



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

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

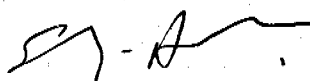
**For the nine months period ended September 30, 2012**

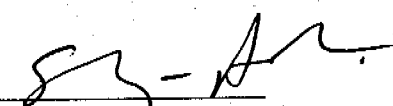
**Pakistan Kuwait Investment Company (Private) Limited**  
**Unconsolidated Condensed Interim Statement of Financial Position**  
*As at September 30, 2012*

	Note	September 30, 2012 (Un -Audited)	December 31, 2011 (Audited)
<b>(Rupees in '000)</b>			
<b>ASSETS</b>			
Cash and balances with treasury banks		24,257	442,766
Balances with other banks		515,824	23,035
Lendings to financial institutions		-	-
Investments	6	23,091,070	12,609,173
Advances	7	5,564,914	6,554,035
Operating fixed assets		202,653	242,025
Deferred tax assets		258,682	275,407
Other assets		511,469	660,098
		<b>30,168,869</b>	<b>20,806,539</b>
<b>LIABILITIES</b>			
Bills payable		-	-
Borrowings from financial institutions	8	18,074,847	9,161,654
Deposits and other accounts	9	1,658,646	1,726,601
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		314,564	333,971
		<b>20,048,057</b>	<b>11,222,226</b>
<b>NET ASSETS</b>		<b>10,120,812</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		801,768	559,890
		<b>9,916,633</b>	<b>9,674,755</b>
Surplus / (deficit) on revaluation of 'available-for-sale' securities - net of tax	10	204,179	(90,442)
		<b>10,120,812</b>	<b>9,584,313</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11		

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

  
**Deputy General Manager / Chief Financial Officer**

  
**Chief Executive**

  
**Director**

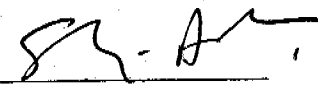
  
**Director**

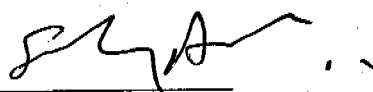
**Pakistan Kuwait Investment Company (Private) Limited**  
**Unconsolidated Condensed Interim Profit and Loss Account - (Un-audited)**  
*For the nine months period ended September 30, 2012*

	Quarter ended September 30, 2012	Nine months ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2011
	-----Rupees in '000-----			
Mark-up / return / interest earned	610,498	1,743,250	588,782	1,593,605
Mark-up / return / interest expensed	435,136	1,214,447	385,410	1,065,336
Net mark-up / interest income	175,362	528,803	203,372	528,269
Provision / (reversal of provision) against non-performing advances - net	14,204	27,428	(13,954)	(21,805)
Recovery of written off advances	-	-	-	(22,594)
Reversal of provision against non-performing lending to financial institution	-	(2,822)	(4,500)	(13,500)
(Reversal of provision) / provision for diminution / impairment in the value of investments	(5,008)	42,431	17,082	59,054
Bad debts written off directly	-	-	-	-
	9,196	67,037	(1,372)	1,155
Net mark-up / interest income after provisions	166,166	461,766	204,744	527,114
<b>NON MARK-UP / INTEREST INCOME</b>				
Fee, commission and brokerage income	-	228	1,655	3,035
Dividend income	451,800	529,918	350,249	443,576
Income from dealing in foreign currencies	-	-	-	-
Gain on sale of securities - net	106,184	200,573	15,859	245,046
Unrealised gain on revaluation of 'held-for-trading' securities	112	59	-	-
Other income	5,714	17,132	6,829	16,700
Total non mark-up / interest income	563,810	747,910	374,592	708,357
<b>NON MARK-UP / INTEREST EXPENSES</b>				
Administrative expenses	130,628	324,152	121,765	320,528
Provision for impairment on fixed assets	-	45,724	-	-
Other charges	-	262	-	-
Total non mark-up / interest expenses	130,628	370,138	121,765	320,528
Extra ordinary / unusual items	-	-	-	-
<b>PROFIT BEFORE TAXATION</b>	599,348	839,538	457,571	914,943
Taxation				
- Current	141,197	277,936	133,205	243,199
- Prior years	-	-	-	-
- Deferred	(5,712)	(40,276)	(38,081)	7,119
	135,485	237,660	95,124	250,318
<b>PROFIT AFTER TAXATION</b>	463,863	601,878	362,447	664,625
Unappropriated profit brought forward	697,905	559,890	731,754	429,576
Unappropriated profit carried forward	1,161,768	1,161,768	1,094,201	1,094,201
	-----Rupees-----			
<b>Basic and diluted earning per share</b> (On share of Rs. 25,000 each)	1,933	2,508	1,510	2,769

The annexed notes 1 to 15 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 period ended September 30, 2012*

	Quarter ended September 30, 2012	Nine months ended September 30, 2012	Quarter ended September 30, 2011	Nine months ended September 30, 2011
	(Rupees in '000)			
Profit for the period	463,863	601,878	362,447	664,625
Other comprehensive income	-	-	-	-
<b>Comprehensive income transferred to equity</b>	<b>463,863</b>	<b>601,878</b>	<b>362,447</b>	<b>664,625</b>
<b>Component of comprehensive income not transferred to equity</b>				
Surplus / (deficit) on revaluation of 'available-for-sale' securities - net of tax	235,395	351,620	99,581	(104,959)
Deferred tax on revaluation of 'available-for-sale' securities - net of tax	(63,068)	(56,999)	(20,357)	(24,041)
<b>Total Comprehensive Income for the period</b>	<b>636,190</b>	<b>896,499</b>	<b>441,671</b>	<b>535,625</b>

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 Chief Executive

  
 Director

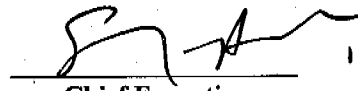
  
 Director

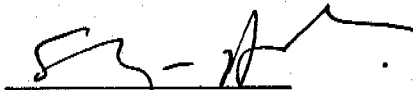
**Pakistan Kuwait Investment Company (Private) Limited**  
**Unconsolidated Condensed Interim Statement of Changes in Equity - (Un-audited)**  
*For the nine months period ended September 30, 2012*

	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 nine months period ended September 30, 2011	-	-	664,625	664,625
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	664,625	664,625
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 September 30, 2011</b>	<b>6,000,000</b>	<b>2,992,287</b>	<b>734,201</b>	<b>9,726,488</b>
Balance as at January 01, 2012	6,000,000	3,114,865	559,890	9,674,755
Profit for the nine months period ended September 30, 2012	-	-	601,878	601,878
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	601,878	601,878
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 September 30, 2012</b>	<b>6,000,000</b>	<b>3,114,865</b>	<b>801,768</b>	<b>9,916,633</b>

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

  
**Deputy General Manager / Chief Financial Officer**

  
**Chief Executive**

  
**Director**

  
**Director**

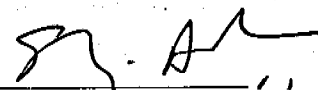
**Pakistan Kuwait Investment Company (Private) Limited**  
**Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)**  
*For the nine months period ended September 30, 2012*

	September 30, 2012	September 30, 2011
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	839,538	914,943
Less: Dividend income	529,918	443,576
	<u>309,620</u>	<u>471,367</u>
Adjustments for:		
Depreciation	9,275	10,909
Amortization	3,781	1,173
Provision for impairment on fixed assets	45,724	-
Provision / (reversal of provision) against non-performing advances - net	27,428	(21,805)
Recovery of written off advances	-	(22,594)
Provision for diminution / impairment in the value of investments	42,431	59,054
Reversal of provision against non-performing lending to financial institution	(2,822)	(13,500)
Unrealised gain on revaluation of 'held for trading' securities	(59)	-
Gain on sale of operating fixed assets	(1,434)	(25)
	<u>124,324</u>	<u>13,212</u>
	433,944	484,579
<b>Decrease / (Increase) in operating assets</b>		
Lendings to financial institutions	2,822	263,501
'Held-for-trading' securities	(35,137)	35,713
Advances	961,693	(1,159,673)
Others assets (excluding advance taxation)	(2,868)	(172,696)
	<u>926,510</u>	<u>(1,033,155)</u>
<b>Increase / (Decrease) in operating liabilities</b>		
Borrowings from financial institutions	8,913,193	(3,994,328)
Deposits	(67,954)	(589,234)
Other liabilities (excluding current taxation)	(19,407)	90,717
	<u>8,825,832</u>	<u>(4,492,845)</u>
	10,186,286	(5,041,421)
	<u>(83,083)</u>	<u>(243,199)</u>
Income tax paid	10,103,203	(5,284,620)
<i>Net cash inflow / (outflow) from operating activities</i>		
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net investment in 'available-for-sale' securities / subsidiaries	(10,137,510)	3,904,584
Dividend income	486,534	373,001
Investments in operating fixed assets	(19,401)	(15,501)
Sale proceeds from sale of operating fixed assets	1,454	981
<i>Net cash (outflow) / inflow from investing activities</i>	<u>(9,668,923)</u>	<u>4,263,065</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>
<b>Increase / (decrease) in cash and cash equivalents</b>	74,280	(1,381,555)
Cash and cash equivalents at beginning of the period	465,801	1,414,631
Cash and cash equivalents at end of the period	<u>540,081</u>	<u>33,076</u>

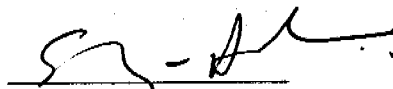
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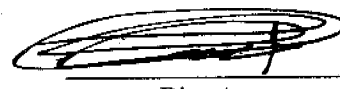
Deputy General Manager / Chief Financial Officer



Chief Executive



Director



Director

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

## 6. INVESTMENTS

### 6.1 Investments by type

	September 30, 2012			December 31, 2011		
	(Un-audited)			(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	35,137	-	35,137	-	-	-
<b>Available-for-sale securities</b>						
Market treasury bills	4,673,290	11,883,386	16,556,676	831,191	6,031,097	6,862,288
Pakistan Investment Bonds	1,642,186	-	1,642,186	1,640,304	-	1,640,304
Shares of listed companies	1,819,360	-	1,819,360	1,392,625	-	1,392,625
Shares of unlisted companies	127,411	-	127,411	136,926	-	136,926
Listed preference shares	68,399	-	68,399	93,399	-	93,399
Listed term finance certificates	111,712	-	111,712	121,109	-	121,109
Unlisted term finance certificates	608,283	-	608,283	608,398	-	608,398
	9,050,641	11,883,386	20,934,027	4,823,952	6,031,097	10,855,049
<b>Associates</b>	2,095,242	-	2,095,242	2,112,507	-	2,112,507
<b>Subsidiaries</b>	60,000	-	60,000	60,000	-	60,000
<b>Total investments - at cost</b>	11,241,020	11,883,386	23,124,406	6,996,459	6,031,097	13,027,556
Less: Provision for diminution / impairment in the value of investments	(274,706)	-	(274,706)	(308,074)	-	(308,074)
<b>Total investments - net of provisions</b>	10,966,314	11,883,386	22,849,700	6,688,385	6,031,097	12,719,482
Surplus on revaluation of 'held-for-trading' securities	59	-	59	-	-	-
Surplus / (deficit) on revaluation of 'available-for-sale' securities	228,651	12,660	241,311	(97,006)	(13,303)	(110,309)
<b>Total investments</b>	11,195,024	11,896,046	23,091,070	6,591,379	6,017,794	12,609,173

## 7. ADVANCES

	September 30, 2012	December 31, 2011
	(Un-audited)	(Audited)
	(Rupees in '000)	
<b>In Pakistan</b>		
Advances	5,804,418	6,622,329
Net investment in finance leases	1,365,714	1,509,496
	7,170,132	8,131,825
Provision for non-performing advances	(1,605,218)	(1,577,790)
<b>Advances - net of provision</b>	5,564,914	6,554,035



- 7.1 Advances include Rs.1,763.073 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	Provision
				Required	Held
(Rupees in '000)					
Substandard	-	-	-	-	-
Doubtful	315,709	-	315,709	157,854	157,854
Loss	1,447,364	-	1,447,364	1,447,364	1,447,364
	<u>1,763,073</u>	<u>-</u>	<u>1,763,073</u>	<u>1,605,218</u>	<u>1,605,218</u>

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

	Note	September 30,	December 31,
		2012	2011
		(Un-audited)	(Audited)
		(Rupees in '000)	
Opening balance		1,577,790	1,420,615
Charge for the period		43,998	270,662
Reversals		(16,570)	(113,487)
		27,428	157,175
Amounts written off against provisions		-	-
Closing balance		<u>1,605,218</u>	<u>1,577,790</u>

## 8. BORROWINGS FROM FINANCIAL INSTITUTIONS

		September 30,	December 31,
		2012	2011
		(Un-audited)	(Audited)
		(Rupees in '000)	
<b>Secured</b>			
Repurchase agreement borrowings - Government securities	8.1	11,903,856	6,025,238
Borrowing from SBP under LTF-EOP	8.2	82,245	116,044
Borrowing from SBP under LTF	8.3	320,659	248,997
Borrowing from SBP under FFSAP	8.4	18,087	21,375
Term Finance Facility	8.5	2,750,000	1,750,000
<b>Unsecured</b>			
Murabaha	8.6	3,000,000	1,000,000
		<u>18,074,847</u>	<u>9,161,654</u>

- 8.1 The Company has arranged borrowings from various financial institutions against sale and repurchase of government securities. The mark-up on these finances ranges between 9.76 to 10.40 (December 31, 2011: 11.65 to 11.93) percent per annum with maturity of one day to twelve days (December 31, 2011 : three days to thirty eight 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 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.
- 8.3 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. 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 facility. The interest rates on this facility range from 10.94 and 12.49 percent per annum (December 31, 2011: 12.35 and 12.47 percent per annum) with maturities between November 29, 2014 and September 11, 2015 (December 31, 2011: November 29, 2014 and January 1, 2015).
- 8.6 This represents finance obtained from an Islamic bank. The profit rate on the finance is 10.30 (December 31, 2011: 12.50) percent per annum with maturity on October 01, 2012 (December 31, 2011: January 16, 2012).

9. DEPOSITS AND OTHER ACCOUNTS	Note	September 30, 2012 (Un-audited) (Rupees in '000)	December 31, 2011 (Audited)
Certificates of investment (COIs) / deposits	9.1	1,658,646	1,726,601
		<u>1,658,646</u>	<u>1,726,601</u>

- 9.1 The profit rates on these COIs / deposits range between 10.10 and 12.25 (December 31, 2011: 11.40 and 13.90) percent per annum. The COIs / deposits are due for maturity between October 01, 2012 and March 22, 2015 (December 31, 2011: January 13, 2012 and March 22, 2015).

10. SURPLUS ON REVALUATION OF 'AVAILABLE-FOR-SALE' SECURITIES-NET OF TAX	September 30, 2012 (Un-audited) (Rupees in '000)	December 31, 2011 (Audited)
Federal government securities	85,372	(51,504)
Shares of listed companies	155,182	(58,997)
Listed term finance certificate	757	192
	<u>241,311</u>	<u>(110,309)</u>
Deferred Tax	(37,132)	19,867
	<u>204,179</u>	<u>(90,442)</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, 2011.

### 11.2 Other commitments

11.2 Other commitments	September 30, 2012 (Un-audited) (Rupees in '000)	December 31, 2011 (Audited)
Commitment - acquisition of software	7,194	10,452
Undisbursed sanctions for financial assistance in the form of loans and advances	755,052	417,000
	<u>762,246</u>	<u>427,452</u>

## 12. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
(Rupees in '000)						
<b>Nine months period ended September 30, 2012 - (Un-audited)</b>						
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 gains	(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
<b>Period ended September 30, 2012 - (Un-audited)</b>						
Segment assets - net	6,232,464	18,016,397	-	3,667,726	2,252,282	30,168,869
Segment non-performing loans	1,763,073	-	-	-	-	1,763,073
Segment provision required and held	1,605,218	-	-	-	-	1,605,218
Segment liabilities	3,251,526	16,562,503	-	-	234,028	20,048,057
Segment return on net assets (ROA) % *	13.11%	11.82%	-	27.15%	0.91%	-
Segment cost of funds (%) *	10.99%	11.40%	-	-	-	-

\* Based on daily average assets and funds.

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
(Rupee in '000)						
<b>Nine months period ended September 30, 2011 - (Un-audited)</b>						
Total income - gross	679,576	923,534	860	684,518	13,474	2,301,962
Total mark-up / return / interest expense	(54,262)	(1,011,074)	-	-	-	(1,065,336)
Segment provision / impairment / unrealised losses	39,961	13,500	-	(54,616)	-	(1,155)
	(14,301)	(997,574)	-	(54,616)	-	(1,066,491)
Net operating income	665,275	(74,040)	860	629,902	13,474	1,235,471
Administrative expenses and other charges						(320,528)
Profit before taxation						914,943
<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) %	14.62%	13.18%	-	25.37%	1.49%	-
Segment cost of funds (%)	8.57%	13.09%	-	-	-	-

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

### 13. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its associates, associated undertakings, subsidiary companies, employee benefit plans, key management personnel and its directors.

The Company enters into transactions with related parties in the normal course of business. These transactions were carried out on commercial terms and at market rates.

	Nine months period ended September 30, 2012 (Un-audited) (Rupees in '000)	Nine months period ended September 30, 2011 (Un-audited) (Rupees in '000)
<b>Expenses charged to an associate</b>	12,644	11,802
<b>Expenses charged by</b>		
- associates	579	1,047
- other related party	12,151	12,744
<b>Dividend income from related parties</b>	440,064	340,200
<b>Mark-up earned on bank deposit with an associate</b>	- 351	725
<b>Mark-up earned on loans and advances</b>		
- key management personnel	580	850
<b>Mark-up expense on COIs of related parties</b>		
- associates	4,494	8,767
- other related party	851	640
<b>Gain on sale of shares of associates</b>	19,279	-
<b>Contribution made to provident fund</b>	11,919	11,107
<b>Contribution made to gratuity fund</b>	-	8,546
	September 30, 2012 (Un-audited) (Rupees in '000)	December 31, 2011 (Audited) (Rupees in '000)
<b>Loans and advances to key management personnel</b>	43,918	47,223
Balance as at January 1	9,888	2,175
Disbursement during the period / year	(18,058)	(5,480)
Recovery during the period / year	(8,170)	(3,305)
<b>Balance as at</b>	<u>35,748</u>	<u>43,918</u>
<b>Bank balances with an associate</b>	12,944	2,194
<b>Mark-up receivable on bank deposit with an associate</b>	25	44
<b>Deposits / COIs from associate &amp; other related party</b>		
- associates	35,000	50,000
- other related party	2,500	12,500
<b>Mark-up payable to related party</b>		
- associates	862	2,650
- other related party	775	1,302
<b>Investments in</b>		
- quoted, at market values		
- associates	8,101,022	4,810,857
- unquoted, at cost		
- subsidiary companies	60,000	60,000
- associates	199,000	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. 42.158 million (September 30, 2011: Rs. 54.100 million) and staff retirement benefits amount to Rs. 6.350 million (September 30, 2011: Rs. 5.761 million).

**14. DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated condensed interim financial statements were authorised for issue in the Board of Directors meeting held on 09 DEC 2012

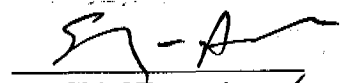
**15. GENERAL**

**15.1.** The figures have been rounded off to nearest thousand rupees.


**15.2.** 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).




**Deputy General Manager / Chief Financial Officer**



**Chief Executive**



**Director**



**Director**