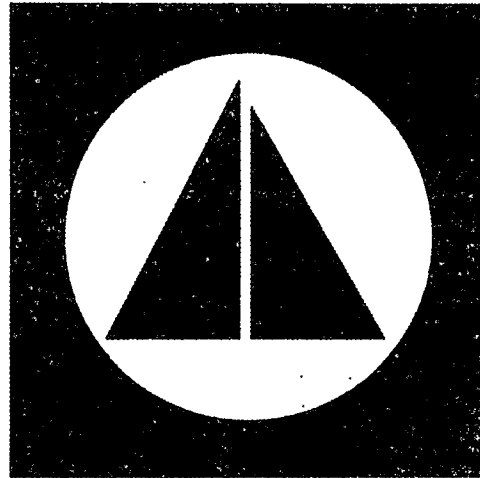


**UNCONSOLIDATED
CONDENSED
INTERIM FINANCIAL INFORMATION
(UN AUDITED)**

**FOR THE THREE MONTHS PERIOD ENDED
MARCH 31, 2009**



Pak Kuwait

Pakistan Kuwait Investment Company (Private) Limited

الشركة الباكستانية الكويتية للاستثمار (الخاصة) المحدودة

Pakistan Kuwait Investment Company (Private) Limited
 Unconsolidated Condensed Interim Balance Sheet - (Un-audited)
 As at March 31, 2009


	Note	March 31, 2009	December 31, 2008 (Audited)
(Rupees in '000)			
ASSETS			
Cash and balances with treasury banks		40,646	17,179
Balances with other banks		1,359,394	2,759,358
Lendings to financial institutions		919,122	500,000
Investments	6	10,555,188	8,436,921
Advances	7	3,119,236	3,358,935
Other assets		255,634	162,751
Operating fixed assets	8	111,167	107,138
Deferred tax asset		181,573	126,230
		16,541,960	15,468,512
LIABILITIES			
Bills payable		-	-
Borrowings from financial institutions	9	5,910,343	6,370,782
Deposits and other accounts	10	1,140,951	37,500
Subordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liability		-	-
Other liabilities		809,146	750,649
		7,860,440	7,158,931
NET ASSETS		8,681,520	8,309,581
REPRESENTED BY			
Share capital		6,000,000	6,000,000
Reserves		3,288,822	6,447,712
Accumulated loss		(848,407)	(4,079,185)
		8,440,415	8,368,527
Surplus / (deficit) on revaluation of 'available-for-sale' securities - net of tax		241,105	(58,946)
		8,681,520	8,309,581

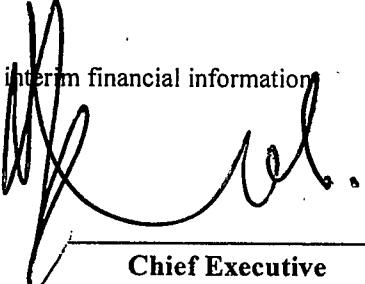
CONTINGENCIES AND COMMITMENTS

11

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


 Deputy General Manager


 Chief Executive


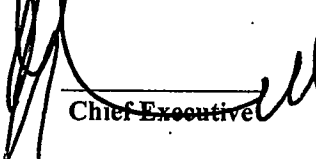

 Chief Executive

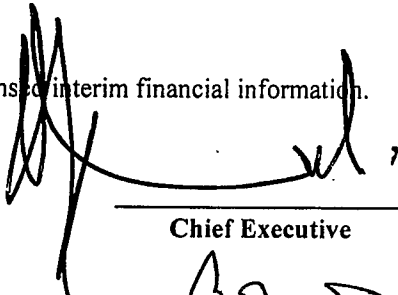
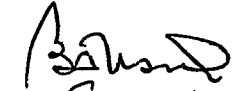

 Director

Pakistan Kuwait Investment Company (Private) Limited
Unconsolidated Condensed Interim Profit and Loss Account - (Un-audited)
For the three months period ended March 31, 2009

	Three months period ended March 31, 2009	Three months period ended March 31, 2008
	(Rupees in '000)	
Mark-up / return / interest earned	394,969	326,123
Mark-up / return / interest expensed	188,480	181,603
Net mark-up / interest income	<u>206,489</u>	<u>144,520</u>
Provision against non-performing advances - net	85,181	16,809
Provision for diminution / impairment in the value of investments	147,377	1,261
	<u>232,558</u>	<u>18,070</u>
Net mark-up / interest (loss) / income after provisions	<u>(26,069)</u>	<u>126,450</u>
NON MARK-UP / INTEREST INCOME		
Fee, commission and brokerage income	213	1,282
Dividend income	24,226	31,290
Gain on sale of securities - net	186,241	188,652
Income from dealing in foreign currencies	-	-
Unrealised (deficit) / surplus on revaluation of 'held for trading' securities	(1,574)	27,305
Unrealised deficit on revaluation of 'derivative instruments'	-	(1,168)
Other income	7,072	5,056
Total non mark-up / interest income	<u>216,178</u>	<u>252,417</u>
NON MARK-UP / INTEREST EXPENSES		
Administrative expenses	63,484	77,806
Other charges	203	-
Total non mark-up / interest expenses	<u>63,687</u>	<u>77,806</u>
Extra ordinary / unusual items	-	-
PROFIT BEFORE TAXATION	<u>126,422</u>	<u>301,061</u>
Taxation		
- Current	102,951	105,795
- Prior years	-	-
- Deferred	(48,417)	3,420
	<u>54,534</u>	<u>109,215</u>
PROFIT AFTER TAXATION	<u>71,888</u>	<u>191,846</u>
Basic and diluted earnings per share (On share of Rs. 25,000 each)	<u>300</u>	<u>799</u>

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



 Deputy General Manager

 Chief Executive

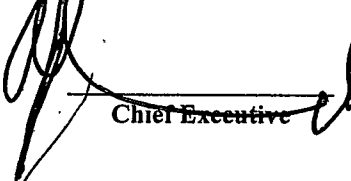

 Chief Executive

 Director

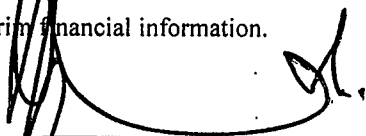
Pakistan Kuwait Investment Company (Private) Limited
Unconsolidated Condensed Interim Cash Flow Statement (Un-audited)
For the three months period ended March 31, 2009

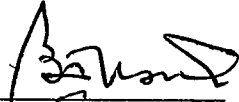
	Three months period ended March 31, 2009	Three months period ended March 31, 2008
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	126,422	301,061
Less: Dividend income	(24,226)	(31,290)
	<u>102,196</u>	<u>269,771</u>
Adjustments for:		
Depreciation	2,663	4,464
Unrealised deficit / (surplus) on revaluation of 'held for trading' securities	1,574	(27,305)
Provision against non-performing advances - net	85,181	16,809
Provision for diminution in the value of investments	147,377	1,261
Gain on sale of operating fixed assets	(1,067)	(94)
	<u>235,728</u>	<u>(4,865)</u>
	<u>337,924</u>	<u>264,906</u>
Decrease / (increase) in operating assets		
Lendings to financial institutions	(419,122)	2,103,366
'Held for trading' securities	75,608	(87,958)
Advances	154,518	78,237
Others assets	(77,787)	(65,075)
	<u>(266,783)</u>	<u>2,028,570</u>
(Decrease) / increase in operating liabilities		
Borrowings from financial institutions	(460,439)	(3,180,756)
Deposits	1,103,451	(1,870,000)
Other liabilities (excluding current taxation)	(25,745)	115,612
	<u>617,267</u>	<u>(4,935,144)</u>
Income tax paid	688,408	(2,641,668)
<i>Net cash inflows / (outflows) from operating activities</i>	<u>(18,709)</u>	<u>(11,476)</u>
	<u>669,699</u>	<u>(2,653,144)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in 'available-for-sale' securities / subsidiaries	(2,049,701)	3,975
Dividend received	9,130	9,971
Investments in operating fixed assets	(16,877)	(1,279)
Sale proceeds from sale of operating fixed assets	11,252	94
<i>Net cash inflows / (outflows) from investing activities</i>	<u>(2,046,196)</u>	<u>12,761</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	-
<i>Net cash inflows / (outflows) from financing activities</i>	-	-
Decrease in cash and cash equivalents	<u>(1,376,497)</u>	<u>(2,640,383)</u>
Cash and cash equivalents at beginning of the year	<u>2,776,537</u>	<u>5,373,858</u>
Cash and cash equivalents at end of the year	<u>1,400,040</u>	<u>2,733,475</u>

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


 Deputy General Manager


 Chief Executive


 Chief Executive

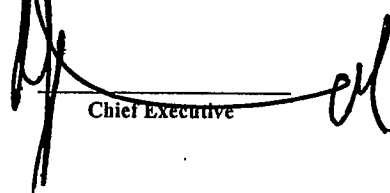

 Director

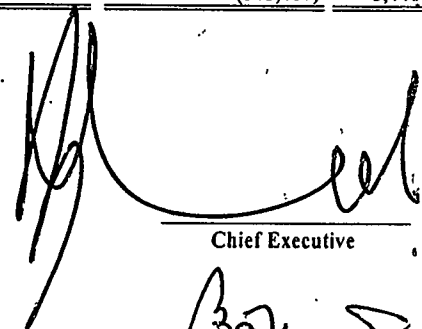
Pakistan Kuwait Investment Company (Private) Limited
Unconsolidated Statement of Changes in Equity - (Un-audited)
For the three months period ended March 31, 2009

	Share capital	Reserves			Unappropriated profit / (Accumulated loss)	Total
		Statutory	Tax	Revenue		
(Rupees in '000)						
Balance as at January 01, 2008	6,000,000	3,288,822	80,045	2,422,404	1,159,325	12,950,596
Profit for the three months period January 01 to March 31, 2008	-	-	-	-	191,846	191,846
Transfer to statutory reserve	-	38,369	-	-	(38,369)	-
Final dividend for the year ended December 31, 2007 @ Rs. 2,000 per share approved subsequent to year end	-	-	-	-	(480,000)	(480,000)
Transfer to contingencies reserve	-	-	-	42,086	(42,086)	-
Transfer to marketable and government securities reserve	-	-	(80,045)	694,400	(614,355)	-
Balance as at March 31, 2008	<u>6,000,000</u>	<u>3,327,191</u>	<u>-</u>	<u>3,158,890</u>	<u>176,361</u>	<u>12,662,442</u>
Balance as at January 01, 2009	6,000,000	3,288,822	-	3,158,890	(4,079,185)	8,368,527
Profit for the three months period January 01 to March 31, 2009	-	-	-	-	71,888	71,888
Transfer from contingencies reserve to accumulated loss	-	-	-	(274,837)	274,837	-
Transfer from marketable and government securities reserve to accumulated loss	-	-	-	(2,884,053)	2,884,053	-
Balance as at March 31, 2009	<u>6,000,000</u>	<u>3,288,822</u>	<u>-</u>	<u>-</u>	<u>(848,407)</u>	<u>8,440,415</u>

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


Deputy General Manager


Chief Executive


Chief Executive


Director

Pakistan Kuwait Investment Company (Private) Limited
Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)
For the three months period ended March 31, 2009

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 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. The Company has two 100% owned subsidiaries, First Choice Securities Limited (FCSL) and Pak Kuwait Financial Services Limited (PKFSL). FCSL is principally engaged in the business of equity brokerage, money markets and foreign exchange brokerage, equity research and corporate financial advisory services. The principal business of PKFSL is to provide Assets Management Services. Both FCSL and PKFSL have not started their operations.

2. BASIS OF PRESENTATION

These unconsolidated interim financial statements are presented in a condensed form in accordance with the requirements of Approved Accounting Standards as applicable in Pakistan for Interim Financial Reporting. These unconsolidated condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the financial statements of the company for the year ended December 31, 2008.

3. ESTIMATES

The preparation of unconsolidated condensed interim financial statements requires management to make judgement, estimates and assumptions that affect the application of accounting policies, and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by the management in applying the accounting policies and key sources of estimation uncertainty were the same as those applied to financial statements for the year ended December 31, 2008. With respect to impairment of available for sale equity investments, had the decline in the market value of all 'available for sale securities below cost considered as impairment, the company would be required to make an additional provision of Rs.36.156 million at the period end.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the purpose of these condensed interim financial statement are the same as those applied in preparation of annual financial statements for the year ended December 31, 2008

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, 2008.

6. INVESTMENTS

6.1 Investments by type

	March 31, 2009			December 31, 2008		
	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	46,692	-	46,692	421,790	-	421,790
Available-for-sale securities						
Market treasury bills	2,184,157	3,908,206	6,092,363	605,632	3,349,317	3,954,949
Shares of listed companies	4,386,111	-	4,386,111	6,238,029	-	6,238,029
Shares of unlisted companies	119,573	-	119,573	151,546	-	151,546
Listed preference shares	92,283	-	92,283	96,003	-	96,003
Listed term finance certificates	410,087	-	410,087	124,341	-	124,341
Unlisted term finance certificates	58,333	-	58,333	93,958	-	93,958
Associates	1,738,333	-	1,738,333	1,726,560	-	1,726,560
Subsidiaries	81,120	-	81,120	81,120	-	81,120
Total investments - at cost	9,116,689	3,908,206	13,024,895	9,538,979	3,349,317	12,888,296
Less: Provision for diminution in the value of investments	(2,702,797)	-	(2,702,797)	(4,091,851)	-	(4,091,851)
Total investments - net of provisions	6,413,892	3,908,206	10,322,098	5,447,128	3,349,317	8,796,445
(Deficit) on revaluation of 'held for trading' securities	(1,574)	-	(1,574)	(301,064)	-	(301,064)
Surplus / (deficit) on revaluation of 'available-for-sale' securities	250,396	(15,732)	234,664	(59,621)	1,161	(58,460)
Total investments	6,662,714	3,892,474	10,555,188	5,086,443	3,350,478	8,436,921

6.1 Investments by segments

March 31, 2009 December 31, 2008

(Rupees in '000)

Government securities	6,073,962	3,956,336
Quoted securities	4,039,440	4,008,588
Unquoted securities	441,786	471,997
	10,555,188	8,436,921

7 ADVANCES

In Pakistan

Advances	2,576,596	2,685,896
Net investment in finance leases	1,496,250	1,583,220
	4,072,846	4,269,116
Provision for non-performing advances	(953,610)	(910,181)
Advances net of provision	3,119,236	3,358,935

- 7.1 Advances include Rs.1,507.510 million (December 31; 2008: Rs 1,278.058 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	453,306	-	453,306	113,327	113,327
Doubtful	427,841	-	427,841	213,920	213,920
Loss	626,363	-	626,363	626,363	626,363
	<u>1,507,510</u>	<u>-</u>	<u>1,507,510</u>	<u>953,610</u>	<u>953,610</u>

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

	March 31,	December 31,
	2009	2008
	(Rupees in '000)	
Opening balance	910,181	338,539
Charge for the quarter	100,493	607,032
Reversals	(15,312)	(35,390)
	85,181	571,642
Amounts written off against provisions	(41,752)	-
Closing balance	<u>953,610</u>	<u>910,181</u>

8. OPERATING FIXED ASSETS

Following additions have been made to tangible fixed:-

	Three Months	Three Months
	period ended	period ended
	March 31,	March 31,
	2009	2008
	(Rupees in '000)	
Office furniture, fixture, equipment and computers	151	704
Vehicles	6,876	576
	<u>7,027</u>	<u>1,280</u>

9. BORROWINGS FROM FINANCIAL INSTITUTIONS

	March 31,	December 31,
	2009	2008
	(Rupees in '000)	
Secured		
Repurchase agreement borrowings	9.1	4,014,343
Term finance certificates (TFCs)	9.2	1,550,000
Borrowing from SBP under LTF-EOP	9.3	346,000
Unsecured		
Term finance certificates (TFCs)	-	1,000,000
	<u>5,910,343</u>	<u>6,370,782</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 is 10.25 to 14.95 (December 31, 2008: 11% to 14.9%) percent per annum with maturity of one day to thirty two days (December 31, 2008 : three days to six days).

- 9.2 This represents finance obtained through issue of privately placed term finance certificates of five years maturity. The mark-up is payable on quarterly basis and the principal is repayable in five equal semi annual instalments commencing 36 months from the date of disbursement. The facility is secured by first hypothecation charge ranking pari passu, on existing and future assets of the company. The rate of profit is 3 months KIBOR ask rate plus basis points ranges from 50 to 65 (December 31, 2008: 65) basis points. As at March 31, 2009 the effective rate ranges between 12.90 to 16.15 (December 31, 2008: 15.81 and 16.15) percent per annum.

- 9.3 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.

The sanctioned limit was Rs. 1,000 million. The outstanding balance under swap arrangement amounts to Rs 345.999 million as at March 31, 2009 (December 31, 2008: Rs 369.148 million).

10. DEPOSITS AND OTHER ACCOUNTS

Certificates of investment (COIs) / deposits

Financial institutions

Others

10.1

10.1

March 31, 2009
December 31, 2008
(Rupees in '000)

1,000,000

140,951

1,140,951

-

37,500

37,500

- 10.1 The profit rates on these COIs range between 11.75 to 14.03 (December 31, 2008: 9.75 to 14.03) percent per annum. The COIs are due for maturity between April 02, 2009 and March 22, 2010 (December 31, 2008: January 19, 2009 and March 22, 2010). Included in COIs is an amount of Rs. 140.951 million (December 31, 2008 :Rs. 35 million) payable within twelve months. All COIs /deposits are in local currency.

11. CONTINGENCIES AND COMMITMENTS

11.1 Other contingencies

March 31, 2009
December 31, 2008
(Rupees in '000)

Direct credit substitute – guarantee issued

1,550

1,550

- 11.2 There is no change in status of other contingencies as disclosed in the financial statements for the year ended December 31, 2008

11.3 Other commitments

March 31, 2009
December 31, 2008
(Rupees in '000)

Undisbursed sanctions for financial assistance in the form of

- equity participation

- loans and advances

683,220

186,508

869,728

1,135,100

200,936

1,336,036

12. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

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

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
(Rupees in '000)						
Three months period ended March 31, 2009						
Total income - gross	115,783	285,668	-	205,434	5,836	612,721
Total mark-up / return / interest expense	(86,169)	(102,311)	-	-	-	(188,480)
Segment provision / impairment / unrealised losses	(79,928)	-	-	(154,204)	-	(234,132)
Net operating (loss) / income	(166,097)	(102,311)	-	(154,204)	-	(422,612)
Administrative expenses and other charges	(50,314)	183,357	-	51,230	5,836	190,109
Profit before taxation						63,687
						126,422
Segment assets - net	3,605,308	9,183,634	-	3,144,845	608,173	16,541,960
Segment non-performing loans	1,508,134	-	-	-	-	1,508,134
Segment provision required and held	953,610	-	-	-	-	953,610
Segment liabilities	1,896,000	5,155,294	-	-	809,146	7,860,440
Segment return on net assets (ROA) %	13.23	15.26	-	22.05	2.53	-
Segment cost of funds (%)	13.20	11.01	-	-	-	-

	Corporate Finance	Treasury	Investment Banking	Capital Markets	Others	Total
(Rupee in '000)						
Three months period ended March 31, 2008						
Total income - gross	122,583	206,069	650	220,341	2,760	552,403
Total mark-up / return / interest expense	(131,653)	(49,950)	-	-	-	(181,603)
Segment provision / impairment / unrealised gains	(18,070)	(1,168)	-	27,305	-	8,067
Net operating (loss) / income	(149,723)	(51,118)	-	27,305	-	(173,536)
Administrative expenses and other charges	(27,140)	154,951	650	247,646	2,760	378,867
Profit before taxation						(77,806)
						301,061
Year ended December 31, 2008						
Segment assets - net	3,908,126	7,732,843	-	3,384,138	443,405	15,468,512
Segment non-performing loans	1,278,058	-	-	-	-	1,278,058
Segment provision required and held	910,181	-	-	-	-	910,181
Segment liabilities	3,019,148	3,389,134	-	-	750,649	7,158,931
Segment return on net assets (ROA) %	11.55	10.56	-	12.04	1.16	-
Segment cost of funds (%)	10.11	9.69	-	-	-	-

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.

	Three Months period ended March 31, 2009	Three Months period ended March 31, 2008
	(Rupees in '000)	
Expenses charged to an associate	4,150	2,566
Expenses charged by		
- associates	1,869	171
- other related party	4,978	5,642
Dividend income from other related parties	-	8,681
Mark-up earned on placement/COI/with an associates	-	275
Mark-up earned on loans and advances		
- associates	563	1,175
- other related party	-	3,498
Mark-up expense on COIs of related parties	174	63
Contribution made to provident fund	1,300	1,318
Contribution made to gratuity fund	2,733	1,743
	March 31, 2009	December 31, 2008
Placements / COIs with an associate		
Balance as at January 1	-	35,684
Deletion during the year	-	(47,205)
Recovery during the year	-	11,521
Balance as at	-	(35,684)
Loans and advances to key management personnel		
Balance as at January 1	3,754	14,618
Disbursement during the period / year	16,000	-
Recovery during the period / year	(163)	(10,864)
Balance as at	19,591	3,754
Advances to associates / other related parties / subsidiaries	12,500	12,500
Mark-up receivable on placement / COI / leases & loans and advances		
- with associates	612	49
- other related parties	-	-
Bank balances with an associate	6,021	6,906
Mark-up payable to other related party	9	97
Investments in		
- quoted, at market values		
- associates	2,300,989	3,591,019
- other related parties	-	-
- unquoted, at cost		
- subsidiary companies	81,120	81,120
- associates	312,053	300,280
- other related parties	500	500
Commitments for investment in equity of subsidiaries / associates	683,220	1,135,100

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 Market & Treasury, Head of Compliance, Head of Internal Audit and the Head of Human Resources. Their salaries and other Benefits amount to Rs.11.065 million (March 31, 2008: Rs.9.617 million) and staff retirement benefits amounted to Rs. 0.471 million (March 31, 2008: Rs.0.864 million)

14. DATE OF AUTHORISATION FOR ISSUE

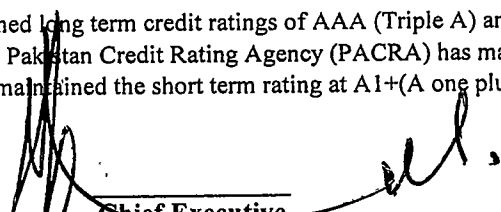
These Unconsolidated condensed interim financial information were authorised for issue in the Board of Directors meeting held on April 26, 2009.

15. GENERAL


The JCR-VIS Credit Rating Company Limited has maintained 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 made an adjustment in the long-term entity rating to AA+, while maintained the short term rating at A1+(A one plus).



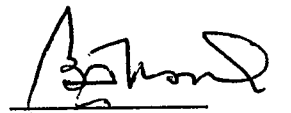
Deputy General Manager



Chief Executive



Chief Executive



Director