



PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED

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


For the nine months period ended September 30, 2013

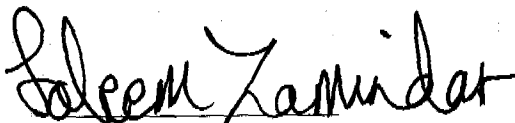
Pakistan Kuwait Investment Company (Private) Limited
 Unconsolidated Condensed Interim Statement of Financial Position
 As at September 30, 2013

	Note	September 30, 2013 (Un -Audited)	December 31, 2012 (Audited) Restated
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		41,633	32,650
Balances with other banks		4,981	712,522
Lendings to financial institutions		-	-
Investments	6	11,985,927	19,793,097
Advances	7	4,544,189	5,242,401
Operating fixed assets		208,635	211,333
Deferred tax assets		321,892	276,517
Other assets		323,439	361,204
		17,430,696	26,629,724
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	8	5,374,994	14,839,975
Deposits and other accounts	9	430,349	1,015,429
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		403,168	375,676
		6,208,511	16,231,080
NET ASSETS		11,222,185	10,398,644
REPRESENTED BY			
Share capital		6,000,000	6,000,000
Reserves		3,285,976	3,285,976
Unappropriated profit		1,675,936	876,584
		10,961,912	10,162,560
Surplus on revaluation of 'available-for-sale' securities - net of tax	10	260,273	236,084
		11,222,185	10,398,644
CONTINGENCIES AND COMMITMENTS	11		

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


 Deputy General Manager / Chief Financial Officer


 Chief Executive


 Director


 Director

Pakistan Kuwait Investment Company (Private) Limited
Unconsolidated Condensed Interim Profit and Loss Account - (Un-audited)
For the nine months ended September 30, 2013

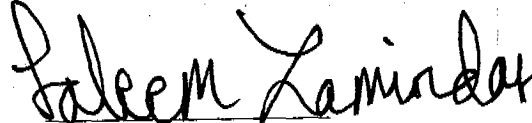
	Quarter ended September 30, 2013	Nine months period ended September 30, 2013	Quarter ended September 30, 2012	Nine months period ended September 30, 2012
(Rupees in '000)				
Mark-up / return / interest earned	321,567	1,393,987	610,498	1,743,250
Mark-up / return / interest expensed	155,208	879,374	435,136	1,214,447
Net mark-up / interest income	166,359	514,613	175,362	528,803
(Reversal of provision) / provision against non-performing loans and advances - net	(7,027)	(33,620)	14,204	27,428
(Reversal of provision) against non-performing lending to financial institution	-	-	-	(2,822)
Provision / (reversal of provision) for diminution / impairment in the value of investments	677	61	(5,008)	42,431
Bad debts written off directly	-	-	-	-
	(6,350)	(33,559)	9,196	67,037
Net mark-up / interest income after provisions	172,709	548,172	166,166	461,766
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	-	-	-	228
Dividend income	575,835	674,483	451,800	529,918
Income from dealing in foreign currencies	-	-	-	-
Gain on sale of securities	309,191	692,390	106,184	200,573
Unrealised (loss) / gain on revaluation of 'held-for-trading' securities	(619)	(619)	112	59
Other income	10,954	24,777	5,714	17,132
Total non mark-up / interest income	895,361	1,391,031	563,810	747,910
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	168,121	398,155	130,628	324,152
Provision for impairment on operating fixed assets	-	-	-	45,724
Other charges	-	-	-	262
Total non mark-up / interest expenses	168,121	398,155	130,628	370,138
Extra ordinary / unusual items	-	-	-	-
	899,949	1,541,048	599,348	839,538
PROFIT BEFORE TAXATION				
Taxation				
- Current	118,231	305,930	141,197	277,936
- Prior years	-	-	-	-
- Deferred	8,326	(14,234)	(5,712)	(40,276)
	126,557	291,696	135,485	237,660
PROFIT AFTER TAXATION	773,392	1,249,352	463,863	601,878
Unappropriated profit brought forward (restated)	1,352,544	876,584	697,905	559,890
Unappropriated profit carried forward	2,125,936	2,125,936	1,161,768	1,161,768
	3,222	5,206	1,933	2,508

Basic and diluted earning per share
(On share of Rs. 25,000 each)

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


Deputy General Manager / Chief Financial Officer


Chief Executive


Director

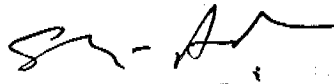

Director

Pakistan Kuwait Investment Company (Private) Limited
Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)
For the nine months ended September 30, 2013

	Quarter ended	Nine months period ended	Quarter ended	Nine months period ended
	September 30, 2013		September 30, 2012	Restated
	----- (Rupees in '000) -----			
Profit for the period	773,392	1,249,352	463,863	601,878
Remeasurement of defined benefit plan net of deferred tax	-	-	(362)	(1,087)
Other comprehensive income	-	-	-	-
Comprehensive income transferred to equity	773,392	1,249,352	463,501	600,791
Component of comprehensive income not transferred to equity				
(Deficit) / surplus on revaluation of 'available-for-sale' securities	(209,855)	(6,953)	235,395	351,620
Deferred tax on revaluation of 'available-for-sale' securities	46,494	31,142	(63,068)	(56,999)
Total comprehensive income for the period	610,031	1,273,541	635,828	895,412

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 Deputy General Manager / Chief Financial Officer


 Chief Executive


 Director

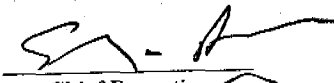

 Director

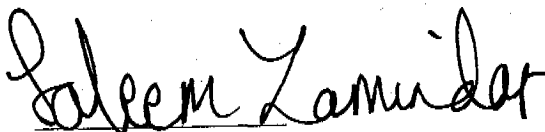
Pakistan Kuwait Investment Company (Private) Limited
Unconsolidated Condensed Interim Statement of Changes in Equity - (Un-audited)
For the nine months ended September 30, 2013

	Share capital	Reserve Statutory	Unappropriated profit	Total
(Rupees in '000)				
Balance as at January 01, 2012	6,000,000	3,114,865	559,890	9,674,755
Effect of change in accounting policy (refer note 4.1)			(6,297)	(6,297)
Balance as at January 01, 2012 (restated)	6,000,000	3,114,865	553,593	9,668,458
Profit for the nine months period ended September 30, 2012	-	-	601,878	601,878
Other comprehensive loss	-	-	(1,087)	(1,087)
Total comprehensive income	-	-	600,791	600,791
Dividend for the year ended December 31, 2011 @ Rs. 1,500 per share approved subsequent to year end	-	-	(360,000)	(360,000)
Balance as at September 30, 2012 (restated)	6,000,000	3,114,865	794,384	9,909,249
Balance as at January 01, 2013	6,000,000	3,285,976	884,331	10,170,307
Effect of change in accounting policy (refer note 4.1)	-	-	(7,747)	(7,747)
Balance as at January 01, 2013 (restated)	6,000,000	3,285,976	876,584	10,162,560
Profit for the nine months period ended September 30, 2013	-	-	1,249,352	1,249,352
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,249,352	1,249,352
Dividend for the year ended December 31, 2012 @ Rs. 1,875 per share approved subsequent to year end	-	-	(450,000)	(450,000)
Balance as at September 30, 2013	6,000,000	3,285,976	1,675,936	10,961,912

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Deputy General manager / Chief Financial Officer


Chief Executive


Director



Director

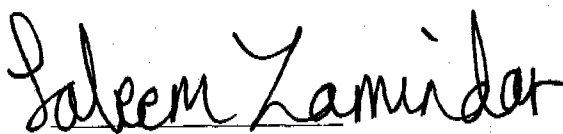
Pakistan Kuwait Investment Company (Private) Limited
Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)
For the nine months ended September 30, 2013

	September 30, 2013	September 30, 2012
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,541,048	839,538
Less: Dividend income	674,483	529,918
	<u>866,565</u>	<u>309,620</u>
Adjustments for:		
Depreciation	11,538	9,275
Amortization	8,111	3,781
Provision for impairment on operating fixed assets	-	45,724
(Reversal of provision) / Provision against non-performing loans and advances - net	(33,620)	27,428
Provision for diminution / impairment in the value of investments	61	42,431
(Reversal of provision) against non-performing lending to financial institution	-	(2,822)
Unrealised loss / (gain) on revaluation of 'held for trading' securities	619	(59)
Gain on disposal of operating fixed assets	-	(1,434)
	<u>(13,291)</u>	<u>124,324</u>
	853,274	433,944
Decrease in operating assets		
Lendings to financial institutions	-	2,822
'Held-for-trading' securities	(20,645)	(35,137)
Advances	731,832	961,693
Others assets (excluding advance taxation)	12,183	(2,868)
	<u>723,370</u>	<u>926,510</u>
(Decrease) / increase in operating liabilities		
Borrowings from financial institutions	(9,464,981)	8,913,193
Deposits and other accounts	(585,080)	(67,954)
Other liabilities (excluding current taxation)	27,490	(19,407)
	<u>(10,022,571)</u>	<u>8,825,832</u>
	(8,445,927)	10,186,286
Income tax paid	(178,890)	(83,083)
<i>Net cash (outflow) / inflow from operating activities</i>	<u>(8,624,817)</u>	<u>10,103,203</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment	7,820,183	(10,137,510)
Dividend income	573,025	486,534
Investments in operating fixed assets	(16,949)	(19,401)
Sale proceeds of operating fixed assets	-	1,454
<i>Net cash inflow / (outflow) from investing activities</i>	<u>8,376,259</u>	<u>(9,668,923)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(450,000)	(360,000)
<i>Net cash outflow from financing activities</i>	<u>(450,000)</u>	<u>(360,000)</u>
(Decrease) / increase in cash and cash equivalents	(698,558)	74,280
Cash and cash equivalents at beginning of the period	745,172	465,801
Cash and cash equivalents at end of the period	<u>46,614</u>	<u>540,081</u>

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


Deputy General Manager / Chief Financial Officer


Chief Executive


Director


Director

Pakistan Kuwait Investment Company (Private) Limited
Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)
For the nine months ended September 30, 2013

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.
- 1.2** The Company had a 100% owned subsidiary, First Choice Securities Limited (FCSL). During the period, FCSL was disposed off.

2. BASIS OF PRESENTATION

- 2.1** These unconsolidated condensed interim financial statements have been prepared based on the format prescribed by the State Bank of Pakistan (SBP) vide BSD Circular Letter No. 2, dated 12 May 2004, BSD Circular letter No. 07, dated 20 April 2010 and IAS 34 "Interim Financial Reporting" and do not include all the information required in the annual financial statements. Accordingly, these unconsolidated condensed interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2012.
- 2.2** These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investment in associates are accounted for on the basis of direct equity interest.

3. STATEMENT OF COMPLIANCE

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

4. ACCOUNTING POLICIES

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

New, Amended And Revised Standards And Interpretations of IFRSs

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

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

IAS 19 – Employee Benefits – (Revised)

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

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

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

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

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

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

4.1 Change in accounting policy

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

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

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

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

	December 31, 2012 (Rupees in '000)
Increase in the staff retirement gratuity	(11,918)
Increase in deferred tax asset	4,171
Net decrease in equity	<u>(7,747)</u>
	September 30, 2012 (Rupees in '000)
Decrease in other comprehensive income (OCI) for the period	<u>1,087</u>

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

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, 2012.

6. INVESTMENTS

6.1 Investments by type

	September 30, 2013			December 31, 2012		
	(Un-audited)			(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	27,055	-	27,055	6,410	-	6,410
Available-for-sale securities						
Market treasury bills	5,582,670	309,330	5,892,000	2,573,779	10,684,921	13,258,700
Pakistan Investment Bonds	902,492	-	902,492	1,642,868	-	1,642,868
Shares of listed companies	2,130,195	-	2,130,195	1,801,211	-	1,801,211
Shares of unlisted companies	110,686	-	110,686	127,686	-	127,686
Listed preference shares	55,029	-	55,029	55,029	-	55,029
Listed term finance certificates	25,107	-	25,107	82,037	-	82,037
Unlisted term finance certificates	608,052	-	608,052	608,168	-	608,168
	9,414,231	309,330	9,723,561	6,890,778	10,684,921	17,575,699
Held to maturity securities						
Unlisted Preference Shares	106,751	-	106,751	-	-	-
Associates	2,050,170	-	2,050,170	2,095,242	-	2,095,242
Subsidiary	-	-	-	60,000	-	60,000
Total investments - at cost	11,598,207	309,330	11,907,537	9,052,430	10,684,921	19,737,351
Provision for diminution / impairment in the value of investments	(191,046)	-	(191,046)	(221,235)	-	(221,235)
Total investments - net of provisions	11,407,161	309,330	11,716,491	8,831,195	10,684,921	19,516,116
Deficit on revaluation of 'held-for-trading' securities	(618)	-	(618)	(25)	-	(25)
Surplus / (deficit) on revaluation of 'available-for-sale' securities	270,087	(33)	270,054	267,333	9,673	277,006
Total investments - at market value	11,676,630	309,297	11,985,927	9,098,503	10,694,594	19,793,097

7. ADVANCES

	September 30,	December 31,
	2013	2012
	(Un-audited)	(Audited)
	(Rupees in '000)	
In Pakistan		
Advances	4,926,828	5,567,283
Net investment in finance leases	1,220,483	1,311,860
	6,147,311	6,879,143
Provision for non-performing advances	(1,603,122)	(1,636,742)
Advances - net of provision	4,544,189	5,242,401

- 7.1 Advances include Rs.1,736.574 million (December 31, 2012: Rs 1,771.283 million) which have been placed under non-performing status as detailed below:

Category of classification	Domestic	Overseas	Total	Provision Required	Provision Held
Substandard	-	-	-	-	-
Doubtful	266,903	-	266,903	133,451	133,451
Loss	1,469,671	-	1,469,671	1,469,671	1,469,671
	<u>1,736,574</u>	<u>-</u>	<u>1,736,574</u>	<u>1,603,122</u>	<u>1,603,122</u>

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

	Note	September 30,	December 31,
		2013 (Un-audited)	2012 (Audited)
		(Rupees in '000)	
Opening balance		1,636,742	1,577,790
Charge for the period		-	83,074
Reversals		(33,620)	(24,122)
		(33,620)	58,952
Amounts written off against provisions		-	-
Closing balance		<u>1,603,122</u>	<u>1,636,742</u>

8. BORROWINGS FROM FINANCIAL INSTITUTIONS

		September 30,	December 31,
		2013 (Un-audited)	2012 (Audited)
		(Rupees in '000)	
Secured			
Repurchase agreement borrowings - Government securities	8.1	309,344	10,694,704
Borrowing from SBP under LTF-EOP	8.2	53,274	71,899
Borrowing from SBP under LTFF	8.3	247,577	305,285
Borrowing from SBP under FFSAP	8.4	14,799	18,087
Term Finance Facility	8.5	4,750,000	3,750,000
		<u>5,374,994</u>	<u>14,839,975</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 is 9.90 (December 31, 2012: 8.25 to 9.25) percent per annum with maturity of one day (December 31, 2012 : two days to four days).
- 8.2 In order to facilitate the export oriented projects, SBP has introduced a scheme to refinance the fixed term loan availed from Banks / DFIs. A one time swap facility option under the Scheme (LTF-EOP) has been extended to textile sector for import of plant and machinery, allowed by the SBP through their SMED Circular No.19 of 2006. The loan is repayable over a maximum period of 7.5 years from the date of first disbursement with mark-up payable at maximum of 5 percent per annum.
- 8.3 This represents Long Term Finance Facility (LTFF) on concessional rates to promote industrial growth leading to exports. The loans availed under the facility shall be repayable within a maximum period of ten years including maximum grace period of two years with mark-up payable at maximum of 10.10 percent per annum. SBP allocates an overall yearly limit under the facility to individual Participating Financial Institution (PFI). The sanctioned limit was Rs. 500 million.

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

8.5 The Company has availed Long Term Finance facilities from two banks. The interest rates on these facilities range from 9.44 to 9.89 percent per annum (December 31, 2012: 9.96 and 10.70 percent per annum) with maturities between November 29, 2014 and June 25, 2018 (December 31, 2012: November 29, 2014 and October 1, 2015).

9. DEPOSITS AND OTHER ACCOUNTS	Note	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
Certificates of investment (COIs) / deposits	9.1	430,349	1,015,429

9.1 The profit rates on these COIs / deposits range between 8.60 and 12.25 (December 31, 2012: 9.20 and 12.25) percent per annum. The COIs / deposits are due for maturity between October 01, 2013 and March 22, 2015 (December 31, 2012: January 04, 2013 and March 22, 2015).

10. SURPLUS ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES - NET OF TAX	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
Federal government securities	(8,318)	88,214
Shares of listed companies	278,339	188,351
Listed term finance certificate	32	441
	270,053	277,006
Deferred Tax	(9,780)	(40,922)
	260,273	236,084

11. CONTINGENCIES AND COMMITMENTS

11.1 Other contingencies

11.1.1 Letter of comfort issued	-	64,000
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11.1.2 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, 2012.

11.2 Other commitments

11.2 Other commitments	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited)
Commitment - acquisition of software	5,218	6,718
Undisbursed sanctions for financial assistance in the form of loans and advances	2,225,355	403,208
	2,230,573	409,926

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) -----						
Nine months period ended September 30, 2013 - (Un-audited)						
Total income - gross	597,907	916,379	-	1,257,055	14,296	2,785,637
Total mark-up / return / interest expense	(324,210)	(555,164)	-	-	-	(879,374)
Segment provision / impairment / unrealised gains	33,559	-	-	(619)	-	32,940
	(290,651)	(555,164)	-	(619)	-	(846,434)
Net operating income	307,256	361,215	-	1,256,436	14,296	1,939,203
Administrative expenses and other charges						(398,155)
Profit before taxation						1,541,048
Period ended September 30, 2013 - (Un-audited)						
Segment assets - net	5,202,042	6,965,426	-	4,020,675	1,242,553	17,430,696
Segment non-performing loans	1,736,574	-	-	-	-	1,736,574
Segment provision required and held	1,603,122	-	-	-	-	1,603,122
Segment liabilities	5,145,720	739,693	-	-	323,098	6,208,511
Segment return on net assets (ROA) % *	14.05%	9.66%	-	44.52%	1.53%	
Segment cost of funds (%) *	9.49%	9.48%	-	-	-	

* 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) -----						
Nine month period ended September 30, 2012 - (Un-audited)						
Total income - gross	660,223	1,077,247	228	737,988	15,415	2,491,101
Total mark-up / return / interest expense	(189,578)	(1,024,869)	-	-	-	(1,214,447)
Segment provision / impairment / unrealised losses	(23,373)	2,823	-	(46,428)	-	(66,978)
	(212,951)	(1,022,046)	-	(46,428)	-	(1,281,425)
Net operating income	447,272	55,201	228	691,560	15,415	1,209,676
Administrative expenses and other charges						(370,138)
Profit before taxation						839,538
Year ended December 31, 2012 - (Audited)						
Segment assets - net (Restated)	5,910,146	15,246,503	-	3,668,325	1,804,750	26,629,724
Segment non-performing loans	1,771,283	-	-	-	-	1,771,283
Segment provision required and held	1,636,742	-	-	-	-	1,636,742
Segment liabilities (Restated)	4,225,806	11,710,134	-	-	295,140	16,231,080
Segment return on net assets (ROA) %	13.11%	11.82%	-	27.15%	91.00%	
Segment cost of funds (%)	10.99%	11.40%	-	-	-	

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.

	Nine months period ended September 30, 2013 (Un-audited) (Rupees in '000)	Nine months period ended September 30, 2012 (Un-audited) (Rupees in '000)
Expenses charged to an associate	12,955	12,644
Expenses charged by		
- associates	677	579
- other related party	12,467	12,151
Dividend income from related parties	543,303	440,064
Mark-up earned on bank deposit with an associate	564	351
Mark-up earned on loans and advances		
- key management personnel	705	580
Mark-up expense on COIs of related parties		
- associates	1,809	4,494
- other related party	229	851
Gain on sale of shares of a subsidiary	15,000	-
Gain on sale of shares of associates	115,237	19,279
Contribution made to provident fund	11,795	11,919
	September 30, 2013 (Un-audited) (Rupees in '000)	December 31, 2012 (Audited) (Rupees in '000)
Loans and advances to key management personnel	38,062	43,918
Balance as at January 1		
Disbursement during the period / year	2,234	12,716
Recovery during the period / year	(3,743)	(18,572)
	(1,509)	(5,856)
Balance as at	36,553	38,062
Bank balances with an associate	3,535	8,474
Mark-up receivable on bank deposit with an associate	60	40
Deposits / COIs from associate & other related party		
- associates	-	35,000
- other related party	2,500	2,500
Mark-up payable to related party		
- associates	-	1,274
- other related party	1,082	852
Investments in		
- quoted, at market values		
- associates	12,314,656	8,933,309
- unquoted, at cost		
- subsidiary company	-	60,000
- associates	174,000	199,000
- 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. 61.203 million (September 30, 2012: Rs. 42.158 million) and staff retirement benefits amount to Rs. 6.926 million (September 30, 2012: Rs. 6.350 million).

14. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison.

15. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 18 NOV 2013

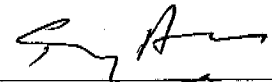
16. GENERAL AND NON-ADJUSTING EVENT

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

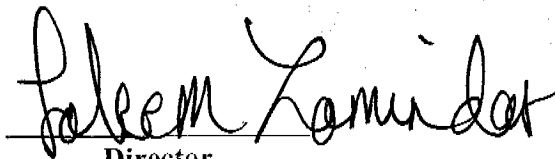
16.2. The figures have been rounded off to nearest thousand rupees.



Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director