



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED


CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended June 30, 2010

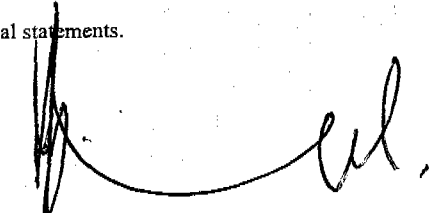
Pakistan Kuwait Investment Company (Private) Limited
 Consolidated Condensed Interim Statement of Financial Position
 As at June 30, 2010

	Note	June 30, 2010 (Un -Audited)	December 31, 2009 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		54,274	92,512
Balances with other banks		976,138	1,842,834
Lendings to financial institutions	6	1,752,085	800,000
Investments	7	18,546,866	18,930,038
Advances	8	4,258,724	3,607,442
Operating fixed assets		161,173	151,366
Deferred tax assets		145,033	154,595
Other assets		257,162	323,993
		<u>26,151,455</u>	<u>25,902,780</u>
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	9	11,905,622	10,377,872
Deposits and other accounts	10	2,851,334	4,075,951
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		327,181	693,414
		<u>15,084,137</u>	<u>15,147,237</u>
NET ASSETS		<u>11,067,318</u>	<u>10,755,543</u>
REPRESENTED BY			
Share capital		6,000,000	6,000,000
Reserves		2,884,894	2,884,894
Accumulated profit		2,211,022	1,649,279
		<u>11,095,916</u>	<u>10,534,173</u>
(Deficit) / surplus on revaluation of 'available-for-sale' securities - net of tax	11	(28,598)	221,370
		<u>11,067,318</u>	<u>10,755,543</u>
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.


 Deputy General Manager / Chief Financial Officer


 Director


 Chief Executive


 Director

Pakistan Kuwait Investment Company (Private) Limited
Consolidated Condensed Interim Profit and Loss Account - (Un-audited)

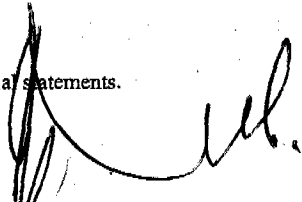
For the half year ended June 30, 2010

	Quarter ended	Half year ended	Quarter ended	Half year ended
	June 30 2010	June 30 2010	June 30 2009	June 30 2009
	(Rupees in '000)			
Mark-up / return / interest earned	527,856	1,022,958	408,456	804,708
Mark-up / return / interest expensed	328,466	693,571	269,165	457,645
Net mark-up / interest income	199,390	329,387	139,291	347,063
(Reversal) / provision against non-performing advances - net	(5,306)	(10,424)	192,870	278,051
Provision for diminution / impairment in the value of investments	15,984	23,545	18,781	165,813
Bad debts written off directly	-	-	-	-
	10,678	13,121	211,651	443,864
Net mark-up / interest income / (expense) after provisions	188,712	316,266	(72,360)	(96,801)
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	9	39	230	443
Dividend income	24,287	83,267	23,681	47,907
Income from dealing in foreign currencies	-	-	-	-
Gain on sale of securities - net	43,888	178,772	200,548	386,789
Unrealised gain / (loss) on revaluation of 'held-for-trading' securities	1,133	-	421	(1,153)
Share in results of associates - net	122,066	288,130	262,210	427,351
Other income	6,118	10,096	2,960	10,032
Total non mark-up / interest income	197,501	560,304	490,050	871,369
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	86,299	159,696	64,442	128,033
Other provisions / write offs	-	-	-	-
Other charges	50	1,149	-	203
Total non mark-up / interest expenses	86,349	160,845	64,442	128,236
Extra ordinary / unusual items	-	-	-	-
	299,865	715,725	353,248	646,332
PROFIT BEFORE TAXATION				
Taxation				
- Current	72,765	137,368	111,412	214,768
- Prior years	-	-	-	-
- Deferred	(8,152)	16,614	(92,915)	(124,818)
	64,613	153,982	18,497	89,950
PROFIT AFTER TAXATION	235,252	561,743	334,751	556,382
Accumulated profit / (loss) brought forward	1,975,770	1,649,279	(2,921,249)	(3,142,880)
Accumulated profit / (loss) carried forward	2,211,022	2,211,022	(2,586,498)	(2,586,498)
	(Rupees)			
Basic and diluted earning per share (On share of Rs. 25,000 each)	980	2,341	1,395	2,318

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.


Deputy General Manager / Chief Financial Officer


Director


Chief Executive


Director

Pakistan Kuwait Investment Company (Private) Limited
Consolidated Condensed Interim Statement of Changes in Equity - (Un-audited)
For the half year ended June 30, 2010

	Share capital	Reserves		Accumulated (loss) / profit	Total
		Statutory	Revenue		
(Rupees in '000)					
Balance as at January 01, 2009	6,000,000	3,288,822	3,158,890	(3,142,880)	9,304,832
Profit for the half year ended June 30, 2009	-	-	-	556,382	556,382
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(2,586,498)	9,861,214
Transfer from contingencies reserve to accumulated loss	-	-	(274,837)	274,837	-
Transfer from marketable and government securities reserve to accumulated loss	-	-	(2,884,053)	2,884,053	-
Balance as at June 30, 2009	6,000,000	3,288,822	-	572,392	9,861,214
Balance as at January 01, 2010	6,000,000	2,884,894	-	1,649,279	10,534,173
Profit for the half year ended June 30, 2010	-	-	-	561,743	561,743
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	2,211,022	11,095,916
Balance as at June 30, 2010	6,000,000	2,884,894	-	2,211,022	11,095,916

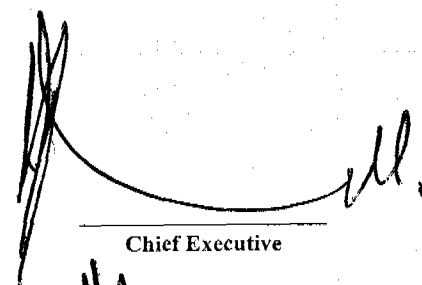
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Deputy General Manager / Chief Financial Officer



Director



Chief Executive




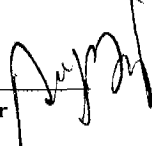
Director

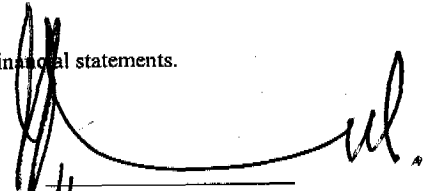
Pakistan Kuwait Investment Company (Private) Limited
 Consolidated Condensed Interim Cash Flow Statement (Un-audited)
 For the half year ended June 30, 2010

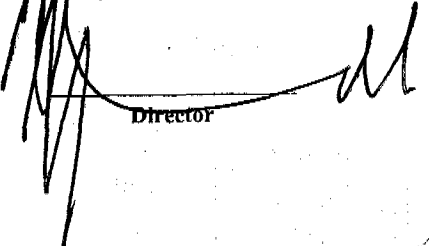
	June 30, 2010	June 30, 2009
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	715,725	646,332
Less: Dividend income	83,267	47,907
	<u>632,458</u>	<u>598,425</u>
Adjustments for:		
Depreciation	6,841	5,602
Amortization	40	-
(Reversal) / Provision against non-performing advances - net	(10,424)	278,051
Provision for diminution / impairment in the value of investments	23,545	165,813
Share in results of associates - net	(288,130)	(419,632)
Gain on sale of operating fixed assets	(2,442)	(495)
Unrealised loss on revaluation of 'held-for-trading' securities	-	1,153
	<u>(270,570)</u>	<u>30,492</u>
	361,888	628,917
Increase in operating assets		
Lendings to financial institutions	(952,085)	(600,000)
'Held-for-trading' securities	239,209	127,011
Advances	(640,858)	209,744
Others assets (excluding advance taxation)	59,415	(114,696)
	<u>(1,294,319)</u>	<u>(377,941)</u>
Increase in operating liabilities		
Borrowings from financial institutions	1,527,750	2,321,193
Deposits	(1,224,617)	2,136,951
Other liabilities (excluding current taxation)	(108,209)	(55,404)
	<u>194,924</u>	<u>4,402,740</u>
	(737,507)	4,653,716
	<u>(394,649)</u>	<u>(404,095)</u>
	(1,132,156)	4,249,621
Income tax paid		
Net cash (outflows) / inflows from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in 'available-for-sale' securities / subsidiaries	150,783	(4,971,740)
Dividend income	90,757	42,607
Investments in operating fixed assets	(17,384)	(8,476)
Sale proceeds from sale of operating fixed assets	3,066	1,801
Net cash inflow / (outflow) from investing activities	<u>227,222</u>	<u>(4,935,808)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Net cash (outflow) / inflow from financing activities	<u>-</u>	<u>-</u>
Decrease in cash and cash equivalents	(904,934)	(686,187)
Cash and cash equivalents at beginning of the period	1,935,346	2,818,281
Cash and cash equivalents at end of the period	<u>1,030,412</u>	<u>2,132,094</u>

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 Chief Executive

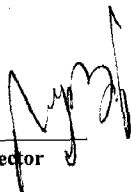

 Director

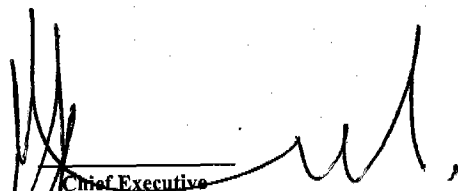
Pakistan Kuwait Investment Company (Private) Limited
Consolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
For the half year ended June 30, 2010

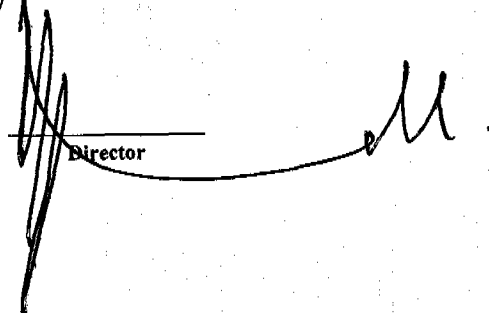
	Quarter ended June 30, 2010	Half year ended June 30, 2010	Quarter ended June 30, 2009	Half year ended June 30, 2009
	(Rupees in '000)			
Profit for the period	235,252	561,743	334,751	556,382
Other comprehensive income		-		-
Comprehensive income transferred to equity	235,252	561,743	334,751	556,382
Component of comprehensive income not transferred to equity				
(Deficit) / surplus on revaluation of 'available-for-sale' securities- net of tax	(232,655)	(249,968)	(166,401)	133,650
Total comprehensive income	2,597	311,775	168,350	690,032

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim financial statements.


 Deputy General Manager / Chief Financial Officer


 Director


 Chief Executive


 Director

Pakistan Kuwait Investment Company (Private) Limited
Notes to the Consolidated Condensed Interim Financial Statements (Un-audited)
For the half year ended June 30, 2010

1. STATUS AND NATURE OF BUSINESS

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 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.

The Group comprises of the holding company and two 100% owned subsidiaries, First Choice Securities Limited (FCSL) and Pak Kuwait Financial Services Limited (PKFSL) and associates namely, Meezan Bank Limited, Al Meezan Investment Management Limited, Al Meezan Mutual Fund Limited, Meezan Balance Fund, Plexus (Private) Limited, Pak Kuwait Takaful Company Limited, The General Tyre and Rubber Company of Pakistan Limited, Falcon Greenwood (Private) Limited, National Commodity Exchange Limited, and National Clearing Company Limited.

2. BASIS OF PRESENTATION

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 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 of the Group for the year ended 31 December 2009.

3. STATEMENT OF COMPLIANCE

3.1 These consolidated condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, 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 shall prevail. The disclosures in these accounts have, however, been limited based on the requirements of International Accounting Standard 34, Interim Financial Reporting.

3.2 The SBP has deferred the applicability of International Accounting Standard (IAS) 39, "Financial Instruments: Recognition and Measurement" and IAS 40, "Investment Property" for Banks and Development Financial Institutions (DFIs) in Pakistan. Accordingly, the requirements of these standards have not been considered in the preparation of these condensed interim financial statements. However, investments have been classified and valued in accordance with the requirement of various circulars issued by the SBP.

4. ACCOUNTING POLICIES

The accounting policies adopted for the purpose of these consolidated condensed interim financial statements are the same as those applied in preparation of annual financial statements for the year ended December 31, 2009 except as follows:

- IFRS-2 - Share-based Payments: Amendments relating to Group Cash-settled Share-based Payment Transactions
- IFRS-3 - Business Combinations (Revised)
- IAS 27 - Consolidated and Separate Financial Statements (Amendment)
- IFRIC 17 - Distributions of Non-cash Assets to owners

The adoption of the above standards, amendments and interpretations did not have any effect on the financial statements.

5. 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, 2009.

	Note	June 30, 2010 (Un-audited)	December 31, 2009 (Audited)
(Rupees in '000)			
Reverse repurchase agreement lendings	6.1	952,085	-
Certificate of investments (COIs) in local currency		950,000	950,000
		<u>1,902,085</u>	<u>950,000</u>
Provision against COIs		(150,000)	(150,000)
		<u>1,752,085</u>	<u>800,000</u>

6.1 The return on these reverse repurchase agreement lendings is 12.25 (2009: Nil) percent per annum and this is due for maturity on July 5, 2010 (2009: Nil).

7. INVESTMENTS

7.1 Investments by type

	June 30, 2010			December 31, 2009		
	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	-	-	-	189,068	-	189,068
Pakistan Investment Bonds	-	-	-	49,202	-	49,202
Available-for-sale securities						
Market treasury bills	2,232,054	8,046,232	10,278,286	2,394,775	8,077,406	10,472,181
Pakistan Investment Bonds	1,623,838	-	1,623,838	1,670,908	-	1,670,908
Shares of listed companies	2,080,413	-	2,080,413	1,866,808	-	1,866,808
Shares of unlisted companies	120,058	-	120,058	119,968	-	119,968
Listed preference shares	93,399	-	93,399	93,489	-	93,489
Listed term finance certificates	176,806	-	176,806	364,765	-	364,765
Unlisted term finance certificates	136,090	-	136,090	136,111	-	136,111
Associates	4,396,348	-	4,396,348	4,111,632	-	4,111,632
Total investments - at cost	10,859,006	8,046,232	18,905,238	10,996,726	8,077,406	19,074,132
Less: Provision for diminution / impairment in the value of investments	(265,749)	-	(265,749)	(306,017)	-	(306,017)
Total investments - net of provisions	10,593,257	8,046,232	18,639,489	10,690,709	8,077,406	18,768,115
Surplus on revaluation of 'held-for-trading' securities (Deficit) / surplus on revaluation of 'available-for-sale' securities	-	-	-	938	-	938
	(73,941)	(18,682)	(92,623)	175,002	(14,017)	160,985
Total investments	10,519,316	8,027,550	18,546,866	10,866,649	8,063,389	18,930,038

8. ADVANCES

In Pakistan

Advances	4,422,696	3,744,176
Net investment in finance leases	1,221,260	1,258,922
	<u>5,643,956</u>	<u>5,003,098</u>
Provision for non-performing advances	(1,385,232)	(1,395,656)
Advances - net of provision	<u>4,258,724</u>	<u>3,607,442</u>

8.1 Advances include Rs.1,668.188 million (December 31, 2009: Rs 1,693.697 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	194,980	-	194,980	48,745	48,745
Doubtful	273,444	-	273,444	136,722	136,722
Loss	1,199,764	-	1,199,764	1,199,764	1,199,764
	<u>1,668,188</u>	<u>-</u>	<u>1,668,188</u>	<u>1,385,231</u>	<u>1,385,231</u>

8.2 Particulars of provision for non-performing advances - specific

	June 30, 2010	December 31, 2009
	(Rupees in '000)	
Opening balance	1,395,656	910,181
Charge for the period	18,005	598,945
Reversals	(28,429)	(71,719)
	(10,424)	527,226
Amounts written off against provisions	-	(41,751)
Closing balance	<u>1,385,231</u>	<u>1,395,656</u>

9. BORROWINGS FROM FINANCIAL INSTITUTIONS

	Note	June 30, 2010	December 31, 2009
		(Rupees in '000)	
Secured			
Repurchase agreement borrowings	9.1	8,034,693	8,067,577
Term finance certificates (TFC)	9.2	1,350,000	1,450,000
Borrowing from SBP under LTF-EOP		245,730	300,412
Borrowing from SBP under LTFF		275,199	59,883
Murabaha	9.3	2,000,000	500,000
		<u>11,905,622</u>	<u>10,377,872</u>

9.1 The holding company has arranged borrowings from various financial institutions against sale and repurchase of government securities. The mark-up on these finances ranges between 11.50 to 12.10 (December 31, 2009: 12 to 12.35) percent per annum with maturity of two days to one hundred and eighty three days (December 31, 2009 : four days to sixty three days).

9.2 This represents finance obtained through issue of privately placed term finance certificates of five years maturity. The mark-up is payable on quarterly basis and the principal is repayable in five equal semi annual instalments commencing 36 months from the date of disbursement. The facility is secured by first hypothecation charge ranking pari passu, on existing and future assets of the holding company. The rate of profit is 3 months KIBOR ask rate plus 65 (December 31, 2009: 65) basis points. As at June 30, 2010 the effective rate ranges between 12.60 to 12.94 (December 31, 2009: 13.02 and 13.24) percent per annum.

9.3 Murabaha

This represents finance obtained from an Islamic bank. The profit rate on the finance ranges between 11.70 to 11.85 (2009: 11.65) percent per annum and is maturing between July 7, 2010 and August 2, 2010 (2009: 15 January 2010).

10. DEPOSITS AND OTHER ACCOUNTS	Note	June 30, 2010	December 31, 2009
(Rupees in '000)			
Certificates of investment (COIs) / deposits			
Financial institutions		50,000	-
Others	9.1	2,801,334	4,075,951
		<u>2,851,334</u>	<u>4,075,951</u>

10.1 The profit rates on these COIs / deposits range between 11.25 to 13.65 (December 31, 2009: 11.40 to 14.00) percent per annum. The COIs are due for maturity between July 2, 2010 and March 22, 2015 (December 31, 2009: January 2, 2010 and May 5, 2012).

11. SURPLUS / (DEFICIT) ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES- NET OF TAX	June 30, 2010	December 31, 2009
(Rupees in '000)		
Federal and provincial government securities	(60,987)	(42,525)
Quoted shares	(29,386)	213,037
Other securities	(2,249)	(9,527)
Share of surplus on revaluation held by associates	48,533	51,946
	<u>(44,089)</u>	<u>212,931</u>
Deferred Tax	15,491	8,439
	<u>(28,598)</u>	<u>221,370</u>

12. CONTINGENCIES AND COMMITMENTS

12.1 Direct Credit Substitute	June 30, 2010	December 31, 2009
(Rupees in '000)		
Direct credit substitute – guarantee issued	-	1,550

12.2 Other contingencies

The Income Tax Department has amended the deemed assessment orders for the tax year 2004 to 2009, raising a tax demand (including levy of Workers' Welfare Fund) of Rs. 1.465 billion, mainly due to additions in respect of allocation of expenses against exempt capital gains and dividend income subject to tax at reduced rate.

The tax department has not accepted the holding company's contention on the matter of allocation of expenses on exempt capital gains and dividend income for the tax years 2004 to 2009. The total additions made in tax years 2004 to 2009 under this head amounts to Rs. 3.091 billion.

In tax year 2003 same issue has been set aside by the Income Tax Appellate Tribunal (ITAT), with direction to the tax authorities that the allocation of financial cost has to be made by taking into account the 'cost of investment' rather than 'gross turnover'. Further the holding company has made representation before Federal Board of Revenue for necessary clarification and has also referred the above matter to Alternate Dispute Resolution Committee (ADRC), a mechanism available to provide an opportunity to tax payer for an easy and efficient resolution of dispute.

An appeal has been filed with the Commissioner of Income Tax (Appeals) for the tax years 2004 to 2009. The holding company has already made provision of Rs. 618 million on that issue against the demand for the above-mentioned years based on cost of investment. The management is confident that the ultimate outcome of the appeal would be in favor of the holding company inter alia on the basis of the advice of the tax consultants and the relevant law and the facts.

12.3 Other commitments

12.3 Other commitments	June 30, 2010	December 31, 2009
(Rupees in '000)		
Commitment - acquisition of software	28,644	48,817
Undisbursed sanctions for financial assistance in the form of:		
- equity participation	166,220	166,220
- loans and advances	468,266	317,945
	<u>663,130</u>	<u>532,982</u>

13. 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, 2010						
Total income - gross	304,823	733,943	-	534,548	9,948	1,583,262
Total mark-up / return / interest expense	(101,716)	(591,855)	-	-	-	(693,571)
Segment provision / impairment / unrealised losses	9,158	-	-	(22,279)	-	(13,121)
	<u>(92,558)</u>	<u>(591,855)</u>	<u>-</u>	<u>(22,279)</u>	<u>-</u>	<u>(706,692)</u>
Net operating income	<u>212,265</u>	<u>142,088</u>	<u>-</u>	<u>512,269</u>	<u>9,948</u>	876,570
Administrative expenses and other charges						<u>(160,845)</u>
Profit before taxation						<u>715,725</u>
Half year ended June 30, 2010						
Segment assets - net	5,281,621	14,720,154	-	5,755,334	394,346	26,151,455
Segment non-performing loans	1,668,188	-	-	-	-	1,668,188
Segment provision required and held	1,385,231	-	-	-	-	1,385,231
Segment liabilities	1,967,973	13,059,062	-	-	57,102	15,084,137
Segment return on net assets (ROA) % *	14.15%	12.42%	-	13.98%	1.35%	
Segment cost of funds (%) *	11.30%	12.16%	-	-	-	

* Based on daily average assets and funds.

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
	(Rupee in '000)					
Half year ended June 30, 2009						
Total income - gross	257,940	608,492	443	800,326	10,030	1,677,231
Total mark-up / return / interest expense	(141,598)	(316,047)	-	-	-	(457,645)
Segment provision / impairment / unrealised gains	(278,051)	-	-	(166,966)	-	(445,017)
	<u>(419,649)</u>	<u>(316,047)</u>	<u>-</u>	<u>(166,966)</u>	<u>-</u>	<u>(902,662)</u>
Net operating (loss) / income	<u>(161,709)</u>	<u>292,445</u>	<u>443</u>	<u>633,360</u>	<u>10,030</u>	774,569
Administrative expenses and other charges						<u>(128,236)</u>
Profit before taxation						<u>646,333</u>
Year ended December 31, 2009						
Segment assets - net	4,584,710	14,972,506	-	5,678,006	667,558	25,902,780
Segment non-performing loans	1,693,697	-	-	-	-	1,693,697
Segment provision required and held	1,395,656	-	-	-	-	1,395,656
Segment liabilities	1,931,927	12,757,835	-	-	457,475	15,147,237
Segment return on net assets (ROA) %	13.10%	14.32%	-	13.70%	4.64%	-
Segment cost of funds (%)	11.84%	13.70%	-	-	-	-

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

14. RELATED PARTY TRANSACTIONS

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

The company 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, 2010 (Rupees in '000)	Six months period ended June 30, 2009
Expenses charged to an associate	7,494	8,047
Expenses charged by		
- associates	1,148	2,649
- other related party	6,473	9,021
Mark-up earned on bank deposit with an associate	566	351
Mark-up earned on loans and advances		
- associates	-	1,088
- key management personnel	31	-
Mark-up expense on COIs of related parties	7,701	163
Contribution made to provident fund	3,506	2,564
Contribution made to gratuity fund	4,872	5,465
	June 30, 2010	December 31, 2009
	(Rupees in '000)	
Loans and advances to key management personnel		
Balance as at January 1	22,523	6,704
Disbursement during the period / year	15,000	19,000
Recovery during the period / year	(8,252)	(3,181)
	6,748	15,819
Balance as at	29,271	22,523
Bank balances with an associate	27,687	57,089
Mark-up receivable on bank deposit with an associate	75	297
Deposits / COIs from associate & other related party	127,500	102,500
Mark-up payable to associate & other related party	7,860	4,160
Investments in		
- associates	4,396,348	4,111,632
- other related parties	500	500
Commitments for investment in equity of / loan to associates	166,220	166,220

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 Wealth Management, Head of Compliance, Head of Internal Audit and the Head of Human Resources. Their salaries and other benefits amount to Rs. 27.157 million (June 30, 2009: Rs. 25.458 million) and staff retirement benefits amount to Rs. 1.570 million (June 30 2009: Rs. 0.945 million).

15. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 15.11.2009

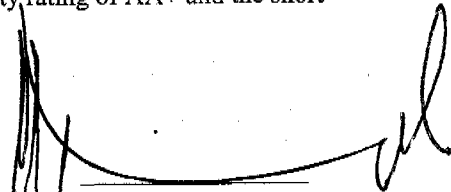
16. GENERAL

16.1. The figures have been rounded off to nearest thousand rupees.

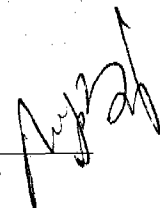
16.2. The JCR-VIS Credit Rating Company Limited has maintained long term credit ratings of AAA (Triple A) and the short term rating of A1+(A one plus) for the holding company. The Pakistan Credit Rating Agency (PACRA) has maintained the long-term entity rating of AA+ and the short term rating at A1+(A one plus).



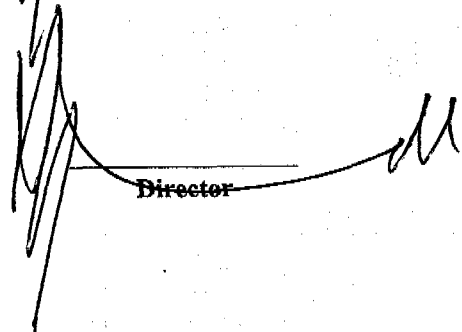
Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director