

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012

	Note	30 Sep 2012 (Un-Audited) (Rupees in '000)	31 Dec 2011 (Audited)
ASSETS			
Cash and balances with treasury banks		4,197,760	3,279,813
Balances with other banks		19,598	64,398
Lendings to financial institutions		1,516,968	782,528
Investments	4	9,980,118	1,484,124
Advances	5	46,612	26,423
Operating fixed assets		294,878	294,316
Deferred tax assets		-	-
Other assets		910,905	20,762
		12,434,926	5,952,364
LIABILITIES			
Bills payable		412,518	22,397
Borrowings from financial institutions		3,045,217	-
Deposits and other accounts	6	8,424,819	1,524,071
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		1,920,308	1,395,584
		13,802,862	2,942,052
NET ASSETS		(1,367,936)	3,010,312
REPRESENTED BY:			
Head Office - capital account		3,422,469	3,192,892
Reserves		-	-
Accumulated losses		(272,157)	(184,338)
		3,150,312	3,008,554
(Deficit) / Surplus on revaluation of assets - net of tax		13,663	1,758
		3,163,975	3,010,312
CONTINGENCIES AND COMMITMENTS	7		

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Deputy CEO

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTERLY ENDED 30 SEPTEMBER 2012

	YEAR TO DATE ended		Quarter ended	
	30 Sep 2012	30 Sep 2011	30 Sep 2012	30 Sep 2011
	----- (Rupees in '000) -----			
Mark-up / return / interest earned	560,471	4,592	241,045	4,592
Mark-up / return / interest expensed	<u>(516,721)</u>	-	<u>(218,781)</u>	-
Net mark-up / return / interest income	43,750	4,592	22,264	4,592
Provision against non-performing loans and advances	-	-	-	-
Provision for diminution in the value of investments	-	-	-	-
Bad debts written off directly	-	-	-	-
Net mark-up / return / interest income after provisions	<u>43,750</u>	4,592	<u>22,264</u>	4,592
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	62,032	24	29,796	24
Dividend income	-	-	-	-
Income from dealing in foreign currencies	34,129	-	(12,183)	-
Gain / (loss) on sale / redemption of securities - net	-	-	-	-
Unrealised gain / (loss) on revaluation of investments classified as held for trading	-	-	-	-
Other income	-	-	-	-
Total non mark-up / interest income	<u>96,161</u>	24	<u>17,613</u>	24
	139,911	4,616	39,877	4,616
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	(227,730)	(68,821)	(85,867)	(68,821)
Other provisions / write-offs	-	-	-	-
Other charges	-	(475)	-	(475)
Total non mark-up / interest expenses	<u>(227,730)</u>	(69,296)	<u>(85,867)</u>	(69,296)
	(87,819)	(64,680)	(45,990)	(64,680)
Extraordinary / unusual items	-	-	-	-
LOSS BEFORE TAXATION	<u>(87,819)</u>	(64,680)	<u>(45,990)</u>	(64,680)
Taxation - Current	-	-	-	-
- Prior years	-	-	-	-
- Deferred	-	-	-	-
LOSS AFTER TAXATION	<u>(87,819)</u>	(64,680)	<u>(45,990)</u>	(64,680)
Basic and diluted loss per share - Rupees	<u>(0.26)</u>	(0.19)	<u>(0.13)</u>	(0.19)

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Deputy CEO

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTERLY ENDED 30 SEPTEMBER 2012

	YEAR TO DATE ended		Quarter ended	
	30 Sep 2012	30 Sep 2011	30 Sep 2012	30 Sep 2011
	----- (Rupees in '000) -----			
Loss after taxation for the period	(87,819)	(64,680)	(45,990)	(64,680)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(87,819)</u>	<u>(64,680)</u>	<u>(45,990)</u>	<u>(64,680)</u>

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Deputy CEO

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTERLY ENDED 30 SEPTEMBER 2012

	30 Sep 2012	30 Sep 2011
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(87,819)	(64,680)
Adjustments for non-cash changes:		
Depreciation	15,385	603
	(72,434)	(64,077)
Increase in operating assets		
Advances	(20,189)	-
Lendings to financial institutions	(734,440)	(1,235,000)
Other assets	(890,143)	(110,332)
	(1,644,772)	(1,345,332)
Increase / (decrease) in operating liabilities		
Bills payable	390,121	124,393
Borrowings	3,045,217	-
Deposits and other accounts	6,900,748	1,300,114
Other liabilities (excluding provision for taxation)	524,724	1,180,455
	10,860,810	2,604,962
Net cash generated from operating activities	9,143,604	1,195,553
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in operating fixed assets	(15,945)	(159,583)
Proceeds from investments in available-for-sale securities (net)	(8,484,089)	-
Net cash generated from investing activities	(8,500,034)	(159,583)
CASH FLOW FROM FINANCING ACTIVITIES		
Remittance received from Head Office	54,509	3,192,892
Net cash generated from financing activities	54,509	3,192,892
Exchange adjustment on translation of remittance received from Head Office	175,068	
Increase in cash and cash equivalents	873,147	4,228,862
Cash and cash equivalents at the beginning of the period	3,344,211	-
Cash and cash equivalents at the end of the period	4,217,358	4,228,862

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Deputy CEO

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTERLY ENDED 30 SEPTEMBER 2012

	Head Office Account		
	Capital account	Accumulated losses	Total
	(Rupees in '000)		
Balance as at 31 December 2011	3,192,892	(184,338)	3,008,554
Received from Head Office during the period	54,509	-	54,509
Exchange adjustment on revaluation of capital	175,068	-	175,068
Total comprehensive loss for the period	-	(87,819)	(87,819)
Balance as at 30 June 2012	3,422,469	(272,157)	3,150,312

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Deputy CEO

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED - PAKISTAN BRANCHES
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTERLY ENDED 30 SEPTEMBER 2012

1. STATUS AND NATURE OF BUSINESS

Industrial and Commercial Bank of China Limited - Pakistan Branches (the Bank) has been established and commenced operations in Pakistan with effect from August 18, 2011. The Bank is a branch of Industrial and Commercial Bank of China Limited (Head Office) which is incorporated in the People's Republic of China. The Bank presently operates through two branches in Pakistan and is engaged in banking activities permissible under the Banking Companies Ordinance, 1962. The registered office of the Bank is located at Parsa Tower, P.E.C.H.S, Main Shahrah-e-Faisal, Karachi.

2. STATEMENT OF COMPLIANCE

- 2.1** These condensed interim financial statements of the Bank 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 (SECP) and the State Bank of Pakistan (SBP). In case where requirements differ, the provisions of the Companies Ordinance, 1984, the Banking Companies Ordinance, 1962 and the said directives have been followed.
- 2.2** The SBP vide BSD Circular No. 10, dated 26 August 2002 has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for banking companies till further instructions. Further, according to the notification of SECP dated 28 April 2008, IFRS - 7 "Financial Instruments: Disclosure" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified, accounted for and valued in accordance with the requirement of various circulars issued by the SBP.
- 2.3** The disclosures made in these condensed interim financial statements have been limited based on the format prescribed by the SBP vide BSD Circular Letter No. 2, dated 12 May 2004 and IAS 34 "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the period ended 31 December 2011.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

New and amended standards and interpretations

The Bank has adopted the following new amended IFRS which became effective during the period:

IAS 12 – Income Taxes (Amendment) - Recovery of Underlying Assets

The adoption of the above amendment did not have any effect on the condensed interim financial statements of the Bank.

	30 Sep 2012	31 Dec 2011
	(Un-Audited)	(Audited)
	(Rupees in '000)	

4. INVESTMENTS

Investments by type - Available-for-sale securities

Market Treasury Bills - at cost	9,966,455	1,482,366
Surplus on revaluation of available for sale investments	13,663	1,758
Total investments after revaluation	9,980,118	1,484,124

- 4.1** These Market Treasury Bills will mature by the year 2013 and carries yield ranging from 11.40% to 12.71% (31 December 2011: 11.90% to 12.71%) per annum.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
PAKISTAN BRANCHES

	30 Sep 2012 (Un-Audited)	31 Dec 2011 (Audited)
	(Rupees in '000)	
5. ADVANCES		
Loans, cash credits, running finances, etc.		
In Pakistan	-	-
Outside Pakistan	-	-
	-	-
Bills discounted and purchased (excluding market treasury bills)		
Payable in Pakistan	46,612	26,423
Payable outside Pakistan	-	-
	46,612	26,423
Advances - gross	46,612	26,423
Provision against non-performing loans and advances		
- Specific provision	-	-
- General provision	-	-
	-	-
Advances - net of provisions	46,612	26,423
6. DEPOSITS AND OTHER ACCOUNTS		
Customers		
Fixed deposits	7,757,728	1,502,274
Savings deposits	463,366	18,472
Current accounts - non-remunerative	203,725	3,325
	8,424,819	1,524,071
7. CONTINGENCIES AND COMMITMENTS		
7.1 Direct Credit Substitutes		
Government	3,787,898	251,156
Others	11,489,797	830,789
	15,277,695	1,081,945
7.2 Trade-related Contingent Liabilities		
Letters of credit	46,612	26,423
7.3 Commitments in respect of forward exchange contracts		
Purchase	56,254,820	-
Sale	56,737,175	-
The maturities of above contracts are spread over a period upto one year.		
8. RELATED PARTY TRANSACTIONS		
Transactions with related parties comprise of transactions in the normal course of the business with the Head Office, other related parties and key management personnel.		
Transaction for the period / year and balances outstanding as at the period / year end with related parties are summarised below:		

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
PAKISTAN BRANCHES

	Year-To-Date ended 30 Sep 2012 (Un-Audited) (Rupees in '000)	Quarter ended 30 Sep 2012 (Un-Audited) (Rupees in '000)
8.1 Transactions		
Remittance received from Head Office	54,509	-
Key management remuneration	44,677	18,008
	30 Sep 2012 (Un-Audited) (Rupees in '000)	31 Dec 2011 (Audited)
8.2 Balances		
Current account balance with Head Office	18,423	61,891
Payable to Head Office	1,318,056	1,304,393

9. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue by the Chief Executive Officer / Manager Finance of the Bank on October 22, 2012.

10. GENERAL

- 10.1** Figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended 30 September 2012 have not been subjected to limited scope review by the auditors.
- 10.2** The Bank has commenced operation on 18 August 2011. Accordingly, there are no comparative figures to report in the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement.
- 10.3** Figures have been rounded off to the nearest thousand rupees.

Chief Executive Officer

Deputy CEO