



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

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

For the three months period ended March 31, 2016

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

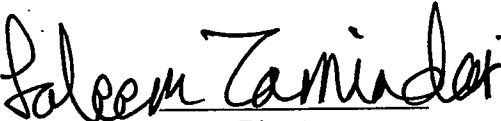
As at March 31, 2016


	Note	March 31, 2016 (Un -Audited)	December 31, 2015 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		52,773	63,957
Balances with other banks		44,873	20,718
Lendings to financial institutions		-	-
Investments	6	22,321,445	22,142,622
Advances	7	5,301,140	5,113,644
Operating fixed assets		163,917	169,034
Deferred tax assets		-	-
Other assets		852,115	857,012
		28,736,263	28,366,987
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	8	5,889,750	6,246,955
Deposits and other accounts	9	439,770	179,750
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		749,465	857,838
Other liabilities		882,369	466,550
		7,961,354	7,751,093
NET ASSETS			
		20,774,909	20,615,894
REPRESENTED BY			
Share capital		6,000,000	6,000,000
Reserves		5,836,806	5,748,570
Unappropriated profit		8,090,733	7,978,238
		19,927,539	19,726,808
Surplus on revaluation of 'available-for-sale' securities - net of tax	10	847,370	889,086
		20,774,909	20,615,894
CONTINGENCIES AND COMMITMENTS			
	11		

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.


 Deputy General Manager / Chief Financial Officer


 Chief Executive


 Director


 Director


 Director

Pakistan Kuwait Investment Company (Private) Limited
Condensed Interim Profit and Loss Account - (Un-audited)
For the three months period ended March 31, 2016

	Three months period ended March 31, 2016	Three months period ended March 31, 2015
	(Rupees in '000)	
Mark-up / return / interest earned	318,947	311,423
Mark-up / return / interest expensed	94,386	90,158
Net mark-up / interest income	224,561	221,265
Reversal of provision against non-performing loans and advances - net	(19,584)	(16,100)
Provision for diminution / impairment in the value of investments	17,947	-
Bad debts written off directly	(1,637)	(16,100)
Net mark-up / interest income after provisions	226,198	237,365
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	238	144
Dividend income	133,439	119,843
Income from dealing in foreign currencies	-	-
Gain on sale of securities	27	112,582
Unrealised gain on revaluation of 'held-for-trading' securities	3,707	94
Share in results of associates - net	413,444	241,746
Other income	7,144	6,201
Total non mark-up / interest income	557,999	480,610
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	117,121	110,151
Other charges	-	-
Total non mark-up / interest expenses	117,121	110,151
Extra ordinary / unusual items	-	-
PROFIT BEFORE TAXATION	667,076	607,824
Taxation		
- Current	114,632	113,746
- Prior years	-	-
- Deferred	(23,223)	(28,606)
PROFIT AFTER TAXATION	91,409	85,140
	575,667	522,684
	Rupees	
Basic and diluted earning per share (On share of Rs. 25,000 each)	2,399	2,178

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.



Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director



Director

Pakistan Kuwait Investment Company (Private) Limited
 Condensed Interim Statement of Comprehensive Income (Un-audited)
 For the three months period ended March 31, 2016

	Three months period ended March 31, 2016	Three months period ended March 31, 2015
	(Rupees in '000)	
Profit for the period	575,667	522,684
Other comprehensive income		
Not to be reclassified to profit and loss account in subsequent periods		
Remeasurement of defined benefit plan	-	-
Share of remeasurement of defined benefit plans of associates - net of deferred tax	(8,172)	-
Comprehensive income transferred to equity	<u>567,495</u>	<u>522,684</u>
Component of comprehensive income not transferred to equity		
Share of surplus / (deficit) on revaluation of 'available for sale securities' of associates	67,932	(140,890)
Deferred tax on revaluation of 'available for sale securities' of associates	(5,173)	14,896
(Deficit) on revaluation of 'available for sale' securities	(194,797)	(198,302)
Deferred tax on deficit on revaluation of 'available-for-sale' securities	90,322	100,369
Total comprehensive income for the period	<u><u>525,779</u></u>	<u><u>298,757</u></u>

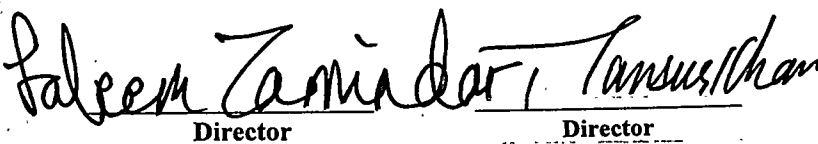
The annexed notes 1 to 16 form an integral part of the condensed interim financial information.



Deputy General Manager / Chief Financial Officer



Chief Executive



Director

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, 2016

	Share Capital	Reserve Statutory	Non-distributable Reserve	Capital Market Equalization Reserve	Unappropriated profit	Total
(Rupees in '000)						
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
Balance as at January 01, 2016	6,000,000	4,454,684	843,263	450,623	7,978,238	19,726,808
Profit for the three months period ended March 31, 2016	-	-	-	-	575,667	575,667
Other comprehensive income	-	-	-	-	(8,172)	(8,172)
Total comprehensive income	-	-	-	-	567,495	567,495
Share of gain on bargain purchase by an associate	-	-	88,236	-	-	88,236
Transactions with the owners of the Company						
Dividend for the year ended December 31, 2015 @ Rs. 1,895.8 per share approved subsequent to year end					(455,000)	(455,000)
Balance as at March 31, 2016	6,000,000	4,454,684	931,499	450,623	8,090,733	19,927,539

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.



Deputy General manager / Chief Financial Officer



Chief Executive



Director



Director



Director

Pakistan Kuwait Investment Company (Private) Limited
Condensed Interim Cash Flow Statement (Un-audited)
For the three months period ended March 31, 2016

	March 31, 2016	March 31, 2015
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	667,076	607,824
Less: Dividend income	<u>(133,439)</u>	<u>(119,843)</u>
	533,637	487,981
Adjustments for:		
Depreciation	2,180	2,210
Amortization	2,996	3,245
Reversal of provision against non-performing loans and advances - net	<u>(19,584)</u>	<u>(16,100)</u>
Provision for diminution / impairment in the value of investments	17,947	-
Unrealised gain on revaluation of 'held for trading' securities	<u>(3,707)</u>	<u>(94)</u>
Share in results of associates - net	<u>(413,444)</u>	<u>(241,746)</u>
Dividend Payable	<u>(455,000)</u>	<u>(600,000)</u>
Gain on disposal of operating fixed assets	-	<u>(541)</u>
	<u>(868,612)</u>	<u>(853,026)</u>
	(334,975)	(365,045)
(Increase) / decrease in operating assets		
Lendings to financial institutions	-	28,000
'Held-for-trading' securities	16,162	(15,616)
Advances	<u>(167,913)</u>	<u>87,307</u>
Others assets (excluding advance taxation)	<u>85,087</u>	<u>111,192</u>
	(66,664)	210,883
Increase in operating liabilities		
Borrowings from financial institutions	<u>(357,205)</u>	<u>494,098</u>
Deposits and other accounts	260,020	(369,290)
Other liabilities (excluding current taxation)	<u>415,819</u>	<u>549,680</u>
	<u>318,634</u>	<u>674,488</u>
	(83,005)	520,326
Income tax paid	<u>(85,215)</u>	<u>(74,724)</u>
Net cash (outflow) / inflow from operating activities	<u>(168,220)</u>	<u>445,602</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in 'available-for-sale' securities	<u>(361,901)</u>	<u>(822,523)</u>
Net investment in 'held-to-maturity' securities	143,292	(4,121)
Dividend income received	399,859	393,119
Investments in operating fixed assets	<u>(59)</u>	<u>(8,019)</u>
Sale proceeds of operating fixed assets	-	2,050
Net cash inflow / (outflow) from investing activities	<u>181,191</u>	<u>(439,494)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Net cash used in financing activities	-	-
Increase in cash and cash equivalents	12,971	6,108
Cash and cash equivalents at beginning of the period	<u>84,675</u>	<u>74,002</u>
Cash and cash equivalents at end of the period	<u><u>97,646</u></u>	<u><u>80,110</u></u>

The annexed notes 1 to 16 form an integral part of the condensed interim financial information.


Deputy General Manager / Chief Financial Officer


Chief Executive


Director


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, 2016

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 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

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, 2015.

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 the condensed interim financial information are consistent with those applied in preparation of financial statements for the year ended December 31, 2015. Standards which became effective during the period and related to financial statements of the Company had no impact in the current period financial statements.

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, 2015.

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 were the same as those that applied to the financial statements as at and for the year ended December 31, 2015.

6. INVESTMENTS

6.1 Investments by type

Note	March 31, 2016 (Un-audited)			December 31, 2015 (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	46,975	-	46,975	63,136	-	63,136
Available for sale securities						
Market treasury bills	496,565	-	496,565	488,940	-	488,940
Pakistan investment bonds	3,752,880	2,143,266	5,896,146	4,168,583	1,718,057	5,886,640
Shares of listed companies	3,435,467	-	3,435,467	3,364,172	-	3,364,172
Shares of unlisted companies	110,226	-	110,226	110,226	-	110,226
Listed preference shares	55,029	-	55,029	55,029	-	55,029
Listed sukuk / term finance certificates	857,552	-	857,552	857,640	-	857,640
Unlisted term finance certificates	872,478	-	872,478	607,478	-	607,478
	9,580,197	2,143,266	11,723,463	9,652,068	1,718,057	11,370,125
Held to maturity securities						
Unlisted Preference Shares	-	-	-	143,292	-	143,292
Associates	10,379,810	-	10,379,810	10,194,397	-	10,194,397
	20,006,982	2,143,266	22,150,248	20,052,893	1,718,057	21,770,950
Provision for diminution / impairment in the value of investments	(519,939)	-	(519,939)	(508,526)	-	(508,526)
Total investments - net of provisions	19,487,043	2,143,266	21,630,309	19,544,367	1,718,057	21,262,424
Surplus on revaluation of 'held for trading' securities	3,707	-	3,707	(2,026)	-	(2,026)
Surplus on revaluation of 'available for sale' securities	651,439	35,990	687,429	830,802	51,422	882,224
Total investments	20,142,189	2,179,256	22,321,445	20,373,143	1,769,479	22,142,622

Three months period ended March 31, 2016 (Un-audited)	Three months period ended March 31, 2015 (Un-audited)
(Rupees in '000)	

6.2 Movement in investments in associates

Investments at beginning of the period	10,194,397	9,832,324
Share of gain on bargain purchase by an associate	88,236	-
Share in surplus / (deficit) on revaluation / reserves of associates	67,932	(140,890)
Share in remeasurement of defined benefits plans of associates -net of deferred tax	(8,172)	(9,511)
Share of profit from associates recognized in income statement	413,444	241,746
Dividends received from associates	(376,027)	(376,027)
Investments at end of period	10,379,810	9,547,642

6.3 For equity accounting purposes, the financial information of associates, except for two mutual funds are taken as of December 31, 2015, being the latest available financial information. For mutual funds, financial information as at March 31, 2016 have been used. However, results of associates have been adjusted to the effects of significant transactions if any, that occurred between the date of investee's financial statements till the date of the Company's financial statements.

6.4 The cost of investment in associates as at March 31, 2016 amounted to Rs. 1,958 million (December 31, 2015: Rs 1,958 million). Share in results of associates recorded under equity method of accounting net of dividend and income taxes amounted to Rs 24 million (March 31, 2015: (125) million).

6.5 The Company's associates and its holding in associates are the same as provided in the Financial Statements for the year ended December 31, 2015

7. ADVANCES

	March 31, 2016 (Un-audited)	December 31, 2015 (Audited)
In Pakistan		
Advances	5,837,747	5,525,923
Net investment in finance leases	948,396	1,092,307
	6,786,143	6,618,230
Provision for non-performing advances	(1,485,003)	(1,504,586)
Advances - net of provision	5,301,140	5,113,644

- 7.1 Advances include Rs.1,600.913 million (December 31, 2015: Rs 1,621.319 million) which have been placed under non-performing status as detailed below:

Category of classification	Domestic	Overseas	Total	Provision	Provision
				Required	Held
(Rupees in '000)					
Substandard	-	-	-	-	-
Doubtful	231,819	-	231,819	115,910	115,910
Loss	1,369,094	-	1,369,094	1,369,093	1,369,093
	<u>1,600,913</u>	<u>-</u>	<u>1,600,913</u>	<u>1,485,003</u>	<u>1,485,003</u>

7.2 Particulars of provision for non-performing advances - specific

Three months
period ended
March 31,
2016
(Un-audited)
(Rupees in '000)

Year
ended
December 31,
2015
(Audited)

Opening balance	1,504,586	1,564,607
Charge for the period / year	-	-
Reversals for the period / year	(19,583)	(60,021)
	(19,583)	(60,021)
Amounts written off against provisions	-	-
Closing balance	<u>1,485,003</u>	<u>1,504,586</u>

8. BORROWINGS FROM FINANCIAL INSTITUTIONS

	Note	March 31,	December 31,
		2016	2015
		(Un-audited)	(Audited)
(Rupees in '000)			
Secured			
Repurchase agreement borrowings - Government securities	8.1	2,148,364	1,725,636
Borrowing from SBP			
Under Long Term Facility - Export Oriented Project (LTF-EOP)	8.2	3,350	6,676
Under Long Term Finance Facility - (LTFF)	8.3	1,149,650	802,613
Under Finance Facility for Storage of Agricultural Produce (FFSAP)	8.4	6,386	8,030
Term Finance Facility	8.5	1,000,000	1,000,000
Unsecured			
Murabaha	8.6	<u>1,582,000</u>	<u>2,704,000</u>
		<u>5,889,750</u>	<u>6,246,955</u>

- 8.1 The Company has arranged borrowing from financial institutions against sale and repurchase of government securities. The mark-up on this finance ranges between 6.15 and 6.40 (December 31, 2015: 6.30 and 6.35) percent per annum with maturities in seven days and eight days (December 31, 2015 : five days and six days).
- 8.2 This represents a one time swap facility option under the scheme LTF - EOP 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 two years with mark-up payable at maximum of 5.00 percent per annum. SBP allocates an overall yearly limit under the facility to individual Participating Financial Institution (PFI). The sanctioned limit was Rs. 1,200 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 6.00 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 facility from a bank. The interest rate on this facility is 6.85 percent per annum (December 31, 2015: 7.00 percent per annum) with maturity on June 25, 2018 (December 31, 2015: June 25, 2018).

8.6 This represents finance obtained from an Islamic bank. The profit rates on this finance is 6.20 percent per annum with maturities between April 01, 2016 and April 04, 2016.

9. DEPOSITS AND OTHER ACCOUNTS	Note	March 31, 2016 (Un-audited)	December 31, 2015 (Audited)
(Rupees in '000)			
Certificates of investment (COIs) / deposits	9.1	<u>439,770</u>	<u>179,750</u>

9.1 The profit rates on these COIs / deposits range between 6.15 and 7.90 (December 31, 2015: 6.25 and 8.25) percent per annum. The COIs / deposits are due for maturity between April 1, 2016 and September 21, 2016 (December 31, 2015: February 18, 2016 and June 24, 2016).

10. SURPLUS ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES - NET OF TAX	March 31, 2016 (Un-audited)	December 31, 2015 (Audited)
(Rupees in '000)		
Federal government securities	216,833	269,244
Shares of listed companies	463,141	597,393
Listed TFCs / sukuk	7,454	15,588
Share of surplus on revaluation held by associates	<u>241,010</u>	<u>173,078</u>
	928,438	1,055,303
Deferred Tax	<u>(81,068)</u>	<u>(166,217)</u>
	<u>847,370</u>	<u>889,086</u>

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, 2015.

11.2 Other commitments

Undisbursed sanctions for financial assistance in the form of loans and advances

March 31, 2016 (Un-audited)	December 31, 2015 (Audited)
(Rupees in '000)	
<u>2,498,099</u>	<u>2,452,764</u>
<u>2,498,099</u>	<u>2,452,764</u>

FAIR VALUE OF FINANCIAL INSTRUMENTS

12.1 On balance sheet financial instruments

March 31, 2016 - (Un-audited)									
Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
- Investments									
Market treasury bills	496,565	-	-	-	496,565	-	496,456	-	496,456
Pakistan investment bonds	5,896,146	-	-	-	5,896,146	-	6,113,088	-	6,113,088
Shares of listed companies	46,975	3,435,467	-	-	3,482,442	3,566,598	-	-	3,566,598
Listed preference shares	-	55,029	-	-	55,029	44,200	-	-	44,200
Listed sukuk / term finance certificates	-	857,552	-	-	857,552	-	865,006	-	865,006
Listed shares / funds in associates	-	9,476,660	-	-	9,476,660	15,767,265	-	-	15,767,265
Financial assets not measured at fair value									
- Cash and balances with treasury banks									
- Balances with other banks	-	-	52,773	-	52,773	-	-	-	-
- Investments									
Shares in unlisted companies	110,226	-	-	-	110,226	-	-	-	-
Shares in unlisted preference shares	-	-	-	-	-	-	-	-	-
Shares of unlisted associates	-	903,150	-	-	903,150	-	-	-	-
Unlisted term finance certificates	-	872,478	-	-	872,478	-	-	-	-
- Advances	-	-	5,301,140	-	5,301,140	-	-	-	-
- Other assets	-	-	342,383	-	342,383	-	-	-	-
Financial liabilities not measured at fair value									
Borrowings									
Deposits and other accounts	-	-	-	(5,889,750)	(5,889,750)	-	-	-	-
Other liabilities	-	-	-	(439,770)	(439,770)	-	-	-	-
	-	-	-	(844,747)	(844,747)	-	-	-	-
46,975	22,103,273	-	5,741,169	(7,174,267)	20,717,150	19,378,063	7,474,550	-	26,852,613

December 31, 2015 - (Audited)									
Held-for-trading	Available-for-sale	Held-to-maturity	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees in '000)									
Financial assets measured at fair value									
- Investments									
Market treasury bills	488,940	-	-	-	488,940	-	488,640	-	488,640
Pakistan investment bonds	5,886,640	-	-	-	5,886,640	-	6,156,183	-	6,156,183
Shares of listed companies	63,136	2,987,093	-	-	3,050,229	3,660,313	-	-	3,660,313
Listed preference shares	-	50,000	-	-	50,000	44,200	-	-	44,200
Listed sukuk / term finance certificates	-	857,640	-	-	857,640	-	864,311	-	864,311
Listed shares / funds in associates	-	9,357,812	-	-	9,357,812	17,280,344	-	-	17,280,344
Financial assets not measured at fair value									
- Cash and balances with treasury banks									
- Balances with other banks	-	-	63,957	-	63,957	-	-	-	-
- Lendings to financial institutions	-	-	20,718	-	20,718	-	-	-	-
- Investments									
Shares in unlisted companies	17,446	-	-	-	17,446	-	-	-	-
Shares in unlisted preference shares	-	143,292	-	-	143,292	-	-	-	-
Shares of unlisted associates	-	836,585	-	-	836,585	-	-	-	-
Unlisted term finance certificates	-	573,840	-	-	573,840	-	-	-	-
- Advances	-	-	5,113,644	-	5,113,644	-	-	-	-
- Other assets	-	-	371,284	-	371,284	-	-	-	-
Financial liabilities not measured at fair value									
Borrowings									
Deposits and other accounts	-	-	-	(6,246,955)	(6,246,955)	-	-	-	-
Other liabilities	-	-	-	(179,750)	(179,750)	-	-	-	-
	-	-	-	(433,292)	(433,292)	-	-	-	-
63,136	21,055,996	143,292	5,569,603	(6,859,997)	19,972,030	20,984,857	7,509,134	-	28,493,991

The fair value of financial assets and liabilities not carried at fair value are not significantly different from their carrying values since assets and liabilities are either short term in nature or in case of loans are frequently repriced.

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences may arise between the carrying values and the fair values estimates.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

3. 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, 2016 - (Un-audited)						
Total income - gross	133,983	185,066	-	546,911	7,279	873,239
Total mark-up / return / interest expense	(25,538)	(68,848)	-	-	-	(94,386)
Segment provision / impairment / unrealised gain / losses	19,584	-	-	(14,240)	-	5,344
	(5,954)	(68,848)	-	(14,240)	-	(89,042)
Net operating income	128,029	116,218	-	532,671	7,279	784,197
Administrative expenses and other charges						(117,121)
Profit before taxation						667,076
As at March 31, 2016 - (Un-audited)						
Segment assets - net	7,992,177	6,831,490	-	13,259,106	653,490	28,736,263
Segment non-performing loans	1,600,913	-	-	-	-	1,600,913
Segment provision required and held	1,485,003	-	-	-	-	1,485,003
Segment liabilities	2,247,716	4,186,267	-	314	1,527,057	7,961,354
Segment return on net assets (ROA) % *	7.64%	10.93%	-	16.68%	4.46%	-
Segment cost of funds (%) *	5.11%	6.24%	-	-	-	-

* 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, 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 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
As at 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%	-	-	-	-

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

14. 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, 2016 (Un-audited) (Rupees in '000)	Three months period ended March 31, 2015 (Un-audited)
Expenses charged to :		
- associates	7,381	5,551
- other related party	20	75
Expenses charged by:		
- associates	200	161
- other related party	5,659	5,741
Dividend income from an associate	376,027	376,027
Mark-up earned on bank deposit with an associate	51	149
Mark-up earned on loans and advances:		
- key management personnel	131	155
Mark-up expense on COIs of a related party:		
- other related party	50	73
Contribution made to provident fund	4,366	4,740
	March 31, 2016 (Un-audited)	December 31, 2015 (Audited)
	(Rupees in '000)	
Loans and advances to key management personnel		
Balance as at January 1	10,350	24,004
Disbursement during the period / year (Deletion) / addition during the period / year	2,475	2,442
Recovery during the period / year	-	(8,117)
	(398)	(7,979)
	2,077	(13,654)
Balance as at	<u>12,427</u>	<u>10,350</u>
Bank balances with an associate	20,665	18,081
Mark-up receivable on bank deposit with an associate	15	40
Deposits / COIs from:		
- other related party	2,500	2,500
Mark-up payable to :		
- other related party	5	161
Investments in:		
- associates	10,379,810	10,194,397
- other related party	500	414,164

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. 21.780 million (March 31, 2015: Rs. 24.989 million) and staff retirement benefits amount to Rs. 2.654 million (March 31, 2015: Rs. 3.154 million).

15. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information was authorised for issue in the Board of Directors meeting held on 27 APR 2016.

16. GENERAL

- 16.1. 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.
- 16.2. The figures have been rounded off to nearest thousand rupees, unless otherwise stated.



Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director



Director