	
September 30, 2017	September 30, 2016		September 30, 2017	September 30, 2016 (Restated)
----- (US \$ in '000) -----			----- (Rupees in '000) -----	
3,919	6,792	Profit after taxation for the period	416,431	716,389
		Other comprehensive income:		
		<i>Items that will not to be reclassified to profit or loss account in subsequent period</i>		
-	-		-	-
<u>3,919</u>	<u>6,792</u>	Other comprehensive income transferred to equity	<u>416,431</u>	<u>716,389</u>
		<i>Components of comprehensive income not reflected in equity</i>		
		Items that may be reclassified to profit or loss account in subsequent period		
		(Deficit) / surplus on revaluation of investments classified as "available-for-sale securities" - net of tax		
(1,079)	(1,972)		(113,763)	16,812
			-	-
<u>2,840</u>	<u>4,819</u>	Total comprehensive income for the period	<u>302,668</u>	<u>733,201</u>

The annexed notes 1 to 12 form an integral part of this condensed consolidated interim financial information.

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

Period ended		For the period ended	
September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016 (Restated)
----- (US \$ in '000) -----		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
5,831	9,803	614,893	1,033,762
(138)	(221)	(14,580)	(23,333)
<u>5,693</u>	<u>9,582</u>	<u>600,313</u>	<u>1,010,429</u>
Adjustments for non-cash and other items:			
80	159	8,402	16,812
6	11	681	1,158
-	-	-	-
548	790	57,820	83,269
134	(156)	14,079	(16,446)
(1)	(12)	(74)	(1,228)
(29)	-	(3,024)	-
(1,785)	-	(188,034)	-
(3)	18	(310)	1,848
<u>(1,050)</u>	<u>810</u>	<u>(110,460)</u>	<u>85,413</u>
4,643	10,392	489,853	1,095,842
(Increase) / decrease in operating assets			
(18)	-	(1,935)	-
3,089	1,268	325,720	133,716
(28,662)	(8,183)	(3,022,428)	(862,884)
2,555	(18,263)	269,382	(1,925,798)
<u>(23,036)</u>	<u>(25,178)</u>	<u>(2,429,261)</u>	<u>(2,654,966)</u>
Increase / (decrease) in operating liabilities			
(107,155)	47,179	(11,299,454)	4,974,982
7,686	(11,712)	810,451	(1,235,000)
1,442	(998)	152,074	(105,207)
<u>(98,027)</u>	<u>34,469</u>	<u>(10,336,929)</u>	<u>3,634,775</u>
(116,420)	19,683	(12,276,337)	2,075,651
(1,645)	(3,111)	(173,427)	(328,030)
<u>(118,065)</u>	<u>16,572</u>	<u>(12,449,764)</u>	<u>1,747,621</u>
Net cash used in operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
72,408	(46,483)	7,635,467	(4,901,607)
(379)	1,953	(39,931)	205,957
37,687	28,485	3,974,060	3,003,716
239	1,946	25,222	205,194
(54)	(126)	(5,713)	(13,307)
1	17	92	1,806
<u>109,902</u>	<u>(14,208)</u>	<u>11,589,198</u>	<u>(1,498,241)</u>
Net cash generated from investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
(2,845)	(1,897)	(300,000)	(200,000)
-	2	-	-
<u>(2,845)</u>	<u>(1,895)</u>	<u>(300,000)</u>	<u>(200,000)</u>
Net cash used in financing activities			
(11,008)	469	(1,160,567)	49,380
25,178	5,597	2,655,066	590,191
<u>14,170</u>	<u>6,066</u>	<u>1,494,499</u>	<u>639,571</u>
Cash and cash equivalents at the end of the period			

The annexed notes 1 to 12 form an integral part of this condensed consolidated interim financial information.

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	Share capital	Statutory reserve	Unappropriated profit	Non controlling interest (NCI)	Total
	(Rupees in '000)				
Balance as at January 1, 2016	6,000,000	1,065,388	2,553,829	-	9,619,217
Initial carrying amount of NCI	-	-	-	8,318	8,318
Total comprehensive income for the nine months ended September 30, 2016					
Profit after taxation for the period ended September 30, 2016	-	-	716,307	82	716,389
Other comprehensive income for the period - net of tax	-	-	-	-	-
	-	-	716,307	82	716,389
Transfer to statutory reserve	-	143,283	(143,283)	-	-
Transactions with owners recorded directly in equity for the period ended September 30, 2016					
Final cash dividend - December 31, 2015 declared subsequent to the year end at Re.0.33 per ordinary share	-	-	(200,000)	-	(200,000)
Further acquisition of shares	-	-	(474)	(5,432)	(5,906)
Balance as at September 30, 2016	<u>6,000,000</u>	<u>1,208,671</u>	<u>2,926,379</u>	<u>2,968</u>	<u>10,138,018</u>
Total comprehensive income for the six months ended December 31, 2016					
Profit after taxation for the period ended December 31, 2016	-	-	301,353	162	301,515
Other comprehensive income for the period - net of tax	-	-	4,537	-	4,537
	-	-	305,890	162	306,052
Transfer to statutory reserve	-	70,981	(70,981)	-	-
Transfer with owners, recorded directly in equity					
Transactions with owners recorded directly in equity for the six months ended December 31, 2016					
Final cash dividend - June 30, 2016 declared subsequent to period ended at Re. 0.227 per certificate	-	-	-	(57)	(57)
Further acquisition of shares	-	-	9	(952)	(943)
Balance as at January 1, 2017	<u>6,000,000</u>	<u>1,279,652</u>	<u>3,161,297</u>	<u>2,121</u>	<u>10,443,070</u>
Total comprehensive income for the nine months ended September 30, 2017					
Profit after taxation for the period ended September 30, 2017	-	-	416,280	151	416,431
Other comprehensive income for the period - net of tax	-	-	-	-	-
	-	-	416,280	151	416,431
Transfer to statutory reserve	-	85,730	(85,730)	-	-
Transactions with owners recorded directly in equity for the period ended September 30, 2017					
Final cash dividend - December 31, 2016 declared subsequent to the year end at Re.0.50 per ordinary share	-	-	(300,000)	-	(300,000)
Balance as at September 30, 2017	<u>6,000,000</u>	<u>1,365,382</u>	<u>3,191,847</u>	<u>2,272</u>	<u>10,559,501</u>

The annexed notes 1 to 12 form an integral part of this condensed consolidated interim financial information.

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

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

1 STATUS AND NATURE OF BUSINESS

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

Holding Company

Pak Brunei Investment Company Limited (the holding company) is a Development Finance Institution (DFI) which was incorporated in Pakistan as an un-listed public limited company under the Companies Ordinance, 1984 on November 28, 2006. The State Bank of Pakistan (SBP) granted the approval for commencement of business with effect from August 20, 2007. The holding company is a joint venture between the Government of Pakistan (GoP) and the Brunei Investment Agency (BIA). The holding company's objectives inter alia includes making investments in the industrial and agro-based industrial fields in Pakistan on commercial basis through carrying out of industrial and agro-based industrial projects and marketing of their products in Pakistan and abroad and to undertake other feasible business and to establish and acquire companies to conduct various businesses. The registered office of the holding company is situated at Horizon Vista, Plot No. Commercial - 10, Block-4, Scheme-5, Clifton, Karachi, Pakistan.

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

Awwal Modaraba Management Limited

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

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

Awwal Modaraba

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

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

Primus Leasing Limited

Primus Leasing Limited (the Company) was incorporated in Pakistan on July 13, 2017 as unlisted public company under the Companies Act 2017. The principal line of business of the Company shall be to carry on and undertake the business of leasing, licensing and sale, lease and lease financing of all kinds.

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

1.1 Sale of substantial shareholding in Primus Investment Management Limited

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

2 STATEMENT OF COMPLIANCE

2.1 BASIS OF PREPARATION

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

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

3 BASIS OF MEASUREMENT

3.1 Accounting convention

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

3.2 Functional and presentation currency

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

The US dollar amounts shown in the condensed consolidated interim statement of financial position, condensed consolidated interim profit and loss account, condensed consolidated interim statement of comprehensive income and condensed consolidated interim cash flow statement are stated as additional information solely for the convenience of readers and are not audited. For this purpose of conversion to US Dollars, the rate of Rs.105.45 to US Dollars has been used for both 2017 and 2016, as it was the prevalent rate on September 30, 2017.

3.3 Critical accounting estimates and assumptions

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5 FINANCIAL RISK MANAGEMENT

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

6 INVESTMENTS

6.1 Investments by types	Note	Un-audited September 30, 2017			Un-audited December 31, 2016		
		Held by Bank	Given as collateral	Total	Held by Bank	Given as collateral (Restated)	Total
----- (Rupees in '000) -----							
Held for trading securities							
Ordinary shares of listed companies		571	-	571	327,073	-	327,073
Available for sale securities							
Market Treasury Bills		864,764	117,922	982,686	843,353	5,241,975	6,085,328
Pakistan Investment Bonds		468,449	-	468,449	156,822	2,760,267	2,917,089
Ordinary shares of listed companies		874,803	-	874,803	938,022	-	938,022
Ordinary shares of unlisted companies		201,331	-	201,331	40,581	-	40,581
Term finance certificates and sukuks		1,070,557	-	1,070,557	1,287,273	-	1,287,273
Mutual funds		35,000	-	35,000	-	-	-
Preference shares		3,250	-	3,250	3,250	-	3,250
		3,518,154	117,922	3,636,076	3,269,301	8,002,242	11,271,543
Held to maturity securities							
Commercial paper		39,931	-	39,931	-	-	-
Corporate Sukuks		100,000	-	100,000	100,000	-	100,000
Investment in associates	6.2	549,595	-	549,595	4,335,621	-	4,335,621
Investments at cost		4,208,251	117,922	4,326,173	8,031,995	8,002,242	16,034,237
Less: Provision for diminution in value of investments		(290,239)	-	(290,239)	(276,160)	-	(276,160)
Investments (net of provisions)		3,918,012	117,922	4,035,934	7,755,835	8,002,242	15,758,077
Surplus / (deficit) on revaluation of investments classified as held for trading securities - net		310	-	310	(782)	-	(782)
Deficit on revaluation of investments classified as available-for-sale securities - net		(185,709)	(1,787)	(187,496)	(21,977)	(62,050)	(84,027)
Total investments - net		<u>3,732,613</u>	<u>116,135</u>	<u>3,848,748</u>	<u>7,733,076</u>	<u>7,940,192</u>	<u>15,673,268</u>

6.2 Investment in related parties

Name of investee company / fund	Note	Percentage of holding		Number of shares / certificates / units held		Un-audited	Un-audited
		September 30, 2017	December 31, 2016 (Restated)	2017	2016 (Restated)	Carrying amount as at September 30, (Rupees in '000)	Carrying amount as at December 31, (Restated)
Investment in associates							
Unlisted public company							
AWT Investments Limited (formerly Primus Investment Management Limited)	6.3	30	-	7,500,000	-	115,875	-
Open-end mutual funds - listed							
PIML Strategic Multi Asset Fund		65.90	81.47	915,900	2,117,878	99,102	258,106
PIML Islamic Equity Fund		36.25	61.91	419,999	1,106,318	48,555	158,546
PIML Value Equity Fund		29.17	66.04	371,393	1,086,164	42,399	148,848
PIML Asset Allocation Fund		64.74	84.63	1,410,138	9,473,285	133,023	998,200
PIML Income Fund		-	66.37	-	26,269,494	-	2,671,870
PIML Islamic Income Fund		9.55	-	98,425	-	10,085	-
PIML Daily Reserve Fund		88.51	14.91	-	1,282,380	100,555	100,051
						433,720	4,335,621
						549,595	4,335,621

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

7 ADVANCES	Note	Un-audited	Un-audited
		September 30, 2017	December 31, 2016 (Restated)
----- (Rupees in '000) -----			
Loans, cash credits, running finances, etc. - In Pakistan		11,838,577	9,585,370
Advances under State Bank of Pakistan:			
- Long-Term Finance Facility Scheme		3,387,795	2,671,917
- Power Plants Using Renewable Energy Scheme		252,946	126,778
- Financing for Storage of Agriculture Produce Scheme		367,797	410,115
		4,008,538	3,208,810
Net investment in finance lease - In Pakistan		1,286,277	1,438,643
Islamic financing and related assets		652,432	530,573
Advances - gross		17,785,824	14,763,396
Provision against advances			
- Specific	7.1	(292,981)	(235,191)
- General		(929)	(899)
		(293,910)	(236,090)
Advances - net of provision		17,491,914	14,527,306

7.1 Advances include Rs.763.601 million (December 31, 2016: Rs.451.407 million), which have been placed under non-performing status as detailed below:

Category of classification	September 30, 2017 (Un-audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
----- (Rupees in '000) -----					
Other assets especially mentioned	-	-	-	-	-
Substandard	5,968	-	5,968	1,492	1,492
Doubtful	320,706	-	320,706	54,661	54,661
Loss	436,927	-	436,927	236,828	236,828
	763,601	-	763,601	292,981	292,981
Category of classification	December 31, 2016 (Un-audited)				
	Classified advances			Provision required	Provision held
	Domestic	Overseas	Total		
----- (Rupees in '000) -----					
Other assets especially mentioned	3,691	-	3,691	369	369
Substandard	17,059	-	17,059	4,264	4,264
Doubtful	118,950	-	118,950	59,475	59,475
Loss	311,707	-	311,707	171,083	171,083
	451,407	-	451,407	235,191	235,191

	Un-audited September 30, 2017	Un-audited December 31, 2016 (Restated)
	----- (Rupees in '000) -----	
8 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, 2016, except as follows:		
8.1 Transaction-related contingent liabilities		
Letters of credit	<u>1,702,085</u>	<u>1,125,660</u>
8.2 Commitments in respect of repo transactions		
Repurchase of government securities	<u>468,079</u>	<u>7,592,065</u>
8.3 Commitments to extend credit	<u>4,453,190</u>	<u>5,466,485</u>
8.4 Other commitments in respect of:		
- Government securities	<u>-</u>	<u>1,558,062</u>
- Shares	<u>-</u>	<u>329,712</u>
	Period ended	
	September 30,	September 30,
	2017	2016
		(Restated)
	----- (Rupees in '000) -----	
9 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after tax	<u>416,431</u>	<u>716,389</u>
Weighted average number of ordinary shares (in '000)	<u>600,000</u>	<u>600,000</u>
Basic earnings per share (Rupee)	<u>0.69</u>	<u>1.19</u>

10 TRANSACTIONS WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS

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

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

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

	As at September 30, 2017 (Un-audited)				As at December 31, 2016 (un-audited)			
	Key management personnel	Other related parties	State controlled entities	Associates	Key management personnel	Other related parties	State controlled entities	Associates
(Rupees in '000)								
Advances								
At beginning of the period / year	61,719	359,808	89,962	-	67,983	540,232	53,466	-
Disbursements during the period / year	29,478	466,941	-	-	7,717	292,465	62,454	-
Removal from related party	(16,934)	16,934	-	-	-	(400,200)	-	-
Repaid during the period / year	(4,695)	(32,421)	(9,416)	-	(13,981)	(72,689)	(25,958)	-
At end of the period / year	69,568	811,262	80,546	-	61,719	359,808	89,962	-
Investments								
At beginning of the period / year	-	19,250	9,241,789	5,420,999	-	187,309	7,063,565	6,872,342
Additions / Investments made during the period / year	-	41,210	9,925,206	760,562	-	289,424	61,523,795	23,156,924
Redemption during the period / year	-	(60,460)	(17,689,643)	(4,800,789)	-	(457,483)	(59,345,571)	(24,608,267)
Transfer in / (out)	-	-	-	75,000	-	-	-	-
At end of the period / year	-	-	1,477,352	1,455,772	-	19,250	9,241,789	5,420,999
Placements								
At beginning of the period / year	-	-	-	-	-	-	-	-
Placements made during the period / year	-	-	-	-	-	-	3,092,084	-
Placements matured during the period / year	-	-	-	-	-	-	(3,092,084)	-
At end of the period / year	-	-	-	-	-	-	-	-
Borrowings								
At beginning of the period / year	-	-	9,284,119	-	-	-	6,605,818	630,000
Add: received during the year	-	-	268,585,371	-	-	-	420,637,891	900,000
Less: paid during the year	-	-	(271,528,396)	-	-	-	(417,959,590)	(1,530,000)
At end of the period / year	-	-	6,341,094	-	-	-	9,284,119	-

	For the period ended September 30, 2017 (Un-audited)				For the period ended September 30, 2016 (Un-audited)			
	Key management personnel	Other related parties	State controlled entities	Associates	Key management personnel	Other related parties	State controlled entities	Associates
(Rupees in '000)								
Mark-up / return / interest earned	1,826	38,763	356,318	-	1,986	11,538	413,203	-
Gain on sale of securities - net	-	28,886	42,531	188,039	-	12,732	489,521	157,276
Dividend income	-	80	2,365	7,800	-	-	4,970	184,039
Fee Income	-	-	-	-	-	-	-	-
Mark-up / return / interest expensed	-	-	160,989	-	-	-	155,632	22,875
Salaries and other benefits	88,183	-	-	-	83,864	-	-	-
Reimbursement of expenses	4,001	-	-	-	3,335	-	-	-
Expenses charged to group companies	-	-	-	10,671	-	-	-	20,445
Contribution to provident fund	3,707	-	-	-	4,536	-	-	-
Contribution to gratuity fund	2,597	-	-	-	2,141	-	-	-

11 GENERAL

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

12 DATE OF AUTHORISATION FOR ISSUE

This condensed consolidated interim financial information was authorised for issue on **October 30, 2017** by the Board of Directors of the holding company.

Chief Financial Officer

Chief Executive Officer

Director

Director

Chairman