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## **Independent Auditors' Report on Review of Condensed Interim Financial Information to the Directors**

### *Introduction*

We have reviewed the accompanying condensed interim statement of financial position of **Industrial and Commercial Bank of China – Pakistan Branches** ("the branches") as at June 30, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the accounts for the half year then ended (here-in-after referred to as "the interim financial information"). Management is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.

### *Other Matter*

The figures for the quarter ended June 30, 2014 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

**Date: August 26, 2014**

**Karachi**

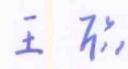
*KPMG Taseer Hadi & Co.*  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**  
**Syed Iftikhar Anjum**

Industrial and Commercial Bank of China Limited - Pakistan Branches  
 Condensed Interim Statement of Financial Position  
 As at June 30, 2014

		June 30, 2014 (Un-audited) (Rupees in '000)	December 31, 2013 (Audited)
<b>ASSETS</b>			
Cash and balances with treasury banks		4,255,082	4,462,227
Balances with other banks		69,037	163,630
Lendings to financial institutions	6	3,282,310	3,490,017
Investments - net	7	39,539,151	47,547,395
Advances - net	8	3,950,972	3,894,413
Operating fixed assets	9	209,538	243,293
Deferred tax assets	12	-	54,325
Other assets		1,084,392	2,189,505
		<b>52,390,482</b>	<b>62,044,805</b>
<b>LIABILITIES</b>			
Bills payable		243,674	172,309
Borrowings	10	33,417,877	40,028,520
Deposits and other accounts	11	10,623,435	14,986,537
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities	12	5,951	-
Other liabilities	13	4,156,291	3,162,092
		<b>48,447,228</b>	<b>58,349,458</b>
<b>NET ASSETS</b>		<b>3,943,254</b>	<b>3,695,347</b>
<b>REPRESENTED BY:</b>			
Head office capital account	14	3,566,648	3,802,007
Reserves		-	-
Unappropriated profit / (accumulated losses)		383,365	(70,240)
		<b>3,950,013</b>	<b>3,731,767</b>
Deficit on revaluation of investments - net of tax	15	(6,759)	(36,420)
		<b>3,943,254</b>	<b>3,695,347</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	16		

The annexed notes 1 to 22 form an integral part of the condensed interim financial information.

  
 Xu Keen  
 Chief Executive Officer

  
 Wang Xin  
 Head of Finance

Industrial and Commercial Bank of China Limited - Pakistan Branches  
Condensed Interim Profit and Loss Account (Un-audited)

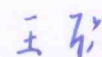
For the half year ended June 30, 2014

	Quarter ended June 30, 2014	Half Year ended June 30, 2014	Quarter ended June 30, 2013	Half Year ended June 30, 2013
	Note ----- (Rupees in '000) -----			
Mark-up / return / interest earned	1,004,734	2,232,747	928,995	1,464,813
Mark-up / return / interest expensed	(245,436)	(511,725)	(196,757)	(302,183)
Net mark-up / return / interest income	759,298	1,721,022	732,238	1,162,630
Provision against non-performing loans and advances - net	-	-	-	-
Provision for diminution in the value of investments - net	-	-	-	-
Bad debts written off directly	-	-	-	-
Net Mark-up / interest income after provisions	759,298	1,721,022	732,238	1,162,630
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	59,986	116,866	26,167	81,261
Dividend income	-	-	-	-
Loss from dealing in foreign currencies	(376,317)	(805,099)	(682,527)	(1,008,668)
Gain / (loss) on sale of securities	-	-	-	-
Unrealised gain / (loss) on revaluation of investments classified as held-for-trading	-	-	-	-
Other income	-	59	-	-
Total non-mark-up / interest income	(316,331)	(688,174)	(656,360)	(927,407)
	442,967	1,032,848	75,878	235,223
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	(207,009)	(338,104)	(125,918)	(227,678)
Other provisions / write-offs	-	-	-	-
Other charges	-	-	-	-
Total non-mark-up / interest expenses	(207,009)	(338,104)	(125,918)	(227,678)
	235,958	694,744	(50,040)	7,545
Extra ordinary / unusual items	-	-	-	-
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	235,958	694,744	(50,040)	7,545
Taxation - Current	35,082	196,837	-	-
- Prior	-	-	-	-
- Deferred	41,665	44,302	-	-
	76,747	241,139	-	-
<b>PROFIT / (LOSS) AFTER TAXATION</b>	159,211	453,605	(50,040)	7,545

The annexed notes 1 to 22 form an integral part of the condensed interim financial information.



Xu Keen  
Chief Executive Officer



Wang Xin  
Head of Finance

