



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

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

For the three months period ended March 31, 2015

Pakistan Kuwait Investment Company (Private) Limited
Condensed Interim Statement of Financial Position

As at March 31, 2015

	Note	March 31, 2015 (Un -Audited)	December 31, 2014 (Audited)
ASSETS			
Cash and balances with treasury banks		53,681	53,667
Balances with other banks		26,429	20,335
Lendings to financial institutions		-	28,000
Investments	6	21,260,214	20,901,562
Advances	7	2,726,721	2,797,928
Operating fixed assets		189,663	188,609
Deferred tax assets		-	-
Other assets		596,611	644,072
		24,853,319	24,634,173
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	8	4,051,616	3,557,518
Deposits and other accounts	9	28,500	397,790
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		493,212	647,311
Other liabilities		965,554	415,874
		5,538,882	5,018,493
NET ASSETS		19,314,437	19,615,680
REPRESENTED BY			
Share capital		6,000,000	6,000,000
Reserves		5,200,005	5,200,005
Unappropriated profit		7,234,720	7,312,036
		18,434,725	18,512,041
Surplus on revaluation of 'available-for-sale' securities - net of tax	10	879,712	1,103,639
		19,314,437	19,615,680
CONTINGENCIES AND COMMITMENTS	11		

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


Deputy General Manager / Chief Financial Officer


Chief Executive


Director


Director

Pakistan Kuwait Investment Company (Private) Limited

Condensed Interim Profit and Loss Account - (Un-audited)

For the three months period ended March 31, 2015

	Three months period ended March 31, 2015	Three months period ended March 31, 2014
	------(Rupees in '000)-----	
Mark-up / return / interest earned	311,423	369,303
Mark-up / return / interest expensed	<u>90,158</u>	<u>163,861</u>
Net mark-up / interest income	221,265	205,442
(Reversal of provision) against non-performing loans and advances - net	(16,100)	(8,619)
(Reversal of provision) for diminution / impairment in the value of investments	-	(531)
Bad debts written off directly	-	-
	<u>(16,100)</u>	<u>(9,150)</u>
Net mark-up / interest income after provisions	237,365	214,592
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	144	750
Dividend income	119,843	71,161
Income from dealing in foreign currencies	-	-
Gain on sale of securities	112,582	197,407
Unrealised gain / (loss) on revaluation of 'held-for-trading' securities	94	(1,506)
Share in results of associates - net	241,746	461,328
Other income	6,201	6,592
Total non mark-up / interest income	480,610	735,732
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	110,151	143,119
Other charges	-	-
Total non mark-up / interest expenses	110,151	143,119
Extra ordinary / unusual items	-	-
PROFIT BEFORE TAXATION	607,824	807,205
Taxation		
- Current	113,746	91,706
- Prior years	-	-
- Deferred	(28,606)	36,036
	<u>85,140</u>	<u>127,742</u>
PROFIT AFTER TAXATION	<u>522,684</u>	<u>679,463</u>
	-----Rupees-----	
Basic and diluted earning per share (On share of Rs. 25,000 each)	<u>2,178</u>	<u>2,831</u>

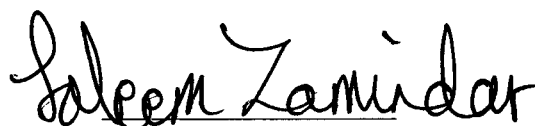
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Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director

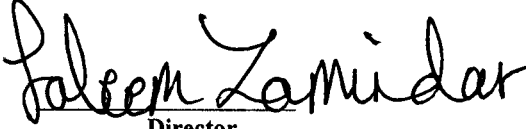
Pakistan Kuwait Investment Company (Private) Limited
 Condensed Interim Statement of Comprehensive Income (Un-audited)
 For the three months period ended March 31, 2015

Note	Three months period ended March 31, 2015	Three months period ended March 31, 2014
	----- (Rupees in '000) -----	
Profit for the period	522,684	679,463
Other comprehensive income		
Not to be reclassified to profit and loss account in subsequent periods		
Remeasurement of defined benefit plan	-	-
Comprehensive income transferred to equity	<u>522,684</u>	<u>679,463</u>
Component of comprehensive income not transferred to equity		
Share of other comprehensive income of associates	6.2 (140,890)	241,130
Deferred tax on share of other comprehensive income of associates	14,896	(24,416)
(Deficit) on revaluation of 'available for sale' securities	(198,302)	(21,888)
Deferred tax on surplus on revaluation of 'available-for-sale' securities	100,369	(29,259)
Total comprehensive income for the period	<u><u>298,757</u></u>	<u><u>845,030</u></u>

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 Deputy General Manager / Chief Financial Officer


 Chief Executive


 Director


 Director

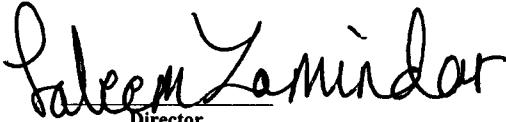
Pakistan Kuwait Investment Company (Private) Limited
 Condensed Interim Statement of Changes in Equity - (Un-audited)
 For the three months period ended March 31, 2015

	Share Capital	Reserve Statutory	Non-distributable Reserve	Capital Market Equalization Reserve	Unappropriated profit	Total
(Rupees in '000)						
Balance as at January 01, 2014	6,000,000	3,553,438	-	-	6,126,502	15,679,940
Profit for the three months period ended March 31, 2014	-	-	-	-	679,463	679,463
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	679,463	679,463
Transactions with the owners of the Company						
Dividend for the year ended December 31, 2013 @ Rs 2,812.5 per share approved subsequent to year end	-	-	-	-	(675,000)	(675,000)
Balance as at March 31, 2014	6,000,000	3,553,438	-	-	6,130,965	15,684,403
Balance as at January 01, 2015	6,000,000	4,088,974	843,263	267,768	7,312,036	18,512,041
Profit for the three months period ended March 31, 2015	-	-	-	-	522,684	522,684
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	522,684	522,684
Transactions with the owners of the Company						
Dividend for the year ended December 31, 2014 @ Rs 2,500 per share approved subsequent to year end	-	-	-	-	(600,000)	(600,000)
Balance as at March 31, 2015	6,000,000	4,088,974	843,263	267,768	7,234,720	18,434,725

The annexed notes 1 to 15 form an integral part of the condensed interim financial information


 Deputy General manager / Chief Financial Officer


 Chief Executive


 Director


 Director

Pakistan Kuwait Investment Company (Private) Limited
Condensed Interim Cash Flow Statement (Un-audited)

For the three months period ended March 31, 2015

	March 31, 2015	March 31, 2014
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	607,824	807,205
Less: Dividend income	119,843	71,161
	<u>487,981</u>	<u>736,044</u>
Adjustments for:		
Depreciation	2,210	3,277
Amortization	3,245	3,140
(Reversal of provision) against non-performing loans and advances - net	(16,100)	(8,619)
Reversal of provision for diminution / impairment in the value of investments	-	(531)
Unrealised loss on revaluation of 'held for trading' securities	(94)	1,506
Share in results of associates - net	(241,746)	(461,328)
Dividend Payable	(600,000)	-
Gain on disposal of operating fixed assets	(541)	-
	<u>(853,026)</u>	<u>(462,555)</u>
	<u>(365,045)</u>	<u>273,489</u>
Decrease in operating assets		
Lendings to financial institutions	28,000	5,824,062
'Held-for-trading' securities	(15,616)	(20,676)
Advances	87,307	(531,843)
Others assets (excluding advance taxation)	111,192	(143,418)
	<u>210,883</u>	<u>5,128,125</u>
Increase in operating liabilities		
Borrowings from financial institutions	494,098	6,149,426
Deposits and other accounts	(369,290)	55,444
Other liabilities (excluding current taxation)	549,680	46,123
	<u>674,488</u>	<u>6,250,993</u>
	<u>520,326</u>	<u>11,652,607</u>
Income tax paid	(74,724)	(10,127)
<i>Net cash inflow from operating activities</i>	<u>445,602</u>	<u>11,642,480</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in 'available-for-sale' securities	(822,523)	(10,995,751)
Net investment in associates	-	-
Net investment in 'held-to-maturity' securities	(4,121)	(3,663)
Dividend income received	393,119	37,194
Investments in operating fixed assets	(8,019)	(3,791)
Sale proceeds of operating fixed assets	2,050	-
<i>Net cash (outflow) from investing activities</i>	<u>(439,494)</u>	<u>(10,966,011)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	(675,000)
<i>Net cash used in financing activities</i>	<u>-</u>	<u>(675,000)</u>
Increase in cash and cash equivalents	<u>6,108</u>	<u>1,469</u>
Cash and cash equivalents at beginning of the period	<u>74,002</u>	<u>58,356</u>
Cash and cash equivalents at end of the period	<u><u>80,110</u></u>	<u><u>59,825</u></u>

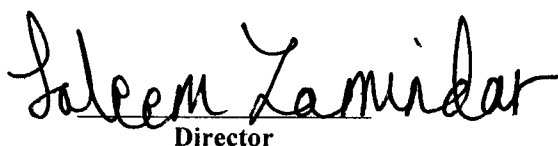
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Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director

Pakistan Kuwait Investment Company (Private) Limited
Notes to the Condensed Interim Financial Information (Un-audited)

For the three months period ended March 31, 2015

1. STATUS AND NATURE OF BUSINESS

- 1.1 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 has one representative office in Lahore. 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.

2. BASIS OF PRESENTATION

- 2.1 The condensed interim financial information has 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 condensed interim financial information should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2014.

3. STATEMENT OF COMPLIANCE

- 3.1 The condensed interim financial information has 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 where requirements differ, the provisions of or 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 and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in preparation of financial statements for the year ended December 31, 2014, except for the following standards, which became effective during the period:

IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities', IFRS 13 'Fair Value Measurements' and amendments to IFRS 10, IFRS 11 and IFRS 12 'Transition Guidance'. IFRS 10 and 11 is required to be applied retrospectively, while IFRS 12 and 13 are required to be applied prospectively. These standards became applicable from January 1, 2015, as per the adoption status of IFRS in Pakistan.

IFRS 10 replaces the current guidance on consolidation in IAS 27 Consolidated and Separate Financial Statements. It introduces a single model of assessing control whereby an investor controls an investee when it has the power, exposure to variable returns and the ability to use its power to influence the returns of the investee. IFRS 10 also includes specific guidance on de facto control, protective rights and the determination of whether a decision maker is acting as principal or agent, all of which influence the assessment of control. The application of IFRS 10 does not have a material impact on the financial statements of the Company.

IFRS 11 replaces IAS 31 Interests in Joint Ventures. It requires all joint ventures to be equity accounted thereby removing the option in IAS 31 for proportionate consolidation. It also removes the IAS 31 concept of jointly controlled assets. The application of IFRS 11 does not have a material impact on the financial statements of the Company.

IFRS 12 prescribes additional disclosures around significant judgements and assumptions made in determining whether an entity controls another entity and has joint control or significant influence over another entity. The standard also requires disclosures on the nature and risks associated with interests in unconsolidated structured entities. The Company will present these disclosures in its financial statements for the year ending December 31, 2015.

IFRS 13 Fair Value Measurement, which consolidates the guidance on how to measure fair value, which was spread across various IFRS, into one comprehensive standard. It introduces the use of an exit price, as well as extensive disclosure requirements, particularly the inclusion of non-financial instruments into the fair value hierarchy. The application of IFRS 13 does not have a material impact on the financial statements of the Company.

5. FINANCIAL RISK MANAGEMENT / JUDGEMENTS AND ESTIMATES

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, 2014.

In preparing this interim financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2014.

6. INVESTMENTS

6.1 Investments by type

Note	March 31, 2015 (Un-audited)			December 31, 2014 (Audited)		
	Held by the Company	Given as collateral	Total	Held by the Company	Given as collateral	Total
	----- (Rupees in '000) -----					
Held for trading securities						
Shares of listed companies	15,616	-	15,616	-	-	-
Available for sale securities						
Market treasury bills	492,961	-	492,961	481,827	-	481,827
Pakistan investment bonds	5,237,461	622,367	5,859,828	5,238,122	613,310	5,851,432
Shares of listed companies	3,292,997	-	3,292,997	2,790,722	-	2,790,722
Shares of unlisted companies	110,226	-	110,226	110,226	-	110,226
Listed preference shares	55,029	-	55,029	55,029	-	55,029
Listed term finance certificates	300,000	-	300,000	-	-	-
Listed sukuk	236,375	-	236,375	236,375	-	236,375
Unlisted term finance certificates	617,563	-	617,563	617,562	-	617,562
	10,342,612	622,367	10,964,979	9,529,863	613,310	10,143,173
Held to maturity securities						
Unlisted Preference Shares	129,847	-	129,847	125,726	-	125,726
Associates	6.2	9,547,642	9,547,642	9,832,324	-	9,832,324
Total investments - at cost						
	20,035,717	622,367	20,658,084	19,487,913	613,310	20,101,223
Provision for diminution / impairment in the value of investments	(155,022)	-	(155,022)	(155,022)	-	(155,022)
Total investments - net of provisions	19,880,695	622,367	20,503,062	19,332,891	613,310	19,946,201
Surplus on revaluation of 'held for trading' securities	94	-	94	-	-	-
Surplus on revaluation of 'available for sale' securities	726,627	30,431	757,058	932,912	22,449	955,361
Total investments	20,607,416	652,798	21,260,214	20,265,803	635,759	20,901,562

6.2 Movement in investments in associates

	Three months period ended March 31, 2015 (Un-audited)	Three months period ended March 31, 2014 (Un-audited)
Investments at beginning of the period	9,832,324	7,354,069
Share in surplus on revaluation / reserves of associates	(140,890)	241,132
Share in remeasurement of defined benefits plans of associates -net of deferred tax	(9,511)	-
Share of profit from associates recognized in income statement	241,746	461,328
Dividends received from associates	(376,027)	(150,411)
Investments at end of period	9,547,642	7,906,118

6.3 For equity accounting purposes, the financial information of associates are taken as of December 31, 2014, being the latest available financial information.

6.4 The cost of investment in associates as at March 31, 2015 amounted to Rs. 2,064 million (December 31, 2014: Rs 2,093 million). Share in results of associates recorded under equity method of accounting, net of dividend and income taxes amounted to Rs (125) million (March 31, 2014: 267 million).

7. ADVANCES

In Pakistan

Note	March 31, 2015 (Un-audited)	December 31, 2014 (Audited)
	(Rupees in '000)	
Advances	3,425,477	3,467,870
Net investment in finance leases	849,751	894,665
	4,275,228	4,362,535
Provision for non-performing advances	7.2	(1,564,607)
Advances - net of provision	2,726,721	2,797,928

- 7.1 Advances include Rs.1,678.441 million (December 31, 2014: Rs 1,695.364 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	259,867	-	259,867	129,933	129,933
Loss	1,418,574	-	1,418,574	1,418,574	1,418,574
	<u>1,678,441</u>	<u>-</u>	<u>1,678,441</u>	<u>1,548,507</u>	<u>1,548,507</u>

7.2 Particulars of provision for non-performing advances - specific	Note	Three months	Year ended
		period ended March 31, 2015 (Un-audited)	December 31, 2014 (Audited)
		(Rupees in '000)	
Opening balance		1,564,607	1,733,766
Charge for the period / year		-	-
Reversals for the period / year		(16,100)	(169,159)
Amounts written off against provisions		(16,100)	(169,159)
Closing balance		<u>1,548,507</u>	<u>1,564,607</u>

8. BORROWINGS FROM FINANCIAL INSTITUTIONS

Secured		March 31,	December 31,
		2015 (Un-audited)	2014 (Audited)
		(Rupees in '000)	
Repurchase agreement borrowings - Government securities	8.1	628,593	620,170
Borrowing from SBP			
Under Long Term Facility - Export Oriented Project (LTF-EOP)	8.2	20,818	28,311
Under Long Term Finance Facility - (LTFF)	8.3	142,531	147,719
Under Finance Facility for Storage of Agricultural Produce (FFSAP)	8.4	9,674	11,318
Term Finance Facility	8.5	2,750,000	2,750,000
Unsecured			
Murabaha	8.6	500,000	-
		<u>4,051,616</u>	<u>3,557,518</u>

- 8.1 The Company has arranged borrowing from a financial institution against sale and repurchase of government securities. The mark-up on this finance ranges from 8.00 to 8.50 (December 31, 2014: 10.00) percent per annum with maturity in one to seven days (December 31, 2014 : two 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. The sanctioned limit was Rs. 1,000 million
- 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 one and a half 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. 300 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 Company has availed Long Term Finance facilities from two banks. The interest rates on these facilities range from 8.40 to 10.18 percent per annum (December 31, 2014: 10.14 and 10.73 percent per annum) with maturities between September 11, 2015 and June 25, 2018 (December 31, 2014: September 11, 2015 and June 25, 2018).
- 8.6 This represents finance obtained from an Islamic bank. The profit rate on the finance is 08.20 (December 31, 2014: Nil) percent per annum with maturity on April 01, 2015 (December 31, 2014: Nil).

9. DEPOSITS AND OTHER ACCOUNTS	Note	March 31, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
Certificates of investment (COIs) / deposits	9.1	28,500	397,790
9.1 The profit rates on these COIs / deposits range between 8.20 and 9.85 (December 31, 2014: 9.25 and 12.25) percent per annum. The COIs / deposits are due for maturity between April 01, 2015 and March 21, 2016 (December 31, 2014: February 09, 2015 and June 26, 2015).			
10. SURPLUS ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES - NET OF TAX		March 31, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
Federal government securities		356,183	256,560
Shares of listed companies		389,051	686,991
Listed sukuk		11,825	11,810
Share of surplus on revaluation held by associates		240,909	381,799
Deferred Tax		997,968	1,337,160
		(118,256)	(233,521)
		879,712	1,103,639
11. CONTINGENCIES AND COMMITMENTS			
11.1 Other contingencies			
There is no change in the status of other contingencies as disclosed in note 19.1 of the financial statements for the year ended December 31, 2014.			
11.2 Other commitments			
		March 31, 2015 (Un-audited) (Rupees in '000)	December 31, 2014 (Audited)
Undisbursed sanctions for financial assistance in the form of loans and advances		773,431	859,482
		773,431	859,482

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) -----						
Three months period ended March 31, 2015 - (Un-audited)						
Total income - gross	111,636	185,589	-	487,987	6,727	791,939
Total mark-up / return / interest expense	(71,298)	(18,860)	-	-	-	(90,158)
Segment provision / impairment / unrealised gain / losses	16,100	-	-	94	-	16,194
	(55,198)	(18,860)	-	94	-	(73,964)
Net operating income	56,438	166,729	-	488,081	6,727	717,975
Administrative expenses and other charges						(110,151)
Profit before taxation						607,824
Period ended March 31, 2015 - (Un-audited)						
Segment assets - net	4,974,617	6,910,734	-	12,368,358	599,610	24,853,319
Segment non-performing loans	1,678,441	-	-	-	-	1,678,441
Segment provision required and held	1,548,507	-	-	-	-	1,548,507
Segment liabilities	3,011,465	1,160,844	-	-	1,366,573	5,538,882
Segment return on net assets (ROA) % *	9.51%	10.89%	-	15.54%	4.49%	-
Segment cost of funds (%) *	9.43%	8.82%	-	-	-	-

* 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) -----						
Three months period ended March 31, 2014 - (Un-audited)						
Total income - gross	244,763	210,279	750	644,950	5,799	1,106,541
Total mark-up / return / interest expense	(129,392)	(34,469)	-	-	-	(163,861)
Segment provision / impairment / unrealised losses	9,150	-	-	(1,506)	-	7,644
	(120,242)	(34,469)	-	(1,506)	-	(156,217)
Net operating income	124,521	175,810	750	643,444	5,799	950,324
Administrative expenses and other charges						(143,119)
Profit before taxation						807,205
Period ended March 31, 2014 - (Un-audited)						
Segment assets - net	6,016,075	12,184,121	-	9,953,907	647,934	28,802,037
Segment non-performing loans	1,982,956	-	-	-	-	1,982,956
Segment provision required and held	1,725,148	-	-	-	-	1,725,148
Segment liabilities	5,162,383	6,590,102	-	-	610,417	12,362,902
Segment return on net assets (ROA) %	12.33%	10.38%	-	23.39%	3.58%	-
Segment cost of funds (%)	10.05%	9.57%	-	-	-	-

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, 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, 2015 (Un-audited) (Rupees in '000)	Three months period ended March 31, 2014 (Un-audited) (Rupees in '000)
Expenses charged to :		
- associates	5,551	4,610
- other related party	75	70
Expenses charged by:		
- associates	161	214
- other related party	5,741	4,218
Dividend income from associates	376,027	150,411
Mark-up earned on bank deposit with an associate	149	108
Mark-up earned on loans and advances:		
- key management personnel	155	162
Mark-up expense on COIs of related parties:		
- other related party	73	76
Contribution made to provident fund	4,740	4,164
	March 31, 2015 (Un-audited)	December 31, 2014 (Audited)
	(Rupees in '000)	
Loans and advances to key management personnel		
Balance as at January 1	24,004	28,907
Addition during the period / year	-	828
Disbursement during the period / year	2,442	4,571
Recovery during the period / year	(2,033)	(10,302)
Balance as at	409	(4,903)
	24,413	24,004
Bank balances with an associate	23,231	17,857
Mark-up receivable on bank deposit with an associate	60	69
Deposits / COIs from:		
- other related party	2,500	2,500
Mark-up payable to :		
- other related party	6	1,465
Investments in:		
- associates	9,547,642	9,832,324
- 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. 24.989 million (March 31, 2014: Rs. 30.061 million) and staff retirement benefits amount to Rs. 3.154 million (March 31, 2014: Rs. 2.759 million).

14. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue in the Board of Directors meeting held on 24 APR 2015.

15. GENERAL

15.1. The Pakistan Credit Rating Agency (PACRA) has maintained the long-term entity rating of AAA (Triple A) and the short term rating at A1+ (A one plus), the highest level.

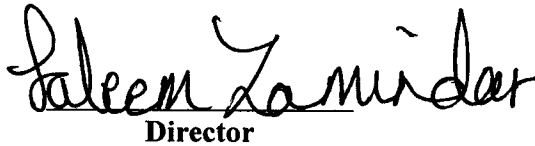
15.2. The figures have been rounded off to nearest thousand rupees, unless otherwise stated.



Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director