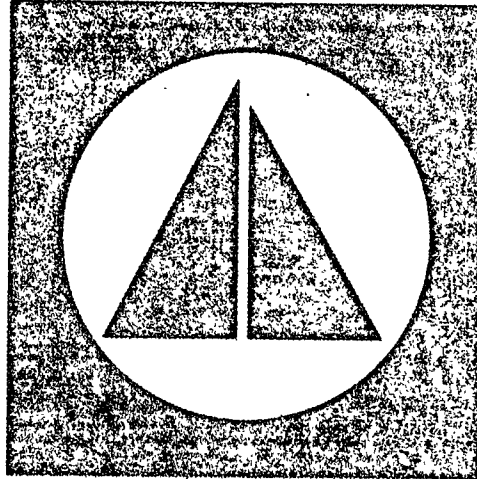


**CONSOLIDATED  
CONDENSED  
INTERIM FINANCIAL INFORMATION  
(UN AUDITED)**

**FOR THE THREE MONTHS PERIOD ENDED  
MARCH 31, 2009**



**Pak Kuwait**

**Pakistan Kuwait Investment Company (Private) Limited**

**الشركة الباكستانية الكويتية للاستثمار (الخاصة) المحدودة**

Pakistan Kuwait Investment Company (Private) Limited  
Consolidated Condensed Interim Balance Sheet - (Un-audited)


As at March 31, 2009

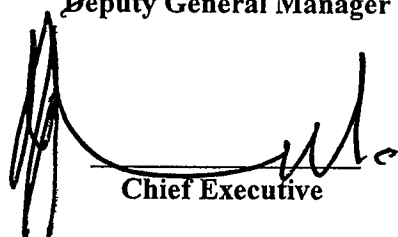
	Note	March 31, 2009	December 31, 2008 Audited
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks		40,646	17,179
Balances with other banks		1,401,041	2,801,102
Lendings to financial institutions		919,122	500,000
Investments	6	11,701,105	9,417,329
Advances	7	3,119,236	3,358,935
Other assets		257,141	163,113
Intangible assets		37,750	37,750
Operating fixed assets	8	113,594	109,488
Deferred tax asset		40,649	1,820
		<b>17,630,284</b>	<b>16,406,716</b>
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings from financial institutions	9	5,910,343	6,370,782
Deposits and other accounts	10	1,140,951	37,500
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liability		-	-
Other liabilities		811,333	752,459
		<b>7,862,627</b>	<b>7,160,741</b>
<b>NET ASSETS</b>		<b>9,767,657</b>	<b>9,245,975</b>
<b>REPRESENTED BY</b>			
Share capital		6,000,000	6,000,000
Reserves		3,288,822	6,447,712
Unappropriated profit / (accumulated loss)		237,641	(3,142,880)
		<b>9,526,463</b>	<b>9,304,832</b>
Surplus / (deficit) on revaluation of 'available-for-sale' securities - net of tax		241,194	(58,857)
		<b>9,767,657</b>	<b>9,245,975</b>

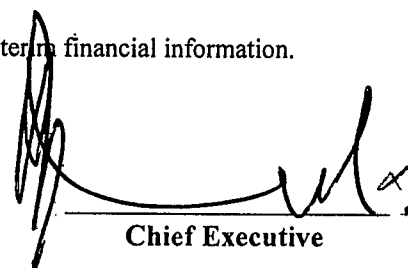
**CONTINGENCIES AND COMMITMENTS**

11

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

  
Deputy General Manager

  
Chief Executive

  
Chief Executive

  
Director

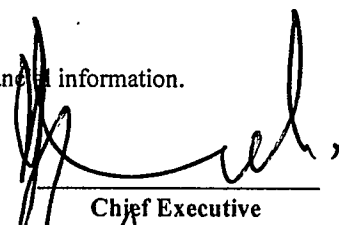
**Pakistan Kuwait Investment Company (Private) Limited**  
**Consolidated Condensed Interim Profit and Loss Account (Un-audited)**  
*For the three months period ended March 31, 2009*


	Three months period ended March 31, 2009	Three months period ended March 31, 2008
	(Rupees in '000)	
Mark-up / return / interest earned	396,252	326,419
Mark-up / return / interest expensed	188,480	181,603
Net mark-up / interest income	<u>207,772</u>	<u>144,816</u>
Provision against non-performing advances - net	85,181	16,809
Provision for diminution / impairment in the value of investments	147,032	-
Net mark-up / interest (loss) / income after provisions	<u>(24,441)</u>	<u>128,007</u>
<b>NON MARK-UP / INTEREST INCOME</b>		
Fee, commission and brokerage income	213	1,282
Dividend income	24,226	31,290
Gain on sale of securities - net	186,241	188,652
Income from dealing in foreign currencies	-	-
Unrealised (deficit) / surplus on revaluation of 'held for trading' securities	(1,574)	27,305
Unrealised deficit on revaluation of 'derivative instruments'	-	(1,168)
Share in results of associates - net	165,141	113,546
Other income	7,072	5,056
Total non mark-up / interest income	<u>381,319</u>	<u>365,963</u>
<b>NON MARK-UP / INTEREST EXPENSES</b>		
Administrative expenses	63,591	77,832
Other charges	203	-
Total non mark-up / interest expenses	<u>63,794</u>	<u>77,832</u>
Extra ordinary / unusual items	-	-
<b>PROFIT BEFORE TAXATION</b>	<u>293,084</u>	<u>416,138</u>
Taxation		
- Current	103,356	105,854
- Prior years	-	-
- Deferred	(31,903)	19,577
<b>PROFIT AFTER TAXATION</b>	<u>71,453</u>	<u>125,431</u>
	<u>221,631</u>	<u>290,707</u>
<b>Basic and diluted earnings per share</b> <b>(On share of Rs. 25,000 each)</b>	<b>(Rupees)</b> <u>923</u>	<u>1,211</u>

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

  
Deputy General Manager

  
Chief Executive

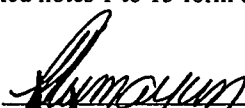
  
Chief Executive

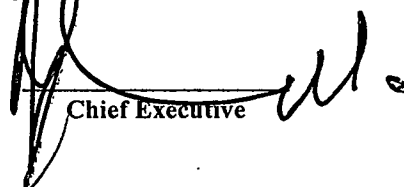
  
Director

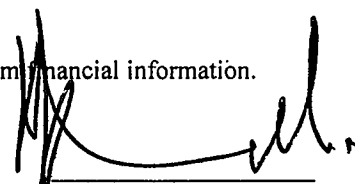
**Pakistan Kuwait Investment Company (Private) Limited**  
**Consolidated Condensed Interim Cash Flow Statement (Un-audited)**  
*For the three months period ended March 31, 2009*

	Three months period ended March 31, 2009	Three months period ended March 31, 2008
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	293,084	416,138
Less: Dividend income	(24,226)	(31,290)
	<u>268,858</u>	<u>384,848</u>
Adjustments for:		
Depreciation	2,663	4,464
Unrealised deficit / (surplus) on revaluation of 'held for trading' securities	1,574	(27,305)
Provision against non-performing advances - net	85,181	16,809
Provision for diminution in the value of investments	147,032	-
Gain on sale of operating fixed assets	(1,067)	(94)
	<u>235,383</u>	<u>(6,126)</u>
	504,241	378,722
Decrease / (increase) in operating assets		
Lendings to financial institutions	(419,122)	2,103,366
'Held for trading' securities	75,608	(87,958)
Advances	154,518	78,237
Others assets	(78,932)	(65,173)
	<u>(267,928)</u>	<u>2,028,472</u>
(Decrease) / increase in operating liabilities		
Borrowings from financial institutions	(460,439)	(3,180,756)
Deposits	1,103,451	(1,870,000)
Other liabilities (excluding current taxation)	(25,368)	115,744
	<u>617,644</u>	<u>(4,935,012)</u>
	853,957	(2,527,818)
Income tax paid	(19,114)	(11,535)
<i>Net cash inflows / (outflows) from operating activities</i>	<u>834,843</u>	<u>(2,539,353)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in 'available-for-sale' securities / subsidiaries	(2,214,865)	(109,571)
Dividend received	9,130	9,971
Investments in operating fixed assets	(16,954)	(1,279)
Sale proceeds from sale of operating fixed assets	11,252	94
<i>Net cash inflows / (outflows) from investing activities</i>	<u>(2,211,437)</u>	<u>(100,785)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	-
<i>Net cash inflows / outflows from financing activities</i>	<u>-</u>	<u>-</u>
<b>Decrease in cash and cash equivalents</b>	<u>(1,376,594)</u>	<u>(2,640,138)</u>
Cash and cash equivalents at beginning of the year	2,818,281	5,388,439
Cash and cash equivalents at end of the year	<u>1,441,687</u>	<u>2,748,301</u>

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

  
 Deputy General Manager

  
 Chief Executive

  
 Chief Executive

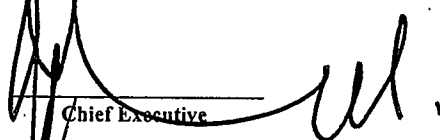
  
 Director


Pakistan Kuwait Investment Company (Private) Limited  
 Consolidated Condensed Interim Statement of Changes in Equity (Un-audited)  
 For the three months period ended March 31, 2009

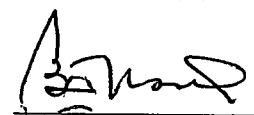
	Share capital	Reserves			Unappropriated profit / (Accumulated loss)	Total
		Statutory	Tax	Revenue		
----- (Rupees in '000) -----						
Balance as at January 01, 2008	6,000,000	3,288,822	80,045	2,422,404	2,462,154	14,253,425
Profit for the three months period January 01 to March 31, 2008	-	-	-	-	290,707	290,707
Transfer to statutory reserve	-	38,369	-	-	(38,369)	-
Final dividend for the year ended December 31, 2007 @ Rs. 2,000 per share approved subsequent to year end	-	-	-	-	(480,000)	(480,000)
Transfer to contingencies reserve	-	-	-	42,086	(42,086)	-
Transfer to marketable and government securities reserve	-	-	(80,045)	694,400	(614,355)	-
<b>Balance as at March 31, 2008</b>	<u>6,000,000</u>	<u>3,327,191</u>	<u>-</u>	<u>3,158,890</u>	<u>1,578,051</u>	<u>14,064,132</u>
Balance as at January 01, 2009	6,000,000	3,288,822	-	3,158,890	(3,142,880)	9,304,832
Profit for the three months period January 01 to March 31, 2009	-	-	-	-	221,631	221,631
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	-
<b>Balance as at March 31, 2009</b>	<u>6,000,000</u>	<u>3,288,822</u>	<u>-</u>	<u>-</u>	<u>237,641</u>	<u>9,526,463</u>

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

  
 Deputy General Manager

  
 Chief Executive

  
 Chief Executive

  
 Director

**Pakistan Kuwait Investment Company (Private) Limited**  
**Notes to the Consolidated Condensed Interim Financial Information (Un-audited)**  
*For the three months period ended March 31, 2009*

**1. STATUS AND NATURE OF BUSINESS**

Pakistan Kuwait Investment Company (Private) Limited ("the 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 company is a 50:50 joint venture between the Governments of Pakistan and Kuwait. The objective of the 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, Plexus (Private) Limited, Pak Kuwait Takaful Company Limited, Falcon Greenwood (Private) Limited, The General Tyre and Rubber Company of Pakistan Limited, Al Meezan Investment Management Limited, Al Meezan Mutual Fund Limited, Meezan Islamic Income Fund, Meezan Balance Fund, National Commodity Exchange Limited, and National Clearing Company Limited.

**2. BASIS OF PRESENTATION**

These consolidated interim financial statements are presented in a condensed form in accordance with the requirements of Approved Accounting Standards as applicable in Pakistan for Interim Financial Reporting. These consolidated condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the financial statements of the company for the year ended December 31, 2008.

**3. ESTIMATES**

The preparation of consolidated condensed interim 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 judgments made by the management in applying the accounting policies and key sources of estimation uncertainty were the same as those applied to financial statements for the year ended December 31, 2008. With respect to impairment of available for sale equity investments, had the decline in the market value of all 'available for sale securities below cost considered as impairment, the company would be required to make an additional provision of Rs.36.156 million at the period end.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the purpose of these condensed interim financial statement are the same as those applied in preparation of annual financial statements for the year ended December 31, 2008

**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, 2008.

## 6. INVESTMENTS

### 6.1 Investments by type

	March 31, 2009			December 31, 2008		
	Held by the company	Given as collateral	Total	Held by the company	Given as collateral	Total
	(Rupees in '000)					
<b>Held for trading securities</b>						
Shares of listed companies	46,692	-	46,692	421,790	-	421,790
<b>Available-for-sale securities</b>						
Market treasury bills	2,184,157	3,908,206	6,092,363	605,632	3,349,317	3,954,949
Shares of listed companies	4,386,723	-	4,386,723	6,238,617	-	6,238,617
Shares of unlisted companies	119,573	-	119,573	151,546	-	151,546
Listed preference shares	92,283	-	92,283	96,003	-	96,003
Listed term finance certificates	410,087	-	410,087	124,341	-	124,341
Unlisted term finance certificates	58,333	-	58,333	93,958	-	93,958
<b>Associates</b>	2,886,836	-	2,886,836	2,721,695	-	2,721,695
<b>Total investments - at cost</b>	<b>10,184,684</b>	<b>3,908,206</b>	<b>14,092,890</b>	<b>10,453,582</b>	<b>3,349,317</b>	<b>13,802,899</b>
Less: Provision for diminution in the value of investments	(2,624,875)	-	(2,624,875)	(4,026,046)	-	(4,026,046)
<b>Total investments - net of provisions</b>	<b>7,559,809</b>	<b>3,908,206</b>	<b>11,468,015</b>	<b>6,427,536</b>	<b>3,349,317</b>	<b>9,776,853</b>
(Deficit) on revaluation of 'held for trading' securities	(1,574)	-	(1,574)	(301,064)	-	(301,064)
Surplus / (deficit) on revaluation of 'available-for-sale' securities	250,396	(15,732)	234,664	(59,621)	1,161	(58,460)
<b>Total investments</b>	<b>7,808,631</b>	<b>3,892,474</b>	<b>11,701,105</b>	<b>6,066,851</b>	<b>3,350,478</b>	<b>9,417,329</b>

### 6.1 Investments by segments

	March 31, 2009	December 31, 2008
	(Rupees in '000)	
Government securities	6,073,962	3,956,336
Quoted securities	5,185,357	4,988,996
Unquoted securities	441,786	471,997
	<b>11,701,105</b>	<b>9,417,329</b>

## 7 ADVANCES

### In Pakistan

Advances	2,576,596	2,685,896
Net investment in finance leases	1,496,250	1,583,220
	<b>4,072,846</b>	<b>4,269,116</b>
Provision for non-performing advances	(953,610)	(910,181)
<b>Advances net of provision</b>	<b>3,119,236</b>	<b>3,358,935</b>

- 7.1 Advances include Rs.1,507.510 million (December 31, 2008: Rs 1,278.058 million) which have been placed under under non performing status as detailed below:

Category of classification	Domestic	Overseas	Total	Provision Required	Provision Held
	(Rupees in '000)				
Substandard	453,306	-	453,306	113,327	113,327
Doubtful	427,841	-	427,841	213,920	213,920
Loss	626,363	-	626,363	626,363	626,363
	<u>1,507,510</u>	<u>-</u>	<u>1,507,510</u>	<u>953,610</u>	<u>953,610</u>

- 7.2 Particulars of provision for non-performing advances - Specific

	March 31, 2009	December 31, 2008
	(Rupees in '000)	
Opening balance	910,181	338,539
Charge for the quarter	100,493	607,032
Reversals	(15,312)	(35,390)
Amounts written off against provisions	85,181	571,642
Closing balance	<u>(41,752)</u>	<u>-</u>
	<u>953,610</u>	<u>910,181</u>

## 8. OPERATING FIXED ASSETS

Following additions have been made to tangible fixed assets:-

	Three Months period ended March 31, 2009	Three Months period ended March 31, 2008
	(Rupees in '000)	
Office furniture, fixture, equipment and computers	151	704
Vehicles	6,876	576
	<u>7,027</u>	<u>1,280</u>

## 9. BORROWINGS FROM FINANCIAL INSTITUTIONS

	March 31, 2009	December 31, 2008
	(Rupees in '000)	
<b>Secured</b>		
Repurchase agreement borrowings	9.1 4,014,343	3,351,634
Term finance certificates (TFCs)	9.2 1,550,000	1,650,000
Borrowing from SBP under LTF-EOP	9.3 346,000	369,148
<b>Unsecured</b>		
Term finance certificates (TFCs)	-	1,000,000
	<u>5,910,343</u>	<u>6,370,782</u>

- 9.1 The company has arranged borrowings from various financial institutions against sale and repurchase of government securities. The mark-up on these finances is 10.25 to 14.95 (December 31, 2008: 11% to 14.9%) percent per annum with maturity of one day to thirty two days (December 31, 2008 : three days to six 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 company. The rate of profit is 3 months KIBOR ask rate plus basis points ranges from 50 to 65 (December 31, 2008: 65) basis points. As at March 31, 2009 the effective rate ranges between 12.90 to 16.15 (December 31, 2008: 15.81 and 16.15) percent per annum.



- 9.3 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 State Bank of Pakistan 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.

The sanctioned limit was Rs. 1,000 million. The outstanding balance under swap arrangement amounts to Rs 345.999 million as at March 31, 2009 (December 31, 2008: Rs 369.148 million).

**10. DEPOSITS AND OTHER ACCOUNTS**

		March 31, 2009	December 31, 2008
(Rupees in '000)			
<b>Certificates of investment (COIs) / deposits</b>			
Financial institutions	10.1	1,000,000	-
Others	10.1	140,951	37,500
		<u>1,140,951</u>	<u>37,500</u>

- 10.1 The profit rates on these COIs range between 11.75 to 14.03 (December 31, 2008: 9.75 to 14.03) percent per annum. The COIs are due for maturity between April 02, 2009 and March 22, 2010 (December 31, 2008: January 19, 2009 and March 22, 2010). Included in COIs is an amount of Rs. 140.951 million (December 31, 2008 :Rs. 35 million) payable within twelve months. All COIs /deposits are in local currency.

**11. CONTINGENCIES AND COMMITMENTS**

**11.1 Other contingencies**

		March 31, 2009	December 31, 2008
(Rupees in '000)			
Direct credit substitute – guarantee issued		<u>1,550</u>	<u>1,550</u>

- 11.2 There is no change in status of other contingencies as disclosed in the financial statements for the year ended December 31, 2008

**11.3 Other commitments**

		March 31, 2008	December 31, 2008
(Rupees in '000)			
Undisbursed sanctions for financial assistance in the form of			
- equity participation		683,220	1,135,100
- loans and advances		186,508	200,936
		<u>869,728</u>	<u>1,336,036</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)						
<b>Three months period ended March 31, 2009</b>						
Total income - gross	154,543	285,668	-	333,098	5,836	779,145
Total mark-up / return / interest expense	(86,169)	(102,311)	-	-	-	(188,480)
Segment provision / impairment / unrealised losses	(79,583)	-	-	(154,204)	-	(233,787)
Net operating (loss) / income	(165,752)	(102,311)	-	(154,204)	-	(422,267)
Administrative expenses and other charges	(11,209)	183,357	-	178,894	5,836	356,878
Profit before taxation						63,794
						293,084
Segment assets - net	3,857,396	9,183,634	-	3,981,081	608,173	17,630,284
Segment non-performing loans	1,508,134	-	-	-	-	1,508,134
Segment provision required and held	953,610	-	-	-	-	953,610
Segment liabilities	1,898,187	5,155,294	-	-	809,146	7,862,627
Segment return on net assets (ROA) %	13.23	15.26	-	22.05	2.53	-
Segment cost of funds (%)	13.20	11.01	-	-	-	-

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
(Rupee in '000)						
<b>Three months period ended March 31, 2008</b>						
Total income - gross	152,435	206,069	650	304,331	2,760	666,245
Total mark-up / return / interest expense	(131,653)	(49,950)	-	-	-	(181,603)
Segment provision / impairment / unrealised gains	(16,809)	(1,168)	-	27,305	-	9,328
Net operating income	(148,462)	(51,118)	-	27,305	-	(172,275)
Administrative expenses and other charges	3,973	154,951	650	331,636	2,760	493,970
Profit before taxation						(77,832)
						416,138
<b>Year ended December 31, 2008</b>						
Segment assets - net	4,066,535	7,732,843	-	4,247,881	359,457	16,406,716
Segment non-performing loans	1,278,058	-	-	-	-	1,278,058
Segment provision required and held	910,181	-	-	-	-	910,181
Segment liabilities	3,019,148	3,389,134	-	-	752,459	7,160,741
Segment return on net assets (ROA) %	11.55	10.56	-	12.04	1.16	-
Segment cost of funds (%)	10.11	9.69	-	-	-	-

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

### 13. RELATED PARTY TRANSACTIONS

The company 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.

	Three Months period ended March 31, 2009 (Rupees in '000)	Three Months period ended March 31, 2008
Expenses charged to an associate	4,150	2,566
Expenses charged by		
- associates	639	171
- other related party	4,978	5,642
Dividend income from other related parties	-	8,681
Mark-up earned on placement/COI/with an associates	-	275
Mark-up earned on loans and advances		
- associates	563	1,175
- other related party	-	3,498
Mark-up expense on COIs of related parties	174	63
Contribution made to provident fund	1,300	1,318
Contribution made to gratuity fund	2,733	1,743
	March 31, 2009	December 31, 2008
Placements / COIs with an associate		
Balance as at January 1	-	35,684
Deletion during the year	-	(47,205)
Recovery during the year	-	11,521
Balance as at	-	(35,684)
Loans and advances to key management personnel		
Balance as at January 1	3,754	14,618
Disbursement during the period / year	-	-
Recovery during the period / year	(3,754)	(10,864)
Balance as at	(3,754)	(10,864)
Advances to associates / other related parties / subsidiaries	12,500	12,500
Mark-up receivable on placement / COI / leases & loans and advances		
- with associates	612	49
- other related parties	-	-
Bank balances with an associate	6,021	6,906
Mark-up payable to other related party	9	97
Investments in associates		
- associates	2,886,836	2,721,695
- other related parties	500	500
Commitments for investment in equity of subsidiaries / associates	683,220	1,135,100

**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 Market & Treasury, Head of Compliance, Head of Internal Audit and the Head of Human Resources. Their salaries and other Benefits amount to Rs.11.065 million (March 31, 2008: Rs.9.617 million) and staff retirement benefits amounted to Rs. 0.471 million (March 31, 2008: Rs.0.864 million)

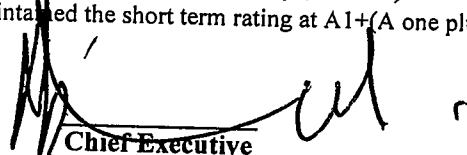
**14. DATE OF AUTHORISATION FOR ISSUE**


These Consolidated condensed interim financial information were authorised for issue in the Board of Directors meeting held on April 26, 2009.

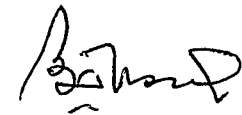
**15. GENERAL**

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 company. The Pakistan Credit Rating Agency (PACRA) has made an adjustment in the long-term entity rating to AA+, while maintained the short term rating at A1+(A one plus).

  
Deputy General Manager

  
Chief Executive

  
Chief Executive

  
Director