



**PAKISTAN KUWAIT INVESTMENT  
COMPANY (PRIVATE) LIMITED**

**UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS - (UNAUDITED)  
FOR THE HALF-YEAR ENDED 30 JUNE 2012**

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## REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

### *Introduction*

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Pakistan Kuwait Investment Company (Private) Limited as at 30 June 2012 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim cash flow statement, and notes to the accounts for the six month period then ended (hereinafter referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 30 June 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 30 June 2012.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

*Ernst & Young Ford Rhodes Sidat Hyder*  
CHARTERED ACCOUNTANTS

26 August 2012  
KARACHI:

Pakistan Kuwait Investment Company (Private) Limited  
 Unconsolidated Condensed Interim Statement of Financial Position  
 As at June 30, 2012

	Note	June 30, 2012 (Un -Audited)	December 31, 2011 (Audited)
(Rupees in '000)			
<b>ASSETS</b>			
Cash and balances with treasury banks		25,037	442,766
Balances with other banks		21,395	23,035
Lendings to financial institutions	6	200,000	-
Investments	7	16,045,049	12,609,173
Advances	8	5,449,737	6,554,035
Operating fixed assets		208,481	242,025
Deferred tax assets		316,037	275,407
Other assets		504,144	660,098
		<b>22,769,880</b>	<b>20,806,539</b>
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings from financial institutions	9	12,139,491	9,161,654
Deposits and other accounts	10	917,391	1,726,601
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		228,376	333,971
		<b>13,285,258</b>	<b>11,222,226</b>
<b>NET ASSETS</b>		<b>9,484,622</b>	<b>9,584,313</b>
<b>REPRESENTED BY</b>			
Share capital		6,000,000	6,000,000
Reserves		3,114,865	3,114,865
Unappropriated profit		337,905	559,890
		<b>9,452,770</b>	<b>9,674,755</b>
Surplus / (deficit) on revaluation of 'available-for-sale' securities - net of tax	11	31,852	(90,442)
		<b>9,484,622</b>	<b>9,584,313</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12		

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

*Signature*

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Chief Financial Officer / Officiating Chief Executive

*Signature*

Director

*Signature*

Director

Pakistan Kuwait Investment Company (Private) Limited  
 Unconsolidated Condensed Interim Profit and Loss Account - (Un-audited)  
 For the half year ended June 30, 2012

	Quarter ended June 30, 2012	Half year ended June 30, 2012	Quarter ended June 30, 2011	Half year ended June 30, 2011
----- (Rupees in '000) -----				
Mark-up / return / interest earned	549,206	1,132,752	473,781	1,004,823
Mark-up / return / interest expensed	380,819	779,311	304,426	679,925
Net mark-up / interest income	168,387	353,441	169,355	324,898
Provision /(reversal of provision) against non-performing advances - net	8,068	13,224	(2,064)	(7,850)
Recovery of written off advances	-	-	(22,594)	(22,594)
Reversal of provision against non-performing lending to financial institution	-	(2,822)	(4,500)	(9,000)
Provision for diminution / impairment in the value of investments	13,089	47,439	15,649	41,972
Bad debts written off directly	-	-	-	-
	21,157	57,841	(13,509)	2,528
Net mark-up / interest income after provisions	147,230	295,600	182,864	322,370
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	-	228	1,380	1,380
Dividend income	7,887	78,118	31,372	93,327
Income from dealing in foreign currencies	-	-	-	-
Gain on sale of securities - net	49,907	94,389	63,828	229,187
Unrealised loss on revaluation of 'held-for-trading' securities	(53)	(53)	-	-
Other income	5,165	11,418	5,471	9,871
Total non mark-up / interest income	62,906	184,100	102,051	333,765
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	94,231	193,524	104,402	198,763
Provision for impairment on fixed assets	45,724	45,724	-	-
Other charges	262	262	-	-
Total non mark-up / interest expenses	140,217	239,510	104,402	198,763
Extra ordinary / unusual items	-	-	-	-
<b>PROFIT BEFORE TAXATION</b>	69,919	240,190	180,513	457,372
Taxation				
- Current	55,722	136,739	64,318	109,994
- Prior years	-	-	-	-
- Deferred	(18,068)	(34,564)	(2,079)	45,200
	37,654	102,175	62,239	155,194
<b>PROFIT AFTER TAXATION</b>	32,265	138,015	118,274	302,178
Unappropriated profit brought forward	665,640	559,890	613,480	429,576
Unappropriated profit carried forward	697,905	697,905	731,754	731,754
----- Rupees -----				
Basic and diluted earning per share (On share of Rs. 25,000 each)	134	575	493	1,259

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

*M. H. U.*

*Mumayyaz*

Chief Financial Officer / Officiating Chief Executive

*[Signature]*  
 Director

*[Signature]*  
 Director

Pakistan Kuwait Investment Company (Private) Limited  
 Unconsolidated Condensed Interim Statement of Comprehensive Income (Un-audited)  
 For the half year ended June 30, 2012

	Quarter ended June 30, 2012	Half year ended	Quarter ended June 30, 2011	Half year ended
	(Rupees in '000)			
Profit for the period	32,265	138,015	118,274	302,178
Other comprehensive income	-	-	-	-
<b>Comprehensive income transferred to equity</b>	<b>32,265</b>	<b>138,015</b>	<b>118,274</b>	<b>302,178</b>
<b>Component of comprehensive income not transferred to equity</b>				
(Deficit) / Surplus on revaluation of 'available-for-sale' securities - net of tax	(31,560)	116,225	(97,857)	(204,540)
Deferred tax on revaluation of 'available-for-sale' securities - net of tax	2,128	6,069	3,811	(3,684)
<b>Total Comprehensive Income for the period</b>	<b>2,833</b>	<b>260,309</b>	<b>24,228</b>	<b>93,954</b>

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

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Chief Financial Officer / Officiating Chief Executive

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Director

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Director

Pakistan Kuwait Investment Company (Private) Limited  
 Unconsolidated Condensed Interim Statement of Changes in Equity - (Un-audited)  
 For the half year ended June 30, 2012

	Share capital	Reserve Statutory	Unappropriated profit	Total
(Rupees in '000)				
Balance as at January 01, 2011	6,000,000	2,992,287	429,576	9,421,863
Profit for the half year ended June 30, 2011	-	-	302,178	302,178
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	302,178	302,178
Dividend for the year ended December 31, 2010 @1,500 per share approved subsequently to year end	-	-	(360,000)	(360,000)
<b>Balance as at June 30, 2011</b>	<b>6,000,000</b>	<b>2,992,287</b>	<b>371,754</b>	<b>9,364,041</b>
Balance as at January 01, 2012	6,000,000	3,114,865	559,890	9,674,755
Profit for the half year ended June 30, 2012	-	-	138,015	138,015
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	138,015	138,015
Dividend for the year ended December 31, 2011 @1,500 per share approved subsequently to year end	-	-	(360,000)	(360,000)
<b>Balance as at June 30, 2012</b>	<b>6,000,000</b>	<b>3,114,865</b>	<b>337,905</b>	<b>9,452,770</b>

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

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Chief Financial Officer / Officiating Chief Executive

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Director

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Director

Pakistan Kuwait Investment Company (Private) Limited  
 Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)  
 For the half year ended June 30, 2012

	June 30, 2012	June 30, 2011
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	240,190	457,372
Less: Dividend income	<u>78,118</u>	<u>93,327</u>
	162,072	364,045
Adjustments for:		
Depreciation	5,135	7,130
Amortization	2,066	634
Provision for impairment on fixed assets	45,724	-
Provision /(reversal of provision) against non-performing advances - net	13,224	(7,850)
Recovery of written off advances	-	(22,594)
Provision for diminution / impairment in the value of investments	47,439	41,972
Reversal of provision against non-performing lending to financial institution	(2,822)	(9,000)
Unrealised loss on revaluation of 'held for trading' securities	53	-
Gain on sale of operating fixed assets	<u>(1,434)</u>	<u>(25)</u>
	109,385	10,267
	271,457	374,312
Decrease in operating assets		
Lendings to financial institutions	(197,178)	259,001
'Held-for-trading' securities	(5,967)	35,713
Advances	1,091,074	(1,654,718)
Others assets (excluding advance taxation)	<u>41,375</u>	<u>(152,032)</u>
	929,304	(1,512,036)
Increase / (Decrease) in operating liabilities		
Borrowings from financial institutions	2,977,837	(862,104)
Deposits	(809,210)	601,518
Other liabilities (excluding current taxation)	<u>(105,595)</u>	<u>66,637</u>
	2,063,032	(193,949)
	3,263,793	(1,331,673)
Income tax paid	(18,842)	(109,994)
<i>Net cash inflow / (outflow) from operating activities</i>	<u>3,244,951</u>	<u>(1,441,667)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in 'available-for-sale' securities / subsidiaries	(3,361,173)	374,706
Dividend income	74,800	82,104
Investments in operating fixed assets	(19,401)	(15,457)
Sale proceeds from sale of operating fixed assets	1,454	25
<i>Net cash (outflow) / inflow from investing activities</i>	<u>(3,304,320)</u>	<u>441,378</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(360,000)	(360,000)
<i>Net cash outflow from financing activities-</i>	<u>(360,000)</u>	<u>(360,000)</u>
Decrease in cash and cash equivalents	(419,369)	(1,360,289)
Cash and cash equivalents at beginning of the period	465,801	1,414,631
Cash and cash equivalents at end of the period	<u>46,432</u>	<u>54,342</u>

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

*M. M. M.*

*Mumayyaz*

Chief Financial Officer / Officiating Chief Executive

*[Signature]*

Director

*[Signature]*

Director

**Pakistan Kuwait Investment Company (Private) Limited**  
**Notes to the Unconsolidated Condensed Interim Financial Statements (Un-audited)**  
*For the half year ended June 30, 2012*

**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
- 1.2 The Company has a 100% owned subsidiary, First Choice Securities Limited (FCSL). FCSL principal business includes equity brokerage, money markets and foreign exchange brokerage, equity research and corporate financial advisory services. FCSL has not started its operations.

**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, 2011.
- 2.2 These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investments in subsidiary and associates are accounted for on the basis of direct equity interest.

**3. STATEMENT OF COMPLIANCE**

- 3.1 These unconsolidated condensed interim financial statements of the Company 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 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(I)/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 for the purpose of these unconsolidated condensed interim financial statements are the same as those applied in preparation of annual financial statements for the year ended December 31, 2011, except as follows:

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

IAS 12 - Income Taxes (Amendment) - Recovery of Underlying Assets

The adoption of the above amendments did not have any effect on the financial statements.

**5. FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company for the year ended December 31, 2011.

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6. LENDINGS TO FINANCIAL INSTITUTIONS

June 30, 2012  
(Un-audited)  
(Rupees in '000)

December 31, 2011  
(Audited)

Certificates of investment (COIs)  
Provision against COI

6.1 200,000 2,822  
- (2,822)  
200,000

6.1 The return on COI is 12.25 percent per annum and is due for maturity by September 28, 2012.

7. INVESTMENTS

7.1 Investments by type

	June 30, 2012 (Un-audited)			December 31, 2011 (Audited)		
	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	5,967	-	5,967	-	-	-
<b>Available-for-sale securities</b>						
Market treasury bills	1,602,996	8,018,609	9,621,605	831,191	6,031,097	6,862,288
Pakistan Investment Bonds	1,641,539	-	1,641,539	1,640,304	-	1,640,304
Shares of listed companies	1,943,672	-	1,943,672	1,392,625	-	1,392,625
Shares of unlisted companies	137,500	-	137,500	136,926	-	136,926
Listed preference shares	93,399	-	93,399	93,399	-	93,399
Listed term finance certificates	111,651	-	111,651	121,109	-	121,109
Unlisted term finance certificates	608,283	-	608,283	608,398	-	608,398
	<u>6,139,040</u>	<u>8,018,609</u>	<u>14,157,649</u>	<u>4,823,952</u>	<u>6,031,097</u>	<u>10,855,049</u>
<b>Associates</b>	2,112,507	-	2,112,507	2,112,507	-	2,112,507
<b>Subsidiaries</b>	60,000	-	60,000	60,000	-	60,000
<b>Total investments - at cost</b>	<u>8,317,514</u>	<u>8,018,609</u>	<u>16,336,123</u>	<u>6,996,459</u>	<u>6,031,097</u>	<u>13,027,556</u>
Less: Provision for diminution / impairment in the value of investments	(296,937)	-	(296,937)	(308,074)	-	(308,074)
<b>Total investments - net of provisions</b>	<u>8,020,577</u>	<u>8,018,609</u>	<u>16,039,186</u>	<u>6,688,385</u>	<u>6,031,097</u>	<u>12,719,482</u>
Deficit on revaluation of 'held-for-trading' securities	(53)	-	(53)	-	-	-
Surplus / (deficit) on revaluation of 'available-for-sale' securities	31,274	(25,358)	5,916	(97,006)	(13,303)	(110,309)
<b>Total investments</b>	<u>8,051,798</u>	<u>7,993,251</u>	<u>16,045,049</u>	<u>6,591,379</u>	<u>6,017,794</u>	<u>12,609,173</u>

8. ADVANCES

June 30, 2012  
(Un-audited)  
(Rupees in '000)

December 31, 2011  
(Audited)

**In Pakistan**  
Advances  
Net investment in finance leases

5,610,245 6,622,329  
1,430,506 1,509,496  
7,040,751 8,131,825

Provision for non-performing advances  
Advances - net of provision

(1,591,014) (1,577,790)  
5,449,737 6,554,035

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- 8.1 Advances include Rs.1,765.291 million (December 31, 2011: Rs 1,723.232 million) which have been placed under non-performing status as detailed below:

Category of classification	Domestic	Overseas	Total	Provision Required	Provision Held
Substandard	61,250	-	61,250	15,312	15,312
Doubtful	256,677	-	256,677	128,338	128,338
Loss	1,447,364	-	1,447,364	1,447,364	1,447,364
	<u>1,765,291</u>	<u>-</u>	<u>1,765,291</u>	<u>1,591,014</u>	<u>1,591,014</u>

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

Particulars	Note	June 30,	December 31,
		2012	2011
		(Un-audited)	(Audited)
		(Rupees in '000)	
Opening balance		1,577,790	1,420,615
Charge for the period		28,685	270,662
Reversals		(15,461)	(113,487)
		13,224	157,175
Amounts written off against provisions		-	-
Closing balance		<u>1,591,014</u>	<u>1,577,790</u>

## 9. BORROWINGS FROM FINANCIAL INSTITUTIONS

		June 30,	December 31,
		2012	2011
		(Un-audited)	(Audited)
		(Rupees in '000)	
<b>Secured</b>			
Repurchase agreement borrowings - Government securities	9.1	7,998,268	6,025,238
Borrowing from SBP under LTF-EOP	9.2	89,959	116,044
Borrowing from SBP under LTFF	9.3	281,533	248,997
Borrowing from SBP under FFSAP	9.4	19,731	21,375
Term Finance Facility	9.5	1,750,000	1,750,000
<b>Unsecured</b>			
Murabaha	9.6	2,000,000	1,000,000
		<u>12,139,491</u>	<u>9,161,654</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 ranges between 11.85 to 11.90 (December 31, 2011: 11.65 to 11.93) percent per annum with maturity of three days to six days (December 31, 2011 : three days to thirty eight days).
- 9.2 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 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.
- 9.3 This represents Long Term Finance Facility 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 PFI. The sanctioned limit was Rs. 300 million.

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9.4 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.

9.5 The Company has availed Long Term Finance facility. The interest rates on this facility are 12.41 and 12.43 percent per annum (December 31, 2011: 12.35 and 12.47 percent per annum) with maturities on November 29, 2014 and January 1, 2015 (December 31, 2011: November 29, 2014 and January 1, 2015).

9.6 This represents finance obtained from an Islamic bank. The profit rate on the finance is 12.00 (December 31, 2011: 12.50) percent per annum with maturities on August 27, 2012 and August 30, 2012 (December 31, 2011: January 16, 2012).

10. DEPOSITS AND OTHER ACCOUNTS	Note	June 30, 2012 (Un-audited)	December 31, 2011 (Audited)
(Rupees in '000)			
Certificates of investment (COIs) / deposits	10.1	917,391	1,726,601
		<u>917,391</u>	<u>1,726,601</u>

10.1 The profit rates on these COIs / deposits range between 11.75 and 13.70 (December 31, 2011: 11.40 and 13.90) percent per annum. The COIs / deposits are due for maturity between July 5, 2012 and March 22, 2015 (December 31, 2011: January 13, 2012 and March 22, 2015).

11. SURPLUS ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES-NET OF TAX	June 30, 2012 (Un-audited)	December 31, 2011 (Audited)
(Rupees in '000)		
Federal government securities	(81,047)	(51,504)
Shares of listed companies	86,330	(58,997)
Listed term finance certificate	633	192
	<u>5,916</u>	<u>(110,309)</u>
Deferred Tax	25,936	19,867
	<u>31,852</u>	<u>(90,442)</u>

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 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, 2011.

### 12.2 Other commitments

12.2 Other commitments	June 30, 2012 (Un-audited)	December 31, 2011 (Audited)
(Rupees in '000)		
Commitment - acquisition of software	7,194	10,452
Undisbursed sanctions for financial assistance in the form of loans and advances	44,736	417,000
	<u>51,930</u>	<u>427,452</u>

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### 13. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

The segment analysis with respect to business activities is as follows :

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
(Rupees in '000)						
<b>Half year ended June 30, 2012 - (Un-audited)</b>						
Total income - gross	459,236	666,754	228	180,004	10,683	1,316,905
Total mark-up / return / interest expense	(121,416)	(657,895)	-	-	-	(779,311)
Segment provision / impairment / unrealised losses	(14,177)	2,822	-	(46,539)	-	(57,894)
	(135,593)	(655,073)	-	(46,539)	-	(837,205)
Net operating income / (loss)	323,643	11,681	228	133,465	10,683	479,700
Administrative expenses and other charges						(239,510)
Profit before taxation						240,190

<b>Half year ended June 30, 2012 - (Un-audited)</b>						
Segment assets - net	6,118,429	11,022,514	-	3,788,009	1,840,928	22,769,880
Segment non-performing loans	1,765,291	-	-	-	-	1,765,291
Segment provision required and held	1,591,014	-	-	-	-	1,591,014
Segment liabilities	2,221,758	10,915,659	-	-	147,841	13,285,258
Segment return on net assets (ROA) % *	13.53%	11.99%	-	9.99%	1.05%	-
Segment cost of funds (%) *	10.98%	11.88%	-	-	-	-

\* Based on daily average assets and funds.

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
(Rupee in '000)						
<b>Half year ended June 30, 2011 - (Un-audited)</b>						
Total income - gross	413,992	595,711	1,380	318,577	8,928	1,338,588
Total mark-up / return / interest expense	(47,058)	(632,867)	-	-	-	(679,925)
Segment provision / impairment / unrealised losses	30,303	9,000	-	(41,831)	-	(2,528)
	(16,755)	(623,867)	-	(41,831)	-	(682,453)
Net operating income	397,237	(28,156)	1,380	276,746	8,928	656,135
Administrative expenses and other charges						(198,763)
Profit before taxation						457,372

<b>Year ended December 31, 2011 - (Audited)</b>						
Segment assets - net	7,212,202	9,005,931	-	3,218,906	1,369,500	20,806,539
Segment non-performing loans	1,723,232	-	-	-	-	1,723,232
Segment provision required and held	1,577,790	-	-	-	-	1,577,790
Segment liabilities	2,218,139	8,751,839	-	-	252,248	11,222,226
Segment return on net assets (ROA) %	14.57%	12.71%	-	16.81%	1.38%	-
Segment cost of funds (%)	9.23%	12.90%	-	-	-	-

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

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14. 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.

	Six months period ended June 30, 2012 (Un-audited) (Rupees in '000)	Six months period ended June 30, 2011 (Un-audited) (Rupees in '000)
Expenses charged to an associate	8,429	7,868
Expenses charged by		
- associates	495	746
- other related party	8,276	8,850
Dividend income from related parties	-	8,448
Mark-up earned on bank deposit with an associate	240	353
Mark-up earned on loans and advances		
- key management personnel	374	570
Mark-up expense on COIs of related parties		
- associates	3,144	7,084
- other related party	774	216
Contribution made to provident fund	8,079	7,430
Contribution made to gratuity fund	-	8,546
	June 30, 2012 (Un-audited) (Rupees in '000)	December 31, 2011 (Audited) (Rupees in '000)
Loans and advances to key management personnel	43,918	47,223
Balance as at January 1	2,252	2,175
Disbursement during the period / year	(16,188)	(5,480)
Recovery during the period / year	(13,936)	(3,305)
Balance as at	29,982	43,918
Bank balances with an associate	17,457	2,194
Mark-up receivable on bank deposit with an associate	20	44
Deposits / COIs from associate & other related party		
- associates	60,000	50,000
- other related party	2,500	12,500
Mark-up payable to related party		
- associates	2,455	2,650
- other related party	698	1,302
Investments in		
- quoted, at market values		
- associates	8,510,623	4,810,857
- unquoted, at cost		
- subsidiary companies	60,000	60,000
- associates	199,000	199,000
- other related parties	500	500

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### 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. 28.376 million (June 30, 2011: Rs. 33.859 million) and staff retirement benefits amount to Rs. 4.298 million (June 30, 2011: Rs. 4.052 million).

### 15. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 26 AUG 2012

### 16. GENERAL

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

16.2. 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).

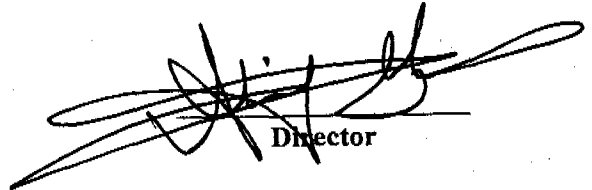
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*Sumayum*

Chief Financial Officer / Officiating Chief Executive



Director



Director