



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

**CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS
(UN AUDITED)**

For the half year ended June 30, 2013

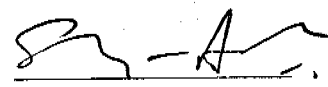
Pakistan Kuwait Investment Company (Private) Limited
 Consolidated Condensed Interim Statement of Financial Position
 As at June 30, 2013

	Note	June 30, 2013 (Un -Audited)	December 31, 2012 (Audited) Restated (Rupees in '000)
ASSETS			
Cash and balances with treasury banks		51,790	32,650
Balances with other banks		290,947	712,976
Lendings to financial institutions		-	-
Investments	6	18,791,370	24,203,303
Advances	7	5,008,847	5,242,401
Operating fixed assets		221,304	252,233
Deferred tax assets		-	-
Other assets		244,078	365,656
		24,608,336	30,809,219
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	8	8,153,195	14,839,975
Deposits and other accounts	9	602,939	1,015,429
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		308,347	236,413
Other liabilities		319,883	376,203
		9,384,364	16,468,020
NET ASSETS		15,223,972	14,341,199
REPRESENTED BY			
Share capital		6,000,000	6,000,000
Reserves		3,285,976	3,285,976
Unappropriated profit		5,292,680	4,490,626
		14,578,656	13,776,602
Surplus on revaluation of 'available-for-sale' securities - net of tax	10	645,316	564,597
		15,223,972	14,341,199
CONTINGENCIES AND COMMITMENTS	11		

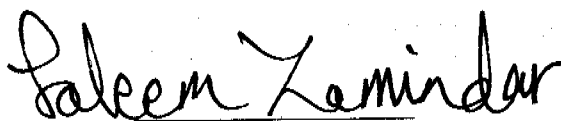
The annexed notes 1 to 15 form an integral part of these consolidated condensed interim financial statements.



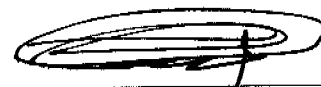
Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director

Pakistan Kuwait Investment Company (Private) Limited
 Consolidated Condensed Interim Profit and Loss Account - (Un-audited)
 For the half year ended June 30, 2013

For the half year ended June 30, 2013

	Quarter ended June 30, 2013	Half year ended June 30, 2013	Quarter ended June 30, 2012	Half year ended June 30, 2012
(Rupees in '000)				
Mark-up / return / interest earned	512,347	1,073,521	549,838	1,134,007
Mark-up / return / interest expensed	338,360	724,166	380,819	779,311
Net mark-up / interest income	173,987	349,355	169,019	354,696
(Reversal of provision) / provision against non-performing loans and advances - net	(24,670)	(26,593)	8,068	13,224
(Reversal of provision) against non-performing lending to financial institution	-	-	-	(2,822)
(Reversal of provision) / provision for diminution / impairment in the value of investments	440	(616)	13,089	47,439
Bad debts written off directly	-	-	-	-
	(24,230)	(27,209)	21,157	57,841
Net mark-up / interest income after provisions	198,217	376,564	147,862	296,855
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	-	-	-	228
Dividend income	9,575	98,648	7,887	78,118
Income from dealing in foreign currencies	-	-	-	-
Gain on sale of securities	113,255	383,199	49,907	94,389
Unrealised gain / (loss) on revaluation of 'held-for-trading' securities	483	-	(53)	(53)
Share of results in associates	479,452	870,439	390,015	585,808
Other income	6,862	13,823	5,165	11,418
Total non mark-up / interest income	609,627	1,366,109	452,921	769,908
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	111,159	230,198	94,350	193,659
Provision for impairment on operating fixed assets	-	-	45,724	45,724
Other charges	-	-	262	262
Total non mark-up / interest expenses	111,159	230,198	140,336	239,645
Extra ordinary / unusual items	-	-	-	-
PROFIT BEFORE TAXATION	696,685	1,512,475	460,447	827,118
Taxation				
- Current	79,313	188,026	55,902	137,136
- Prior years	-	-	-	-
- Deferred	27,095	72,394	28,445	33,335
	106,408	260,420	84,347	170,471
PROFIT AFTER TAXATION	590,277	1,252,055	376,100	656,647
Unappropriated profit brought forward (restated)	4,042,598	4,490,626	4,145,395	3,382,270
Unappropriated profit carried forward	4,632,875	5,742,681	4,521,495	4,038,917
Rupees				
Basic and diluted earning per share (On share of Rs. 25,000 each)	2,459	5,217	1,567	2,736

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


 Deputy General Manager / Chief Financial Officer


 Chief Executive


 Director


 Director

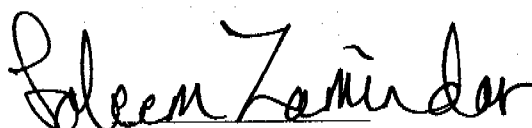
Pakistan Kuwait Investment Company (Private) Limited
Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
For the half year ended June 30, 2013

	Quarter ended	Half year ended	Quarter ended	Half year ended
	June 30, 2013		June 30, 2012 Restated	
	(Rupees in '000)			
Profit for the period	590,277	1,252,055	376,100	656,647
Remeasurement of defined benefit plan net of deferred tax	-	-	(362)	(725)
Other comprehensive income	-	-	-	-
Comprehensive income transferred to equity	590,277	1,252,055	375,738	655,922
Component of comprehensive income not transferred to equity				
Surplus / (deficit) on revaluation of 'available-for-sale' securities	118,475	87,983	(55,099)	82,928
Deferred tax on revaluation of 'available-for-sale' securities	(25,208)	(7,264)	4,484	8,727
Total comprehensive income for the period	683,544	1,332,774	325,123	747,577

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Deputy General Manager / Chief Financial Officer


Chief Executive


Director


Director

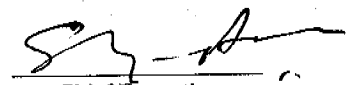
Pakistan Kuwait Investment Company (Private) Limited
Consolidated Condensed Interim Statement of Changes in Equity - (Un-audited)
For the half year ended June 30, 2013

	Share capital	Reserve Statutory	Unappropriated profit	Total
(Rupees in '000)				
Balance as at January 01, 2012	6,000,000	3,114,865	3,388,567	12,503,432
Effect of change in accounting policy (refer note 4.1)			(6,297)	(6,297)
Balance as at January 01, 2012 (restated)	6,000,000	3,114,865	3,382,270	12,497,135
Profit for the half year ended June 30, 2012	-	-	656,647	656,647
Other comprehensive loss	-	-	(725)	(725)
Total comprehensive income	-	-	655,922	655,922
Dividend for the year ended December 31, 2011 @ Rs. 1,500 per share approved subsequent to year end	-	-	(360,000)	(360,000)
Balance as at June 30, 2012 (restated)	6,000,000	3,114,865	3,678,192	12,793,057
Balance as at January 01, 2013	6,000,000	3,285,976	4,498,373	13,784,349
Effect of change in accounting policy (refer note 4.1)	-	-	(7,747)	(7,747)
Balance as at January 01, 2013 (restated)	6,000,000	3,285,976	4,490,626	13,776,602
Profit for the half year ended June 30, 2013	-	-	1,252,055	1,252,055
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,252,055	1,252,055
Dividend for the year ended December 31, 2012 @ Rs. 1,875 per share approved subsequent to year end	-	-	(450,000)	(450,000)
Balance as at June 30, 2013	6,000,000	3,285,976	5,292,681	14,578,657

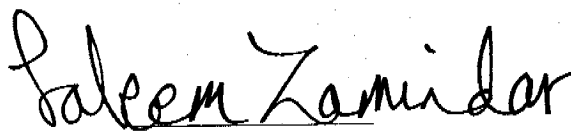
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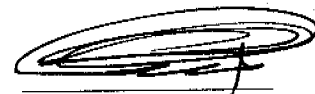
Deputy General manager / Chief Financial Officer



Chief Executive



Director



Director

Pakistan Kuwait Investment Company (Private) Limited
Consolidated Condensed Interim Cash Flow Statement (Un-audited)
For the half year ended June 30, 2013

	June 30, 2013	June 30, 2012
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,512,475	827,118
Less: Dividend income	98,648	78,118
	<u>1,413,827</u>	<u>749,000</u>
Adjustments for:		
Depreciation	8,098	5,135
Amortization	5,033	2,066
Provision for impairment on operating fixed assets	-	45,724
(Reversal of provision) / Provision against non-performing loans and advances - net	(26,593)	13,224
(Reversal of provision) / provision for diminution / impairment in the value of investments	(616)	47,439
(Reversal of provision) against non-performing lending to financial institution	-	(2,822)
Unrealised loss on revaluation of 'held for trading' securities	-	53
Share of results in associates	(870,439)	(585,808)
Gain on disposal of operating fixed assets	-	(1,434)
	<u>(884,517)</u>	<u>(476,423)</u>
	529,310	272,577
Decrease in operating assets		
Lendings to financial institutions	-	(197,178)
'Held-for-trading' securities	6,410	(5,967)
Advances	260,147	1,091,074
Others assets (excluding advance taxation)	18,857	38,894
	<u>285,414</u>	<u>926,823</u>
(Decrease) / increase in operating liabilities		
Borrowings from financial institutions	(6,686,780)	2,977,837
Deposits and other accounts	(412,490)	(809,210)
Other liabilities (excluding current taxation)	(56,462)	(105,105)
	<u>(7,155,732)</u>	<u>2,063,522</u>
	(6,341,008)	3,262,922
Income tax paid	(89,530)	(18,842)
<i>Net cash (outflow) / inflow from operating activities</i>	<u>(6,430,538)</u>	<u>3,244,080</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment	6,360,977	(3,361,173)
Dividend income	98,871	74,800
Investments in operating fixed assets	17,801	(19,401)
Sale proceeds of operating fixed assets	-	1,454
<i>Net cash inflow / (outflow) from investing activities</i>	<u>6,477,649</u>	<u>(3,304,320)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(450,000)	(360,000)
<i>Net cash outflow from financing activities</i>	<u>(450,000)</u>	<u>(360,000)</u>
(Decrease) in cash and cash equivalents	(402,889)	(420,240)
Cash and cash equivalents at beginning of the period	745,626	467,419
Cash and cash equivalents at end of the period	<u>342,737</u>	<u>47,179</u>

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


Deputy General Manager / Chief Financial Officer


Chief Executive


Director


Director

Pakistan Kuwait Investment Company (Private) Limited
Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2013

1. STATUS AND NATURE OF BUSINESS

- 1.1** Pakistan Kuwait Investment Company (Private) Limited ("the holding company") was incorporated in Pakistan as a Private Limited Company on March 17, 1979. The registered office is situated at 4th Floor, Block 'C', Finance and Trade Centre, Shahrah-e-Faisal, Karachi. The holding company has one representative office in Lahore. The holding company is a 50:50 joint venture between the Governments of Pakistan and Kuwait. The objective of the holding company is to profitably promote industrial investments in Pakistan.
- 1.2** The Group has a 100% owned subsidiary, First Choice Securities Limited (FCSL). FCSL principal business includes equity brokerage, commodity brokerage, equity research and corporate advisory services. FCSL has not started its operations.

2. BASIS OF PRESENTATION

- 2.1** These consolidated condensed interim financial statements have been prepared based on the format prescribed by the State Bank of Pakistan (SBP) vide BSD Circular Letter No. 2, dated 12 May 2004, BSD Circular letter No. 07, dated 20 April 2010 and 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 financial statements for the year ended December 31, 2012.

3. STATEMENT OF COMPLIANCE

- 3.1** These consolidated condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 - "Interim Financial Reporting" as applicable in Pakistan, provisions of and directives issued under the Companies Ordinance, 1984 and the directives issued by SBP. In case requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 and directives issued by the SBP have been followed.
- 3.2** The SBP through its BSD Circular letter No. 11 dated September 11, 2002 has deferred the implementation of IAS 39 'Financial Instruments: Recognition and Measurement' and IAS 40 'Investment Property' for Non-Banking Financial Institutions (NBFIs) in Pakistan. Further, SECP has deferred the implementation of IFRS 7 'Financial Instruments: Disclosures' through SRO 411(1)/ 2008. Accordingly, the requirements of these International Financial Reporting Standards (IFRSs) and their respective interpretations issued by International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC), have not been considered in preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

4. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in preparation of financial statements for the year ended December 31, 2012 except as follows:

New, Amended And Revised Standards And Interpretations of IFRSs

The Group has adopted the following new amended IFRS which became effective during the period.

IAS 1 – Presentation of Financial Statements – Presentation of items of other comprehensive income (Amendment)

IAS 19 – Employee Benefits – (Revised)

Improvements to various standards issued by IASB (2009-2011 cycle)

IAS 1 – Presentation of Financial Statements – Clarification of the requirements for comparative information

IAS 16 – Property, Plant and Equipments – Classification of Servicing equipment

IAS 34 – Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities

The adoption of the above revision, amendments, improvements and interpretation of the standards did not have any effect on the financial statements, other than the amendments to IAS 19 'Employees Benefits' as described in 4.1.

Further, certain new standards have been issued by IASB which are effective for accounting periods beginning on or after 01 January 2013 but are yet to be notified by the SECP for the purpose of applicability in Pakistan.

4.1 Change in accounting policy

Amendments to IAS 19 range from fundamental changes to simple clarification and rewording. The significant changes to IAS 19 include the following:

- For defined benefit plans, the ability to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, actuarial gains and losses are recognized in other comprehensive income when they occur. Amounts recorded in profit and loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability) are recognized in other comprehensive income with no subsequent recycling to profit and loss.
- The distinction between short-term and other long-term employee benefits will be based on the expected timing of settlement rather than the employee's entitlement to the benefits.
- Objectives for disclosures of defined benefit plans are explicitly stated in the revised standard, along with new or revised disclosure requirements. These new disclosures include quantitative information regarding the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption.

This change in accounting policy has been accounted for retrospectively as required under International Accounting Standard – 8 'Accounting Policies, Changes in Accounting Estimates and Errors', and the comparative financial statements have been re-stated.

The effects of the retrospective application of the change in accounting policies are as follows:

	December 31, 2012
	(Rupees in '000)
Increase in the staff retirement gratuity	(11,918)
Increase in deferred tax asset	4,171
Net decrease in equity	<u><u>(7,747)</u></u>

	June 30, 2012
	(Rupees in '000)
Decrease in other comprehensive income (OCI) for the period	<u><u>725</u></u>

There is no change in the consolidated condensed interim profit and loss account

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2012.

6. INVESTMENTS

6.1 Investments by type

	June 30, 2013			December 31, 2012		
	(Un-audited)			(Audited)		
	Held by the Group	Given as collateral	Total	Held by the Group	Given as collateral	Total
	(Rupees in '000)					
Held for trading securities						
Shares of listed companies	-	-	-	6,410	-	6,410
Available-for-sale securities						
Market treasury bills	5,221,283	2,258,907	7,480,190	2,596,379	10,684,921	13,281,300
Pakistan Investment Bonds	1,151,224	-	1,151,224	1,642,868	-	1,642,868
Shares of listed companies	1,668,086	-	1,668,086	1,801,711	-	1,801,711
Shares of unlisted companies	144,716	-	144,716	127,686	-	127,686
Listed preference shares	55,029	-	55,029	55,029	-	55,029
Listed term finance certificates	25,064	-	25,064	82,037	-	82,037
Unlisted term finance certificates	608,083	-	608,083	608,168	-	608,168
	8,873,485	2,258,907	11,132,392	6,913,878	10,684,921	17,598,799
Held to maturity securities						
Unlisted preference shares	103,321	-	103,321	-	-	-
Associates	7,207,405	-	7,207,405	6,479,283	-	6,479,283
Total investments - at cost	16,184,211	2,258,907	18,443,118	13,399,571	10,684,921	24,084,492
Provision for diminution / impairment in the value of investments	(131,789)	-	(131,789)	(158,273)	-	(158,273)
Total investments - net of provisions	16,052,422	2,258,907	18,311,329	13,241,298	10,684,921	23,926,219
Deficit on revaluation of 'held-for-trading' securities	-	-	-	(25)	-	(25)
Surplus / (deficit) on revaluation of 'available-for-sale' securities	1,398,753	(918,712)	480,041	267,436	9,673	277,109
Total investments - at market value	17,451,175	1,340,195	18,791,370	13,508,709	10,694,594	24,203,303

7. ADVANCES

	June 30, 2013	December 31, 2012
	(Un-audited)	(Audited)
	(Rupees in '000)	
In Pakistan		
Advances	5,394,650	5,567,283
Net investment in finance leases	1,224,346	1,311,860
	6,618,996	6,879,143
Provision for non-performing advances	(1,610,149)	(1,636,742)
Advances - net of provision	5,008,847	5,242,401

- 7.1 Advances include Rs.1,743.601 million (December 31, 2012: Rs 1,771.283 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	266,903	-	266,903	133,451	133,451
Loss	1,476,698	-	1,476,698	1,476,698	1,476,698
	<u>1,743,601</u>	<u>-</u>	<u>1,743,601</u>	<u>1,610,149</u>	<u>1,610,149</u>

7.2 Particulars of provision for non-performing advances - specific

	Note	June 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
Opening balance		1,636,742	1,577,790
Charge for the period		-	83,074
Reversals		(26,593)	(24,122)
		(26,593)	58,952
Amounts written off against provisions		-	-
Closing balance		<u>1,610,149</u>	<u>1,636,742</u>

8. BORROWINGS FROM FINANCIAL INSTITUTIONS

		June 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
Secured			
Repurchase agreement borrowings - Government securities	8.1	2,258,437	10,694,704
Borrowing from SBP under LTF-EOP	8.2	60,767	71,899
Borrowing from SBP under LTFF	8.3	267,548	305,285
Borrowing from SBP under FFSAP	8.4	16,443	18,087
Term Finance Facility	8.5	4,750,000	3,750,000
Unsecured			
Murabaha	8.6	800,000	-
		<u>8,153,195</u>	<u>14,839,975</u>

- 8.1 The holding company has arranged borrowings from various financial institutions against sale and repurchase of government securities. The mark-up on these finances range between 9.00 and 9.05 (December 31, 2012: 8.25 to 9.25) percent per annum with maturity ranging from two days to five days (December 31, 2012 : two days to four days).
- 8.2 In order to facilitate the export oriented projects, SBP has introduced a scheme to refinance the fixed term loan availed from Banks / DFIs. A one time swap facility option under the Scheme (LTF-EOP) has been extended to textile sector for import of plant and machinery, allowed by the SBP through their SMED Circular No.19 of 2006. The loan is repayable over a maximum period of 7.5 years from the date of first disbursement with mark-up payable at maximum of 5 percent per annum.
- 8.3 This represents Long Term Finance Facility (LTFF) on concessional rates to promote industrial growth leading to exports. The loans availed under the facility shall be repayable within a maximum period of ten years including maximum grace period of two years with mark-up payable at maximum of 10.10 percent per annum. SBP allocates an overall yearly limit under the facility to individual Participating Financial Institution (PFI). The sanctioned limit was Rs. 500 million.

8.4 This represents Financing Facility for Storage of Agricultural Produce (FFSAP) on concessional rates to develop the agricultural produce marketing and enhance storage capacity. The loans availed under the facility shall be repayable within a maximum period of seven years including a maximum grace period of six months with mark-up payable at maximum of 6.50 percent per annum. SBP allocates an overall yearly limit to individual PFI. The sanctioned limit was Rs. 500 million.

8.5 The holding company has availed Long Term Finance facilities from two banks. The interest rates on these facilities range from 9.61 to 10.09 percent per annum (December 31, 2012: 9.96 and 10.70 percent per annum) with maturities between November 29, 2014 and June 25, 2018 (December 31, 2012: November 29, 2014 and October 1, 2015).

8.6 This represents finance obtained from an Islamic bank. The profit rate on the finance is 9.00 (December 31, 2012: Nil) percent per annum with maturity on July 02, 2013 (December 31, 2011: Nil).

9. DEPOSITS AND OTHER ACCOUNTS	Note	June 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited) (Rupees in '000)
Certificates of investment (COIs) / deposits	9.1	<u>602,939</u>	<u>1,015,429</u>

9.1 The profit rates on these COIs / deposits range between 8.90 and 12.25 (December 31, 2012: 9.20 and 12.25) percent per annum. The COIs / deposits are due for maturity between July 04, 2013 and March 22, 2015 (December 31, 2012: January 04, 2013 and March 22, 2015).

10. SURPLUS ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES - NET OF TAX	June 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited) (Rupees in '000)
Federal government securities	77,473	88,245
Shares of listed companies	402,482	188,422
Listed term finance certificate	86	441
Share of surplus on revaluation held by associates	<u>250,376</u>	<u>365,326</u>
	730,417	642,434
Deferred Tax	<u>(85,101)</u>	<u>(77,837)</u>
	<u>645,316</u>	<u>564,597</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Other contingencies

11.1.1 Letter of comfort issued	-	<u>64,000</u>
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11.1.2 There is no change in the status of other contingencies of the holding company as disclosed in note 19.1 of the consolidated financial statements for the year ended December 31, 2012.

11.2 Other commitments

	June 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited) (Rupees in '000)
Commitment - acquisition of software	5,218	6,718
Undisbursed sanctions for financial assistance in the form of loans and advances	<u>1,767,000</u>	<u>403,208</u>
	<u>1,772,218</u>	<u>409,926</u>

12. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activities is as follows :

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
----- (Rupees in '000) -----						
Half year ended June 30, 2013 - (Un-audited)						
Total income - gross	469,011	751,898	-	1,209,169	9,552	2,439,630
Total mark-up / return / interest expense	(201,205)	(522,961)	-	-	-	(724,166)
Segment provision / impairment / unrealised gains	27,209	-	-	-	-	27,209
	(173,996)	(522,961)	-	-	-	(696,957)
Net operating income	295,015	228,937	-	1,209,169	9,552	1,742,673
Administrative expenses and other charges						(230,198)
Profit before taxation						1,512,475

Half year ended June 30, 2013 - (Un-audited)

Segment assets - net	6,236,756	8,791,098	-	8,243,035	1,337,447	24,608,336
Segment non-performing loans	1,743,601	-	-	-	-	1,743,601
Segment provision required and held	1,610,149	-	-	-	-	1,610,149
Segment liabilities	5,174,993	3,661,376	-	-	547,995	9,384,364
Segment return on net assets (ROA) % *	14.35%	9.65%	-	20.86%	1.18%	
Segment cost of funds (%) *	9.49%	9.55%	-	-	-	

* Based on daily average assets and funds. Return / cost has been annualized for rates.

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
----- (Rupees in '000) -----						
Half year ended June 30, 2012 - (Un-audited)						
Total income - gross	517,836	666,754	228	708,467	10,683	1,903,968
Total mark-up / return / interest expense	(121,416)	(657,895)	-	-	-	(779,311)
Segment provision / impairment / unrealised losses	(14,177)	2,822	-	(46,539)	-	(57,894)
	(135,593)	(655,073)	-	(46,539)	-	(837,205)
Net operating income	382,243	11,681	228	661,928	10,683	1,066,763
Administrative expenses and other charges						(239,645)
Profit before taxation						827,118

Year ended December 31, 2012 - (Audited)

Segment assets - net	6,327,172	15,246,503	-	7,661,506	1,569,867	30,805,048
Segment non-performing loans	1,771,283	-	-	-	-	1,771,283
Segment provision required and held	1,636,742	-	-	-	-	1,636,742
Segment liabilities	4,225,806	11,710,134	-	-	520,162	16,456,102
Segment return on net assets (ROA) %	13.53%	11.99%	-	9.99%	1.05%	
Segment cost of funds (%)	10.98%	11.88%	-	-	-	

Under the holding company policy, capital market department assets are financed through equity funds.

13. RELATED PARTY TRANSACTIONS

The Group has related party relationship with its associates, associated undertakings, subsidiary company, employee benefit plans, key management personnel and its directors.

The Group enters into transactions with related parties in the normal course of business. These transactions were carried out on commercial terms and at market rates.

	Six months period ended June 30, 2013 (Un-audited) (Rupees in '000)	Six months period ended June 30, 2012 (Un-audited) (Rupees in '000)
Expenses charged to an associate	8,617	8,429
Expenses charged by		
- associates	381	495
- other related party	8,471	8,276
Mark-up earned on bank deposit with an associate	367	240
Mark-up earned on loans and advances		
- key management personnel	472	374
Mark-up expense on COIs of related parties		
- associates	1,569	3,144
- other related party	152	774
Gain on sale of shares of an associate	72,976	-
Contribution made to provident fund	8,016	8,079
	June 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited) (Rupees in '000)
Loans and advances to key management personnel	38,062	43,918
Balance as at January 1	-	12,716
Disbursement during the period / year	(2,099)	(18,572)
Recovery during the period / year	(2,099)	(5,856)
Balance as at	<u>35,963</u>	<u>38,062</u>
Bank balances with an associate	37,844	8,474
Mark-up receivable on bank deposit with an associate	40	40
Deposits / COIs from associate & other related party		
- associates	25,000	35,000
- other related party	2,500	2,500
Mark-up payable to related party		
- associates	901	1,274
- other related party	1,004	852
Investments in		
- associates	7,207,405	6,479,283
- other related parties	500	500

Key management personnel

Key management personnel include the Managing Director, Deputy General Manager / Chief Financial Officer, Head of Corporate Finance & Investment Banking, Head of Risk Management, Head of Capital Markets & Treasury, Head of Compliance, Head of Internal Audit and the Head of Human Resources. Their salaries and other benefits amount to Rs. 41.703 million (June 30, 2012: Rs. 28.376 million) and staff retirement benefits amount to Rs. 4.537 million (June 30, 2012: Rs. 4.298 million).

14. DATE OF AUTHORISATION FOR ISSUE

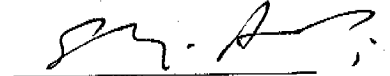
These consolidated condensed interim financial statements were authorised for issue in the Board of Directors meeting held on ~~26 AUG 2013~~

15. GENERAL AND NON-ADJUSTING EVENT

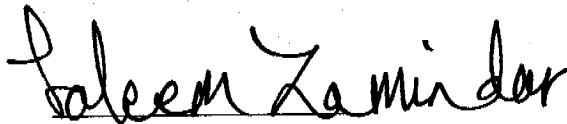
- 15.1. The JCR-VIS Credit Rating Company Limited has reaffirmed long term credit ratings of AAA (Triple A) and the short term rating of A1+ (A one plus) for the holding company. The Pakistan Credit Rating Agency (PACRA) has also maintained the long-term entity rating to AAA (Triple A) and the short term rating at A1+ (A one plus).
- 15.2. Subsequent to the half year ended, June 30, 2013, the Board of Directors of the holding company on July 2, 2013, approved the disposal of its subsidiary, First Choice Securities Limited, in response to an offer received from an investor. These financial statements do not include the effect of such disposal.
- 15.3. The figures have been rounded off to nearest thousand rupees.



Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director