



**PAK BRUNEI INVESTMENT COMPANY LTD.**

**FINANCIAL STATEMENTS  
(UN-AUDITED)**

**FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2012**

September 30, 2012 (Un-audited) ----- (US \$ in '000') -----	December 31, 2011 (Audited)		September 30, 2012 (Un-audited)	December 31, 2011 (Audited)	Note
			----- (Rupees in '000') -----		
<b>ASSETS</b>					
431	1,850	Cash and balances with treasury banks	40,771	174,790	
1,081	5,938	Balances with other banks	102,115	561,102	
-	6,644	Lendings to financial institutions	-	627,841	7
217,235	272,394	Investments - net	20,528,733	25,741,246	8
62,225	49,171	Advances - net	5,880,245	4,646,661	9
539	360	Operating fixed assets	50,953	34,067	
-	-	Deferred tax assets-net	-	-	
9,614	8,028	Other assets	908,553	758,683	
<b>291,126</b>	<b>344,385</b>		<b>27,511,370</b>	<b>32,544,390</b>	
<b>LIABILITIES</b>					
-	-	Bills payable	-	-	
168,066	247,191	Borrowings	15,882,225	23,359,531	
29,533	10,360	Deposits and other accounts	2,790,883	979,018	
-	-	Sub-ordinated loans	-	-	
-	-	Liabilities against assets subject to finance lease	-	-	
1,825	2	Deferred tax liabilities-net	172,499	190	
2,768	2,943	Other liabilities	261,606	278,105	
<b>202,193</b>	<b>260,496</b>		<b>19,107,213</b>	<b>24,616,844</b>	
<b>88,933</b>	<b>83,889</b>	<b>NET ASSETS</b>	<b>8,404,157</b>	<b>7,927,546</b>	
<b>REPRESENTED BY</b>					
63,492	63,492	Share capital	6,000,000	6,000,000	10
5,426	4,224	Reserves	512,788	399,132	
19,589	16,894	Unappropriated profit	1,851,151	1,596,527	
<b>88,507</b>	<b>84,610</b>		<b>8,363,939</b>	<b>7,995,659</b>	
426	(721)	Deficit on revaluation of assets - net of tax	40,218	(68,113)	
<b>88,933</b>	<b>83,889</b>		<b>8,404,157</b>	<b>7,927,546</b>	

**CONTINGENCIES AND COMMITMENTS** 11

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

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Chief Executive

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Director

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Director

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Chairman

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (UN-AUDITED)**  
**FOR THE QUARTER AND PERIOD ENDED SEPTEMBER 30, 2012**

Period Ended September 30, 2012 ----- (US \$ in '000') -----	Period Ended September 30, 2011		Note	Quarter Ended September 30, 2012	Period Ended September 30, 2012	Quarter Ended September 30, 2011	Period Ended September 30, 2011
				----- (Rupees in '000') -----			
25,773	17,957	Mark-up / Return / Interest earned		804,883	2,435,519	692,972	1,696,920
18,896	10,124	Mark-up / Return / Interest expensed		582,116	1,785,645	436,184	956,753
6,877	7,832	Net mark-up / Interest income		222,767	649,874	256,788	740,167
(191)	129	(Reversal)/Provision against non-performing loans and advances		(80)	(18,013)	(315)	12,199
(207)	584	Provision for diminution in the value of investments		(675)	(19,570)	26,788	55,221
-	-	Bad debts written off directly		-	-	-	-
(398)	713			(755)	(37,583)	26,473	67,420
7,275	7,119	Net mark-up / interest income after provisions		223,522	687,457	230,315	672,747
<b>NON MARK-UP/ INTEREST INCOME</b>							
334	701	Fee, commission and brokerage income		4,121	31,597	37,760	66,201
743	669	Dividend income		8,901	70,242	29,013	63,233
1,671	619	Gain on sale of securities		89,919	157,872	8,082	58,537
-	-	Unrealized gain / (loss) on revaluation of					
4	(49)	investments classified as held for trading		1,440	396	(30,549)	(4,656)
5	2	Other income		499	499	19	203
2,758	1,942	Total non-mark-up / interest income		104,880	260,606	44,325	183,518
10,032	9,061			328,402	948,063	274,640	856,265
<b>NON MARK-UP/ INTEREST EXPENSES</b>							
1,518	1,583	Administrative expenses		48,014	143,493	50,405	149,619
-	-	Other provisions / write offs - net		-	-	-	-
5	3	Other charges		(299)	468	(673)	243
1,523	1,586	Total non-mark-up / interest expenses		47,715	143,961	49,732	149,862
8,509	7,475			280,687	804,102	224,908	706,403
-	-	Extra ordinary/unusual items		-	-	-	-
8,509	7,475	<b>PROFIT BEFORE TAXATION</b>		280,687	804,102	224,908	706,403
727	3,035	Taxation - Current		54,099	68,698	49,496	286,832
-	-	- Prior years		-	-	-	-
1,769	(568)	- Deferred		-	167,124	31,074	(53,719)
2,495	2,467			54,099	235,822	80,570	233,113
6,014	5,008	<b>PROFIT AFTER TAXATION</b>		226,588	568,280	144,338	473,290
16,894	11,780	Unappropriated profit brought forward		1,938,219	1,596,527	1,442,193	1,113,241
22,908	16,789	<b>Profit available for appropriation</b>		2,164,807	2,164,807	1,586,531	1,586,531
0.0100	0.0083	<b>Earnings per share - Basic and diluted (in Rupees)</b>	12	0.38	0.95	0.24	0.79

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

Chief Executive

Director

Director

Chairman

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER AND PERIOD ENDED SEPTEMBER 30, 2012**

<b>Period Ended</b>	<b>Period Ended</b>		<b>Quarter Ended</b>	<b>Period Ended</b>	<b>Quarter Ended</b>	<b>Period Ended</b>
<b>September 30, 2012</b>	<b>September 30, 2011</b>		<b>September 30, 2012</b>	<b>September 30, 2012</b>	<b>September 30, 2011</b>	<b>September 30, 2011</b>
----- (US \$ in '000') -----			----- (Rupees in '000) -----			
<b>6,014</b>	5,008	Profit after taxation for the period	<b>226,588</b>	<b>568,280</b>	144,338	473,290
-	-	Other comprehensive income	-	-	-	-
<b><u>6,014</u></b>	<b><u>5,008</u></b>	<b>Total comprehensive income for the period</b>	<b><u>226,588</u></b>	<b><u>568,280</u></b>	<b><u>144,338</u></b>	<b><u>473,290</u></b>

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 unconsolidated financial statements.

\_\_\_\_\_  
**Chief Executive**

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**Director**

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**Director**

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**Chairman**

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

Period Ended September 30, 2012 ----- (US \$ in '000') -----	Period Ended September 30, 2011		Period Ended September 30, 2012 ----- (Rupees in '000) -----	Period Ended September 30, 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
8,509	7,475	Profit before taxation	804,102	706,403
743	669	Less: Dividend Income	70,242	63,233
<u>7,766</u>	<u>6,806</u>		<u>733,860</u>	<u>643,170</u>
Adjustments				
65	57	Depreciation	6,145	5,356
8	15	Amortization	750	1,386
(191)	129	(Reversal)/Provision against Non Performing Loans & Advances	(18,013)	12,199
(207)	584	Provision for diminution in value of investments	(19,570)	55,221
(0)	(0)	Loss/(Gain) on sale of fixed assets	(1)	(19)
(5)	3	Unrealized loss/(Gain) on interest rate swap contracts	(501)	260
1	-	Unrealized loss/(Gain) on derivative	105	-
<u>(329)</u>	<u>787</u>		<u>(31,085)</u>	<u>74,403</u>
<u>7,437</u>	<u>7,593</u>		<u>702,775</u>	<u>717,573</u>
(Increase) / decrease in operating assets				
6,644	12,780	Lendings to financial institutions	627,841	1,207,727
73,150	(2)	Held -for-trading securities	6,912,637	(235)
(12,863)	(21,572)	Advances	(1,215,571)	(2,038,536)
560	(872)	Other assets (excluding current taxation)	52,936	(82,446)
<u>67,490</u>	<u>(9,667)</u>		<u>6,377,843</u>	<u>(913,490)</u>
Increase in operating liabilities				
(79,125)	65,643	Borrowings	(7,477,306)	6,203,266
19,173	18,251	Deposits and other accounts	1,811,865	1,724,687
(176)	1,271	Other liabilities (excluding current taxation)	(16,604)	120,099
<u>(60,127)</u>	<u>85,165</u>		<u>(5,682,045)</u>	<u>8,048,052</u>
<u>14,800</u>	<u>83,091</u>		<u>1,398,573</u>	<u>7,852,135</u>
-	-	Financial charges paid	-	-
(3,236)	(2,072)	Income tax paid	(305,842)	(195,810)
<u>11,563</u>	<u>81,019</u>	<b>Net cash from operating activities</b>	<u>1,092,731</u>	<u>7,656,325</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(16,421)	(79,509)	Net investments in available-for-sale securities	(1,551,786)	(7,513,558)
(11)		Net investments in held-to-maturity securities	(1,052)	(421)
962	343	Dividend income received	90,881	32,443
(252)	(16)	Investments in operating fixed assets	(23,838)	(1,494)
1	0	Proceeds from disposal of fixed assets	58	19
<u>(15,722)</u>	<u>(79,181)</u>	<b>Net cash used in investing activities</b>	<u>(1,485,737)</u>	<u>(7,483,011)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
-	-	Payments of lease obligations	-	-
(2,116)	-	Payment of dividend	(200,000)	-
-	-	Proceeds from issue of share capital	-	-
<u>(2,116)</u>	<u>-</u>	<b>Net cash flows from financing activities</b>	<u>(200,000)</u>	<u>-</u>
<u>(6,275)</u>	<u>1,838</u>	<b>Increase/(Decrease) in cash and cash equivalents</b>	<u>(593,006)</u>	<u>173,314</u>
<u>7,787</u>	<u>1,701</u>	Cash and cash equivalents at beginning of the period	<u>735,892</u>	<u>160,772</u>
<u>1,512</u>	<u>3,540</u>	Cash and cash equivalents at the end of the period	<u>142,886</u>	<u>334,086</u>

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

Chief Executive

Director

Director

Chairman

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 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
<b>Comprehensive income:</b>				
Profit after taxation for the period ended September 30, 2011	-	-	473,290	473,290
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	473,290	473,290
Transfer to statutory reserve		94,658	(94,658)	-
<b>Transactions with owners:</b>				
Issue of Share Capital	-	-	-	-
<b>Balance as at September 30, 2011</b>	<b>6,000,000</b>	<b>372,969</b>	<b>1,491,873</b>	<b>7,864,842</b>
Balance as at October 01, 2011	6,000,000	372,969	1,491,873	7,864,842
<b>Comprehensive income:</b>				
Profit after taxation for the period ended December 31, 2011	-	-	130,817	130,817
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	130,817	130,817
Transfer to statutory reserve	-	26,163	(26,163)	-
<b>Balance as at December 31, 2011</b>	<b>6,000,000</b>	<b>399,132</b>	<b>1,596,527</b>	<b>7,995,659</b>
Balance as at January 01, 2012	6,000,000	399,132	1,596,527	7,995,659
<b>Comprehensive income:</b>				
Profit after taxation for the period ended September 30, 2012	-	-	568,280	568,280
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	568,280	568,280
Transfer to statutory reserve		113,656	(113,656)	-
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)
<b>Balance as at September 30, 2012</b>	<b>6,000,000</b>	<b>512,788</b>	<b>1,851,151</b>	<b>8,363,939</b>

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

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

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**Director**

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**Chairman**

**PAK BRUNEI INVESTMENT COMPANY LIMITED**  
**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2012**

**1. STATUS AND NATURE OF BUSINESS**

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

**2. BASIS OF PRESENTATION**

**2.1 Basis of Measurement**

These 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).

**2.2 US Dollar equivalent**

The US dollar amounts shown in the unconsolidated condensed interim statement of financial position, unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income and unconsolidated condensed interim 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. 94.50 to US Dollars has been used for both 2011 and 2012, as it was the prevalent rate as on September 30, 2012.

**2.3 Separate financial statements**

These unconsolidated financial statements are separate financial statements of Pak Brunei Investment Company Limited in which the investments in subsidiary are accounted for at cost and hence not on the basis of reported results and net assets of the investee.

**3. STATEMENT OF COMPLIANCE**

**3.1** These unconsolidated condensed interim financial statements of the Company for the period ended September 30, 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 unconsolidated 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 unconsolidated condensed interim financial statements should be read in conjunction with the annual 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 unconsolidated financial statements are same as those applied in preparing the most recent annual financial statements of the Company.

#### 5. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

	<b>September 30, 2012 (Un-audited)</b>	<b>December 31, 2011 (Audited)</b>
<b>Note</b>	-----	-----

#### 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

		<b>Held by Bank</b>	<b>Given as collateral</b>	<b>Total</b>
.....Rupees in '000' .....				
Current period (September 30, 2012) - Un-audited	8.1	<u><b>7,310,570</b></u>	<u><b>13,218,163</b></u>	<u><b>20,528,733</b></u>
Prior year - Audited (December 31, 2011)	8.1	<u>5,800,712</u>	<u>19,940,534</u>	<u>25,741,246</u>
Prior year corresponding period - Un-Audited (September 30, 2011)		<u>6,637,019</u>	<u>10,703,286</u>	<u>17,340,305</u>

September 30, 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	276,964	-	276,964	9,314	6,977,094	6,986,408
Pakistan Investment Bonds	-	-	-	194,855	-	194,855
Ordinary shares of listed companies	-	-	-	7,837	-	7,837
	<b>276,964</b>	<b>-</b>	<b>276,964</b>	212,006	6,977,094	7,189,100

#### Available- for- sale securities

Market Treasury Bills	898,716	13,202,279	14,100,995	255,771	12,985,868	13,241,639
Pakistan Investment Bonds	-	-	-	340,549	-	340,549
Ordinary shares of listed companies	421,419	-	421,419	620,040	-	620,040
Ordinary shares of unlisted companies	121,375	-	121,375	100,000	-	100,000
Term Finance Certificates and SUKUK	2,629,783	-	2,629,783	3,312,763	-	3,312,763
Mutual funds	2,678,836	-	2,678,836	978,890	-	978,890
Preference shares	85,625	-	85,625	21,500	-	21,500
	<b>6,835,754</b>	<b>13,202,279</b>	<b>20,038,033</b>	5,629,513	12,985,868	18,615,381

#### Held- to- maturity securities

Term Finance Certificates and SUKUK	191,458	-	191,458	190,406	-	190,406
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#### Investment in subsidiary

	250,000	-	250,000	250,000	-	250,000
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#### Investment at cost

	7,554,176	13,202,279	20,756,455	6,281,925	19,962,962	26,244,887
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#### Less: Provision for diminution in value of Investments

	(261,049)	-	(261,049)	(409,752)	-	(409,752)
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#### Investments (net of provisions)

	7,293,127	13,202,279	20,495,406	5,872,173	19,962,962	25,835,135
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#### Surplus/(Deficit) on revaluation of held-for-trading securities

	501	-	501	(3,371)	(9,829.00)	(13,200)
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#### Surplus/(Deficit) on revaluation of available-for-sale securities

	16,942	15,884	32,826	(68,090)	(12,599)	(80,689)
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#### Total investments (Net of Provision)

	<b>7,310,570</b>	<b>13,218,163</b>	<b>20,528,733</b>	5,800,712	19,940,534	25,741,246
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September 30, December 31,  
2012 2011  
(Un-audited) (Audited)  
----- (Rupees in '000) -----

## 9. ADVANCES

Loans, cash credits, running finances, etc. in Pakistan	4,414,357	3,337,302
LTFF scheme under State Bank of Pakistan	798,035	767,211
Margin financing - In Pakistan	88,200	88,000
Net investment in finance lease - inPakistan	582,352	474,860
	<b>5,882,944</b>	4,667,373
Advances - gross		
Less: Provision for non-performing advances - specific	(2,699)	(1,723)
Provision for non-performing advances - general	-	(18,989)
	<b>(2,699)</b>	(20,712)
Advances - net of provision	<b>5,880,245</b>	4,646,661

9.1 Advances include Rs. 2.699 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	-	-	-	-	-
Loss	2,699	-	2,699	2,699	2,699
	<b>2,699</b>	-	<b>2,699</b>	<b>2,699</b>	<b>2,699</b>

## 9.2 Movement of Provision

	September 30, 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	1,268	-	1,268	1,089	13,144	14,233
Reversals	(292)	(18,989)	(19,281)	(1,050)	-	(1,050)
Closing Balance	<b>2,699</b>	-	<b>2,699</b>	1,723	18,989	20,712

## 10. SHARE CAPITAL

	September 30, 2012 (Un-audited)	December 31, 2011 (Audited)
	----- (Rupees in '000) -----	
<b>Authorized Capital</b>		
600,000,000 (2011: 600,000,000) Ordinary shares of Rs. 10 each	<b>6,000,000</b>	6,000,000
<b>Issued, subscribed and paid up Capital</b>		
600,000,000 (2011: 600,000,000) Ordinary shares of Rs. 10 each fully paid in cash	<b>6,000,000</b>	6,000,000

<b>September 30, 2012 (Un-audited)</b>	<b>December 31, 2011 (Audited)</b>
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----- (Rupees in '000) -----

## 11. CONTINGENCIES AND COMMITMENTS

### 11.1 Transaction-related Contingent liability

Standby letter of credit

<u>152,293</u>	<u>158,884</u>
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### 11.2 Other Contingencies

**11.2.1** 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 issue 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.

**11.2.2** Income tax returns for the tax years 2007 to 2011 have been filed by the Company on due dates that are deemed to be assessed by the Commissioner Inland Revenue under the provisions of section 120 of the Income Tax Ordinance, 2001.

There is no change in tax status in respect of tax years 2008, 2009 and 2010 as disclosed in the annual financial statements for the year ended December 31, 2011.

During the period, assessment for tax year 2011 was also amended and a tax demand of Rs.55.547 million created which was reduced to Rs.52.091 million after issuance of rectified order under section 221 of the Income Tax Ordinance, 2001. The Company has already paid for Rs. 33.381 million on account of tax liability for the tax year 2010. An appeal is currently being filed before the Commissioner Inland Revenue (Appeals) against the amended order.

An appeal filed with the CIR(A) against the rectified order levying WWF in the tax year 2009 was decided in favour of the Company. However, the tax department has filed an appeal with the Appellate Tribunal Inland Revenue against the aforesaid decision of CIR(A). In 2011, the CIR(A) deleted the levy of WWF. The unrecognised amount relating to WWF is Rs.11.234 million at the period end.

<b>September 30, 2012 (Un-audited)</b>	<b>December 31, 2011 (Audited)</b>
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----- (Rupees in '000) -----

### 11.3 Commitments for the acquisition of fixed assets

<u>-</u>	<u>28,134</u>
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### 11.4 Commitments to extend credit

<u>1,049,060</u>	<u>392,750</u>
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### 11.5 Commitments for trading in government securities

Sale of T-bills

193,028	-
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Purchases (reverse repo)

-	464,944
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Sale (repo)

<u>13,240,127</u>	<u>20,502,275</u>
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## 12. BASIC AND DILUTED EARNINGS PER SHARE

	Quarter Ended September 30, 2012 (Un-audited)	Period Ended September 30, 2012 (Un-audited)	Quarter Ended September 30, 2011 (Un-audited)	Period Ended September 30, 2011 (Un-audited)
Profit after taxation for the period attributable to ordinary shareholders (Rupees in '000)	<u>226,588</u>	<u>568,280</u>	<u>144,338</u>	<u>473,290</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 (Rupees)	<u>0.38</u>	<u>0.95</u>	<u>0.24</u>	<u>0.79</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 September 30, 2012 (Un-audited)			For the year ended December 31, 2011 (Audited)		
	Key management personnel	Other related parties	Subsidiary	Key management personnel	Other related parties	Subsidiary
	----- (Rupees in '000) -----					
<b>Advances</b>						
At beginning of the period / year	23,286	474,000	-	20,063	-	-
Given during the period / year	6,652	-	-	8,263	479,000	-
Repaid during the period / year	(13,713)	-	-	(5,040)	(5,000)	-
At end of the period / year	<u>16,225</u>	<u>474,000</u>	<u>-</u>	<u>23,286</u>	<u>474,000</u>	<u>-</u>

#### Investments

At beginning of the period / year	-	15,000	250,000	-	-	-
Investments made during the period / year	-	12,956	-	-	15,000	250,000
Redemption during the period / year	-	(3,462)	-	-	-	-
At end of the period / year	<u>-</u>	<u>24,494</u>	<u>250,000</u>	<u>-</u>	<u>15,000</u>	<u>250,000</u>

	For the period ended September 30, 2012 (Un-audited)			For the period ended September 30, 2011 (Un-audited)		
	Key management personnel	Other related parties	Subsidiary	Key management personnel	Other related parties	Subsidiary
	----- (Rupees in '000) -----					
Mark-up / return / interest earned	<u>530</u>	<u>51,501</u>	<u>-</u>	<u>579</u>	<u>295</u>	<u>-</u>
Mark-up / return / interest expensed	<u>-</u>	<u>1,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Salaries and other benefits	<u>51,653</u>	<u>-</u>	<u>539</u>	<u>52,332</u>	<u>22,128</u>	<u>-</u>
Contribution to Provident Fund	<u>2,121</u>	<u>-</u>	<u>-</u>	<u>2,413</u>	<u>1,039</u>	<u>-</u>
Re-imburement of expenses	<u>6,508</u>	<u>-</u>	<u>-</u>	<u>7,342</u>	<u>6,589</u>	<u>-</u>

**14. GENERAL**

**14.1 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".

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

**15. DATE OF AUTHORIZATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorized for issue on 09-May-2013 by Board of Directors of the Company.

\_\_\_\_\_  
**Chief Executive**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Director**

\_\_\_\_\_  
**Chairman**