



PAK BRUNEI INVESTMENT COMPANY LTD.

**CONSOLIDATED FINANCIAL STATEMENTS
(UN-AUDITED)**

FOR THE PERIOD ENDED MARCH 31, 2012

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2012

| March 31, 2012 (Un-audited) ----- (US \$ in '000') ----- | December 31, 2011 (Audited) | | March 31, 2012 (Un-audited) | December 31, 2011 (Audited) |
|---|-----------------------------------|------|-----------------------------------|-----------------------------------|
| | | Note | ----- (Rupees in '000') ----- | |
| ASSETS | | | | |
| 535 | 1,931 | | 48,375 | 174,790 |
| 334 | 6,211 | | 30,194 | 562,085 |
| - | 6,937 | 7 | - | 627,841 |
| 273,220 | 284,446 | 8 | 24,726,375 | 25,742,364 |
| 51,233 | 51,344 | 9 | 4,636,548 | 4,646,661 |
| 565 | 376 | | 51,122 | 34,067 |
| - | - | | - | - |
| 8,195 | 8,367 | | 741,656 | 757,208 |
| 334,080 | 359,613 | | 30,234,270 | 32,545,016 |
| LIABILITIES | | | | |
| - | - | | - | - |
| 215,929 | 258,116 | | 19,541,547 | 23,359,531 |
| 25,350 | 10,818 | | 2,294,211 | 979,018 |
| - | - | | - | - |
| - | - | | - | - |
| 3 | 4 | | 290 | 383 |
| 2,527 | 3,074 | | 228,675 | 278,181 |
| 243,809 | 272,012 | | 22,064,723 | 24,617,113 |
| 90,271 | 87,601 | | 8,169,547 | 7,927,903 |
| NET ASSETS | | | | |
| REPRESENTED BY | | | | |
| 66,298 | 66,298 | 10 | 6,000,000 | 6,000,000 |
| 4,771 | 4,411 | | 431,807 | 399,204 |
| 19,085 | 17,644 | | 1,727,228 | 1,596,812 |
| 90,155 | 88,354 | | 8,159,035 | 7,996,016 |
| 116 | (753) | | 10,512 | (68,113) |
| 90,271 | 87,601 | | 8,169,547 | 7,927,903 |

CONTINGENCIES AND COMMITMENTS 11

The annexed notes 1 to 15 form an integral part of these consolidated financial statements.

Chief Executive

Director

Director

Chairperson

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2012

| March 31, 2012 ----- (US \$ in '000') ----- | March 31, 2011 | Note | March 31, 2012 ----- (PKR in '000') ----- | March 31, 2011 |
|---|-------------------|---|---|-------------------|
| 8,549 | 5,380 | Mark-up / Return / Interest earned | 773,691 | 486,920 |
| 6,278 | 2,648 | Mark-up / Return / Interest expensed | 568,187 | 239,659 |
| 2,271 | 2,732 | Net mark-up / Interest income | 205,504 | 247,261 |
| (1) | (2) | (Reversal)/Provision against non-performing loans and advances | (120) | (149) |
| 52 | - | Provision for diminution in the value of investments | 4,697 | - |
| - | - | Bad debts written off directly | - | - |
| 51 | (2) | | 4,577 | (149) |
| 2,220 | 2,734 | Net mark-up / interest income after provisions | 200,927 | 247,410 |
| NON MARK-UP/ INTEREST INCOME | | | | |
| 31 | 82 | Fee, commission and brokerage income | 2,822 | 7,419 |
| 438 | 221 | Dividend income | 39,661 | 20,037 |
| 412 | 363 | Gain on sale of securities | 37,305 | 32,876 |
| - | - | Unrealized gain / (loss) on revaluation of investments classified as held for trading | (540) | 736 |
| (6) | 8 | | 1 | 173 |
| 0 | 2 | Other income | 1 | 173 |
| 876 | 677 | Total non-mark-up / interest income | 79,249 | 61,241 |
| 3,096 | 3,411 | | 280,176 | 308,651 |
| NON MARK-UP/ INTEREST EXPENSES | | | | |
| 495 | 571 | Administrative expenses | 44,779 | 51,690 |
| - | - | Other provisions / write offs - net | - | - |
| (2) | 11 | Other charges | (142) | 956 |
| 493 | 582 | Total non-mark-up / interest expenses | 44,637 | 52,646 |
| 2,603 | 2,829 | | 235,539 | 256,005 |
| - | - | Extra ordinary/unusual items | - | - |
| 2,603 | 2,829 | PROFIT BEFORE TAXATION | 235,539 | 256,005 |
| 802 | 849 | Taxation - Current | 72,615 | 76,802 |
| - | - | - Prior years | - | - |
| (1) | 85 | - Deferred | (94) | 7,680 |
| 801 | 934 | | 72,521 | 84,482 |
| 1,801 | 1,895 | PROFIT AFTER TAXATION | 163,018 | 171,523 |
| Attributable to : | | | | |
| | | Equity holders of the Company | 163,018 | 171,523 |
| | | Non-controlling interest | | |
| | | | 163,018 | 171,523 |
| 17,644 | 12,301 | Unappropriated profit brought forward | 1,596,812 | 1,113,241 |
| 19,446 | 14,196 | Profit available for appropriation | 1,759,830 | 1,284,764 |
| 0.0030 | 0.0032 | Earnings per share - Basic and diluted (in Rupees) | 0.27 | 0.29 |

The annexed notes 1 to 15 form an integral part of these consolidated financial statements.

Chief Executive

Director

Director

Chairperson

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2012

| March 31, | March 31, | | March 31, | March 31, |
|-------------------------------------|---------------------|--|-----------------------------------|-----------------------|
| 2012 | 2011 | | 2012 | 2011 |
| ----- (US \$ in '000') ----- | | | ----- (PKR in '000') ----- | |
| 1,801 | 1,895 | Profit after taxation for the period | 163,018 | 171,523 |
| - | - | Other comprehensive income | - | - |
| <u>1,801</u> | <u>1,895</u> | Total comprehensive income for the period | <u>163,018</u> | <u>171,523</u> |

Deficit arising 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 1 to 15 form an integral part of these consolidated financial statements.

Chief Executive

Director

Director

Chairperson

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

| Period Ended March 31, 2012 ----- (US \$ in '000) ----- | Period Ended March 31, 2011 | | Period Ended March 31, 2012 ----- (Rupees in '000) ----- | Period Ended March 31, 2011 |
|--|-----------------------------------|--|---|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 2,603 | 2,829 | Profit before taxation | 235,540 | 256,005 |
| 438 | 221 | Less: Dividend Income | 39,661 | 20,037 |
| 2,164 | 2,607 | | 195,879 | 235,968 |
| Adjustments | | | | |
| 21 | 20 | Depreciation | 1,936 | 1,794 |
| 2 | 5 | Amortization | 220 | 489 |
| (1) | (2) | (Reversal)/Provision against Non Performing Loans & Advances | (120) | (149) |
| 52 | - | Provision for diminution in value of investments | 4,697 | - |
| (0) | - | Loss/(Gain) on sale of fixed assets | (1) | - |
| 2 | 2 | Unrealized loss/(Gain) on interest rate swap contracts | 153 | 220 |
| - | - | Finance charges on leased assets | - | - |
| 76 | 26 | | 6,885 | 2,354 |
| 2,240 | 2,633 | | 202,764 | 238,322 |
| (Increase) / decrease in operating assets | | | | |
| 6,937 | (7,995) | Lendings to financial institutions | 627,841 | (723,540) |
| 59,200 | (2,477) | Held -for-trading securities | 5,357,604 | (224,134) |
| 113 | (1,060) | Advances | 10,233 | (95,974) |
| (150) | (95) | Other assets (excluding current taxation) | (13,618) | (8,594) |
| 66,100 | (11,627) | | 5,982,060 | (1,052,242) |
| Increase in operating liabilities | | | | |
| (42,188) | (244) | Borrowings | (3,817,984) | (22,100) |
| 14,533 | 13,425 | Deposits and other accounts | 1,315,193 | 1,215,000 |
| (588) | 1,248 | Other liabilities (excluding current taxation) | (53,252) | 112,978 |
| (28,244) | 14,430 | | (2,556,043) | 1,305,878 |
| 40,097 | 5,436 | | 3,628,781 | 491,958 |
| - | - | Financial charges paid | - | - |
| (972) | (705) | Income tax paid | (87,923) | (63,819) |
| 39,126 | 4,731 | Net cash from operating activities | 3,540,858 | 428,139 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| (46,498) | (3,699) | Net investments in available-for-sale securities | (4,208,060) | (334,726) |
| | | Net investments in held-to-maturity securities | (154) | (2,564) |
| 312 | 16 | Dividend income received | 28,262 | 1,460 |
| (212) | (4) | Investments in operating fixed assets | (19,225) | (323) |
| 0 | - | Proceeds from disposal of fixed assets | 13 | - |
| (46,398) | (3,686) | Net cash used in investing activities | (4,199,164) | (336,153) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| - | - | Payments of lease obligations | - | - |
| - | - | Advance against equity | - | - |
| - | - | Proceeds from issue of share capital | - | - |
| - | - | Net cash flows from financing activities | - | - |
| (7,272) | 1,045 | Increase/(Decrease) in cash and cash equivalents | (658,306) | 91,986 |
| 8,142 | 1,776 | Cash and cash equivalents at beginning of the period | 736,875 | 160,772 |
| 870 | 2,821 | Cash and cash equivalents at the end of the period | 78,569 | 252,758 |

The annexed notes 1 to 15 form an integral part of these consolidated financial statements.

Chief Executive

Director

Director

Chairperson

PAK BRUNEI INVESTMENT COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

| | Share capital | Statutory reserve | Unappropriated profit | Total |
|---|------------------------------|----------------------|--------------------------|------------------|
| | ----- (Rupees in '000) ----- | | | |
| Balance as at January 01, 2011 | 6,000,000 | 278,311 | 1,113,241 | 7,391,552 |
| Comprehensive income: | | | | |
| Profit after taxation for the period ended March 31, 2011 | - | - | 171,523 | 171,523 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | - | - | 171,523 | 171,523 |
| Transfer to statutory reserve | | 27,465 | (27,465) | - |
| Transactions with owners: | | | | |
| Issue of Share Capital | - | - | - | - |
| Balance as at March 31, 2011 | 6,000,000 | 305,776 | 1,257,299 | 7,563,075 |
| Balance as at April 01, 2011 | 6,000,000 | 305,776 | 1,257,299 | 7,563,075 |
| Comprehensive income: | | | | |
| Profit after taxation for the period ended December 31, 2011 | - | - | 432,941 | 432,941 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | - | - | 432,941 | 432,941 |
| Transfer to statutory reserve | - | 93,428 | (93,428) | - |
| Balance as at December 31, 2011 | 6,000,000 | 399,204 | 1,596,812 | 7,996,016 |
| Balance as at January 01, 2012 | 6,000,000 | 399,204 | 1,596,812 | 7,996,016 |
| Comprehensive income: | | | | |
| Profit after taxation for the period ended March 31, 2012 | - | - | 163,018 | 163,018 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | - | - | 163,018 | 163,018 |
| Transfer to statutory reserve | | 32,604 | (32,604) | - |
| Balance as at March 31, 2012 | 6,000,000 | 431,807 | 1,727,228 | 8,159,035 |

The annexed notes 1 to 15 form an integral part of these consolidated financial statements.

Chief Executive

Director

Director

Chairperson

PAK BRUNEI INVESTMENT COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

1. STATUS AND NATURE OF BUSINESS

The Group comprises of Pak Brunei Investment Company Limited (the "holding company" or "parent") and a subsidiary, Primus Investment Management Limited. Brief profile of the holding company and its subsidiary is as follows:

Holding Company

Pak Brunei Investment Company Limited (the "holding company" or "parent") is incorporated as an un-listed public limited company under the Companies Ordinance, 1984. The State Bank of Pakistan (the 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 and the Brunei Investment Agency. The Holding Company's objective interalia 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 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 holding company is situated at Horizon Vista, Plot No. Commercial-10, Block No. 4, Scheme No.5, Clifton, Karachi, Pakistan.

Subsidiary Company

Primus Investment Management Limited is a public unlisted company incorporated in Pakistan on August 10, 2011 under the Companies Ordinance, 1984. The registered office of the Company is situated at 4th Floor, Horizon Vista, Plot No. Commercial-10, Block No. 4, Scheme No. 5, Clifton, Karachi, Pakistan. The Company has obtained the license of an "Investment Advisor" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and intends to launch mutual funds in near future.

2. BASIS OF PRESENTATION AND CONSOLIDATION

2.1 Basis of presentation

These consolidated financial statements have been prepared from the information available in the un-audited financial statements of the holding company and subsidiary company for the period ended March 31, 2012. The accounting policies used by the subsidiary in preparation of their financial statements are consistent with that of the holding company.

2.2 Basis of Measurement

These consolidated financial statements have been prepared under the historical cost convention except that certain investments and derivatives have been stated at revalued amounts in accordance with the directives of the State Bank of Pakistan (SBP).

2.3 US Dollar equivalent

The US dollar amounts shown in the consolidated condensed interim statement of financial position, consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flow are stated as additional information solely for the convenience of readers. For this purpose of conversion to US Dollars, the rate of Rs. 90.50 to US Dollars has been used for both 2011 and 2012, as it was the prevalent rate as on March 31, 2012.

3. STATEMENT OF COMPLIANCE

- 3.1** These consolidated condensed interim financial statements of the Company for the period ended March 31, 2012 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.
- 3.2** 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 unconsolidated condensed interim financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.
- 3.3** The disclosures made in these consolidated 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 consolidated condensed interim financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2011.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated 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 consolidated financial statements for the year ended December 31, 2011.

6. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements of the Company for the year ended December 31, 2011.

| | March 31, 2012 (Un-audited) | December 31, 2011 (Audited) |
|------|--|-----------------------------------|
| Note | ----- (Rupees in '000) ----- | ----- |

7. LENDINGS TO FINANCIAL INSTITUTIONS

| | | | |
|-------------------------------|-----|--------------------|--------------------------|
| Repurchase agreement lendings | 7.2 | - | 462,841 |
| Term deposit receipts (TDRs) | 7.3 | - | 165,000 |
| | | <u> -</u> | <u> 627,841</u> |

7.1 All lendings of the Company are in local currency.

7.2 These are short-term lendings to various financial institutions against government securities. These carry mark-up @ NIL (December 31, 2011: 11.85%) per annum and maturing on NIL (December 31, 2011 : 6 days)

7.3 The profit rate on these TDRs is NIL (December 31, 2011: 12.00% to 14.50%). All TDRs are due to maturity within NIL (December 31, 2011: 1 month).

8. INVESTMENTS

| | | Held by Bank | Given as collateral | Total |
|--|-----|-------------------------|--------------------------------|--------------------------|
|Rupees in '000'..... | | | | |
| Current period (March 31, 2012) - Un-audited | 8.1 | <u>7,313,011</u> | <u>17,413,364</u> | <u>24,726,375</u> |
| Prior year - Audited (December 31, 2011) | 8.1 | <u>5,801,830</u> | <u>19,940,534</u> | <u>25,742,364</u> |
| Prior year corresponding period - Un-Audited (March 31, 2011) | | <u>5,743,450</u> | <u>4,680,300</u> | <u>10,423,750</u> |

| March 31, 2012 (Un-audited) | | | December 31, 2011 (Audited) | | |
|------------------------------|------------------------|-------|------------------------------|------------------------|-------|
| Held by the Company | Given as collateral | Total | Held by the Company | Given as collateral | Total |
| ----- (Rupees in '000) ----- | | | ----- (Rupees in '000) ----- | | |

8.1 Investments by type:

Held-for-trading securities

| | | | | | | |
|-------------------------------------|---|-----------|-----------|---------|-----------|-----------|
| Market Treasury Bills | - | 1,831,496 | 1,831,496 | 260,792 | 6,977,094 | 7,237,886 |
| Pakistan Investment Bonds | - | - | - | 194,855 | - | 194,855 |
| Ordinary shares of listed companies | - | - | - | 7,837 | - | 7,837 |
| | - | 1,831,496 | 1,831,496 | 463,484 | 6,977,094 | 7,440,578 |

Available- for- sale securities

| | | | | | | |
|---------------------------------------|-----------|------------|------------|-----------|------------|------------|
| Market Treasury Bills | 1,124,826 | 15,101,819 | 16,226,645 | 255,771 | 12,985,868 | 13,241,639 |
| Pakistan Investment Bonds | 1,750,397 | 487,020 | 2,237,417 | 340,549 | - | 340,549 |
| Ordinary shares of listed companies | 589,788 | - | 589,788 | 620,040 | - | 620,040 |
| Ordinary shares of unlisted companies | 100,000 | - | 100,000 | 100,000 | - | 100,000 |
| Term Finance Certificates and SUKUK | 2,970,759 | - | 2,970,759 | 3,312,763 | - | 3,312,763 |
| Mutual funds | 928,836 | - | 928,836 | 978,890 | - | 978,890 |
| Preference shares | 21,500 | - | 21,500 | 21,500 | - | 21,500 |
| | 7,486,106 | 15,588,839 | 23,074,945 | 5,629,513 | 12,985,868 | 18,615,381 |

Held- to- maturity securities

| | | | | | | |
|-------------------------------------|---------|---|---------|---------|---|---------|
| Term Finance Certificates and SUKUK | 190,560 | - | 190,560 | 190,406 | - | 190,406 |
|-------------------------------------|---------|---|---------|---------|---|---------|

Investment at cost

| | | | | | | |
|--|-----------|------------|------------|-----------|------------|------------|
| | 7,676,666 | 17,420,335 | 25,097,001 | 6,283,403 | 19,962,962 | 26,246,365 |
|--|-----------|------------|------------|-----------|------------|------------|

Less: Provision for diminution in value of Investments

| | | | | | | |
|--|-----------|---|-----------|-----------|---|-----------|
| | (368,021) | - | (368,021) | (409,752) | - | (409,752) |
|--|-----------|---|-----------|-----------|---|-----------|

Investments (net of provisions)

| | | | | | | |
|--|-----------|------------|------------|-----------|------------|------------|
| | 7,308,645 | 17,420,335 | 24,728,980 | 5,873,651 | 19,962,962 | 25,836,613 |
|--|-----------|------------|------------|-----------|------------|------------|

Surplus/(Deficit) on revaluation of held-for-trading securities

| | | | | | | |
|--|--|-------|-------|---------|---------|----------|
| | | (540) | (540) | (3,731) | (9,829) | (13,560) |
|--|--|-------|-------|---------|---------|----------|

Surplus/(Deficit) on revaluation of available-for-sale securities

| | | | | | | |
|--|-------|---------|---------|----------|----------|----------|
| | 4,366 | (6,431) | (2,065) | (68,090) | (12,599) | (80,689) |
|--|-------|---------|---------|----------|----------|----------|

Total investments (Net of Provision)

| | | | | | | |
|--|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | <u>7,313,011</u> | <u>17,413,364</u> | <u>24,726,375</u> | <u>5,801,830</u> | <u>19,940,534</u> | <u>25,742,364</u> |
|--|------------------|-------------------|-------------------|------------------|-------------------|-------------------|

March 31, December 31,
2012 2011
(Un-audited) (Audited)
----- (Rupees in '000) -----

9. ADVANCES

| | | |
|---|------------------|-----------|
| Loans, cash credits, running finances, etc. in Pakistan | 3,293,854 | 3,337,302 |
| LTFF scheme under State Bank of Pakistan | 786,028 | 767,211 |
| Margin financing - In Pakistan | 88,000 | 88,000 |
| Net investment in finance lease - inPakistan | 489,258 | 474,860 |
| | 4,657,140 | 4,667,373 |
| Advances - gross | | |
| Less: Provision for non-performing advances - specific | (1,608) | (1,723) |
| Provision for non-performing advances - general | (18,984) | (18,989) |
| | (20,592) | (20,712) |
| Advances - net of provision | 4,636,548 | 4,646,661 |

9.1 Advances include Rs. 2.88 million (December 31, 2011 : Rs. 2.99 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 | - | - | - | - | |
| Doubtful | 2,536 | - | 2,536 | 1,268 | 1,268 |
| Loss | 340 | - | 340 | 340 | 340 |
| | 2,876 | - | 2,876 | 1,608 | 1,608 |

9.2 Movement of Provision

| | March 31, 2012 | | | December 31, 2011 | | |
|-----------------------|------------------------------|---------------|---------------|-------------------|---------|---------|
| | Specific | General | Total | Specific | General | Total |
| | ----- (Rupees in '000) ----- | | | | | |
| Opening balance | 1,723 | 18,989 | 20,712 | 1,684 | 5,845 | 7,529 |
| Charge for the period | - | - | - | 1,089 | 13,144 | 14,233 |
| Reversals | (115) | (5) | (120) | (1,050) | - | (1,050) |
| Closing Balance | 1,608 | 18,984 | 20,592 | 1,723 | 18,989 | 20,712 |

10. SHARE CAPITAL

| | March 31, 2012 (Un-audited) | December 31, 2011 (Audited) |
|--|-----------------------------------|-----------------------------------|
| | ----- (Rupees in '000) ----- | |
| Authorized Capital | | |
| 600,000,000 (2011: 600,000,000) Ordinary shares of Rs. 10 each | 6,000,000 | 6,000,000 |
| Issued, subscribed and paid up Capital | | |
| 600,000,000 (2011: 600,000,000) Ordinary shares of Rs. 10 each fully paid in cash | 6,000,000 | 6,000,000 |

| | March 31, 2012 (Un-audited) | December 31, 2011 (Audited) |
|---|---|---|
| | ----- (Rupees in '000) ----- | |
| 11. CONTINGENCIES AND COMMITMENTS | | |
| 11.1 Transaction-related Contingent liability | | |
| Standby letter of credit | <u><u>157,292</u></u> | <u><u>158,884</u></u> |
| 11.2 Other Contingencies | | |
| 11.2.1 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. | | |
| 11.2.2 There is no change in the tax status as disclosed in the consolidated financial statements for the year ended December 31, 2011. | | |
| | March 31, 2012 (Un-audited) | December 31, 2010 (Audited) |
| | ----- (Rupees in '000) ----- | |
| 11.3 Commitments for the acquisition of fixed assets | <u><u>28,134</u></u> | <u><u>28,134</u></u> |
| 11.4 Commitments to extend credit | <u><u>513,080</u></u> | <u><u>392,750</u></u> |
| 11.5 Commitments for trading in government securities | | |
| Purchases (reverse repo) | - | 464,944 |
| Sale (repo) | <u><u>18,378,397</u></u> | <u><u>20,502,275</u></u> |
| 11.6 Commitments for purchase of TFCs | <u><u>120,147</u></u> | <u><u>-</u></u> |
| 12. BASIC AND DILUTED EARNINGS PER SHARE | | |
| | Period Ended March 31, 2012 (Un-audited) | Period Ended March 31, 2011 (Un-audited) |
| Profit after taxation for the period attributable to ordinary shareholders (Rupees in '000) | <u><u>163,018</u></u> | <u><u>171,523</u></u> |
| Weighted average number of ordinary shares outstanding during the period (in '000) | <u><u>600,000</u></u> | <u><u>600,000</u></u> |
| Basic and diluted earnings per share (Rupees) | <u><u>0.27</u></u> | <u><u>0.29</u></u> |

13. RELATED PARTY TRANSACTIONS

The Company has related party relationships with its subsidiary namely Primus Investment Management Ltd., its employee contribution plans, its key management personnel and other related parties including Pakistan Mercantile Exchange Ltd., Nimir Industrial Chemicals Ltd. and Haq bahu Sugar Mills (Pvt) Ltd. due to common directorship. 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 March 31, 2012 (Un-audited) | | For the year ended December 31, 2011 (Audited) | |
|---|--|-----------------------------|--|-----------------------------|
| | Key management personnel | Other related parties | Key management personnel | Other related parties |
| ----- (Rupees in '000) ----- | | | | |
| Advances | | | | |
| At beginning of the period / year | 23,286 | 474,000 | 20,063 | - |
| Given during the period / year | 968 | - | 8,263 | 479,000 |
| Repaid during the period / year | (2,272) | - | (5,040) | (5,000) |
| At end of the period / year | <u>21,982</u> | <u>474,000</u> | <u>23,286</u> | <u>474,000</u> |
| Investments | | | | |
| At beginning of the period / year | - | 15,000 | - | - |
| Investments made during the period / year | - | - | - | 15,000 |
| Redemption during the period / year | - | - | - | - |
| At end of the period / year | <u>-</u> | <u>15,000</u> | <u>-</u> | <u>15,000</u> |
| | | | | |
| | For the period ended March 31, 2012 (Un-audited) | | For the period ended March 31, 2011 (Un-audited) | |
| | Key management personnel | Other related parties | Key management personnel | Other related parties |
| ----- (Rupees in '000) ----- | | | | |
| Mark-up / return / interest earned | <u>151</u> | <u>17,786</u> | <u>183</u> | <u>-</u> |
| Mark-up / return / interest expensed | <u>-</u> | <u>631</u> | <u>-</u> | <u>-</u> |
| Salaries and other benefits | <u>21,955</u> | <u>10,788</u> | <u>22,487</u> | <u>9,120</u> |
| Contribution to Provident Fund | <u>780</u> | <u>409</u> | <u>769</u> | <u>463</u> |
| Re-imburement of expenses | <u>2,757</u> | <u>2,020</u> | <u>2,885</u> | <u>1,913</u> |

14. GENERAL

14.1 Credit Rating

The Holding Company has been assigned credit rating of 'AA' (Double A) in the medium to long term and A1+ (A One Plus) in the short-term by The Pakistan Credit Rating Agency Limited (PACRA), a SBP-approved rating agency. These ratings indicate a low expectation of credit risk emerging from strong capacity of the Company to discharge financial obligations.

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

15. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on May 25, 2012 by Board of Directors of the Group

Chief Executive

Director

Director

Chairperson